APHELION CAPITAL CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021
(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 nine-month period ended September 30, 2021. It should be read in conjunction with Aphelion's unaudited condensed consolidated interim financial statements and accompanying notes for the nine-month period ended September 30, 2021 and 2020, and the audited financial statements of the Company for the year ended December 31, 2021, together with the notes thereto, 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 November 29, 2021.

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".

During the month of February of 2021, the Company incorporated two wholly owned subsidiaries; 1289571 B.C. Ltd. ("BC Subco") and Electric Acquisition Corp. ("US SubCo").

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

Until such time that a QT is completed, the Company will have no significant revenue and will incur expenses primarily for QT investigation, TSX-V filing requirements, professional services, and office facilities and administration, subject to certain restrictions under TSX-V 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.

Effective March 3, 2021, the Company entered into a binding merger agreement, with Edge Technologies, Inc. ("Edge"), Electric Acquisition Corporation, US SubCo, Aphelion FundCo Inc. ("FundCo"), and BC SubCo (together, the "Parties") (the "Merger Agreement") in respect of the completion of an arm's length reverse-takeover transaction (the "Proposed Transaction"), which will constitute the completion of the Company's QT. *(See Proposed Transaction).*

The completion of the Proposed Transaction is subject to the satisfaction of various conditions that are customary for a transaction of this nature, including but not limited to: (i) the completion of a concurrent brokered financing for gross proceeds of a minimum of $5,000,000 (the "Private Placement") (ii) the approval by the directors of the OpCos of the Proposed Transaction and the matters related therein; (iii) approval of the Company's meeting matters by the shareholders of the Company; and (iv) the receipt of all requisite regulatory, stock exchange, or governmental authorizations and consents, including the TSX-V.

Overall Performance

As at September 30, 2021, the Company had $13,379 in cash. The Company incurred a net loss of $ 163,769 for the nine-month period ended September 30, 2021.

Summary of Quarterly Results

Quarter ended	September 30, 2021 (Q3)	June 30, 2021 (Q2)	March 31, 2021 (Q1)	December 31, 2020 (Q4)
	$	$	$	$
Expenses	(44,503)	(60,042)	(59,224)	(28,890)
Net loss	(44,503)	(60,042)	(59,224)	(28,890)
Basic and diluted loss per share	(0.02)	(0.02)	(0.01)	(0.01)
Assets	13,379	6,413	14,700	72,161
Working capital (deficit)	(124,717)	(80,214)	(20,172)	39,052
Quarter ended	**September 30, 2020 (Q3)**	**June 30, 2020 (Q2)**	**March 31, 2020 (Q1)**	**December 31, 2019 (Q4)**
	$	$	$	$
Expenses	(33,002)	(25,735)	(40,055)	(25,040)
Net loss	(33,002)	(25,735)	(40,055)	(25,040)
Basic and diluted loss per share	(0.02)	(0.01)	(0.01)	-
Assets	100,566	113,796	135,568	79,154
Working capital	67,942	100,744	126,479	57,372

Results of Operations

Three-month period ended September 30, 2021

During the three-month period ended September 30, 2021, the Company reported a net loss of $44,503 compared to $33,002 during the three-month period ended September 30, 2020, representing an increase of $11,501. The increase is mainly due to higher transaction costs in the current quarter ending September 30, 2021 in relation to legal fees associated with the QT.

Nine-month period ended September 30, 2021

During the nine-month period ended September 30, 2021, the Company reported a net loss of $163,769 compared to $98,792 for the nine-month period ended September 30, 2020, representing an increase in loss by $64,977. Major variances are as follows:

- General and administrative fees increased by $7,110 during the comparative periods primarily due to an increase in transfer agent fees as the annual listing fee the Company listing of its common shares only commenced mid-way during the comparative periods.

- Professional decreased by $45,170 during the comparative periods as the fees incurred for period ended September 30, 2020 were in connection to the Company's IPO and listing of its common shares on the Exchange, there were no such costs in the current fiscal period.

- Transaction costs incurred were in relation to the Company's QT, there were no such costs in the prior fiscal period.

Liquidity and Capital Resources

The Company reported a working capital deficit of $124,717 at September 30, 2021 compared to working capital of $39,052 at December 31, 2020, representing an increase in working capital deficiency of $163,769 as a result of operations.

The cash expenditures during the period were strictly related to the general and administrative costs and cost in connection to the QT.

The Company will require additional funds to meet its current obligations, to fund administrative expenses for the current fiscal year and to continue its operations.

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.

There were no transactions with related parties during the nine-month periods ended September 30, 2021 and 2020.

Proposed Transactions

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

Pursuant to the Merger Agreement dated March 3, 2021, TSXV has conditionally approved the Company's proposed business combination and has filed a filing statement in respect of the QT dated effective November 12, 2021. The Parties have executed an amendment to the Merger Agreement whereby the Parties have agreed to extend the outside date in respect of the Merger Agreement to January 31, 2022, make certain amendments to the special rights and restrictions to be attached to the subordinate voting shares ("SVS") and preferred multiple voting shares ("MVS") to be created in connection with the QT (the "Special Rights"), amended the stock split to be undertaken by the Company in connection with the Qualifying Transaction from 5:1 to 2:1 (the "Split"), and agreed to certain amendments generally to accommodate the Financings (as defined below). The amended Special Rights and Split ratio will be subject to shareholder approval at a special meeting of the shareholders of the Company to be held on December 14, 2021 (the "Meeting"). The Parties may further amend the terms of the Merger Agreement or with respect to the Qualifying Transaction as may be required and agreed upon in order to complete the Qualifying Transaction.

In connection with the QT, Aphelion, Edge and FundCo have entered into an engagement letter dated September 29, 2021 with Canaccord Genuity Corp. (the "Agent"), pursuant to which each of Aphelion and FundCo will complete a brokered private placement in connection with the QT. Aphelion will complete a brokered private placement of a minimum of 6,935,483 and a maximum of 9,677,419 post-Split SVS (the SVS sold under the Aphelion Financing (as defined below), an "Offered Share") at a price per Offered Share of C$0.62 (the "Financing Price") for aggregate gross proceeds of approximately between C$4,300,000 and

C$6,000,000 (the "Aphelion Financing"), and FundCo will complete a brokered private placement of 1,612,903 subscription receipts of FundCo ("Subscription Receipts") at a price per Subscription Receipt equal to the Financing Price for aggregate gross proceeds of approximately C$1,000,000 (the "FundCo Financing", and together with the Aphelion Financing, the "Financings"). Upon completion of the QT, the resulting issuer intends to use the net proceeds from the Financings for company growth, product development, strategic acquisitions and general corporate purposes.

No transaction has been completed as of September 30, 2021.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Going concern

The assessment of whether the going concern assumption is appropriate requires management to consider all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Assumptions used in calculation of fair value assigned to share-based payments

The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions, including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's equity reserves.

Share Capital

At September 30, 2021 and the date of this report, the Company had 4,002,000 common shares, 200,000 stock options, and 198,000 agent's warrants issued and outstanding.

Fair value

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.

Financial Risk

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

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash held in trust. The Company is not exposed to significant credit risk as its cash is held through a major bank that has high credit rating and a reputable law firm.

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. As at September 30, 2021, the Company was holding $13,379 (December 31, 2020 - $72,161) in cash to settle its current liabilities of $138,096 (December 31, 2020 - $33,109). Management may be required to seek additional sources of financing in the form of equity or debt financing in the future. These uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

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. There were no changes to the

Company's overall strategy with respect to capital management during the nine-months period ended September 30, 2021.

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 QT;

- 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 QT, the Company is not permitted to carry on any business other than the identification and evaluation of potential QT;

- The Company has only limited funds with which to identify and evaluate potential QT and there can be no assurance that the Company will be able to identify a suitable QT;

- Even if a proposed QT 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 favourable. 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 future periods.

Corporate Information

<u>Directors and officers</u>
Seth Kay – CEO and Director
Zayn Kalyan - CFO, Director and Promoter
Craig Taylor – Corporate Secretary and Director
Mahdi Shams - Director

Auditor
Smythe CPA

Legal Counsel
MLT Aikins LLP