
A-LABS CAPITAL V CORP.
(A CAPITAL POOL COMPANY)

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULT OF OPERATIONS**

FOR THE YEAR ENDED DECEMBER 31, 2022

INTRODUCTION

The following Management's Discussion & Analysis ("**MD&A**") provides a review of A-Labs Capital V Corp. (the "**Company**") for the year ended December 31, 2022.

This discussion should be read in conjunction with the Company's audited annual financial statements together with the notes thereto for the years ended December 31, 2022, and December 31, 2021. Results are reported in Canadian dollars, unless otherwise noted. The information contained in this MD&A is prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. This MD&A has also been prepared in compliance with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*. Information referenced in this MD&A as well as additional information about the Company and its operations can be obtained from the officers of the Company or from www.sedar.com.

The effective date of this MD&A is May 1, 2023.

Except for statements of historical fact, certain information contained in this MD&A constitutes forward-looking statements. Forward-looking statements are usually identified by the use of certain terminology, including "will", "may", "expects", "estimates", "continues", "believes", "intends", or variations thereof, or by discussions of strategy or intentions, or the negatives of such words and phrases. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results or achievements to be materially different from any future results or achievements express or implied by such forward-looking statements. See additional discussion under the "*Caution Regarding Forward-Looking Statements*" section.

CORPORATE PROFILE AND OVERVIEW

The Company was incorporated on November 29, 2018, pursuant to the provisions of the *Canada Business Corporations Act* and is classified as a capital pool company ("**Capital Pool Company**") as defined in Policy 2.4 of the TSX Venture Exchange Inc. (the "**TSX-V**"). The Company became a reporting issuer on January 31, 2020, following the issuance of a final receipt for its (final) prospectus dated January 28, 2020, from the provincial securities commissions of Ontario, British Columbia, and Alberta.

On August 24, 2021, the Company completed an initial public offering to which it issued an aggregate of 2,750,000 common shares at a price of \$0.10 per common share (the "**IPO**") for aggregate gross proceeds of \$275,000. On August 24, 2021, the common shares of the Company were listed on the TSX-V under the trading symbol "ALBA.P".

The Company's principal purpose is the identification and evaluation of assets or a business with a view to the negotiation of an acquisition or the participation in a business in order to satisfy the conditions of a Qualifying Transaction, as defined under the policies of the TSX-V (the "**QT**"). As the Company has no active operations to date, its long-term future is dependent upon the completion of a QT and, if required, its ability to secure the necessary financing in connection with such QT.

The Company's registered head office address is at 5255 Yonge Street, Suite 1110, Toronto, Ontario, Canada, M2N 6P4.

Private Placement

On April 14, 2021, the Company closed a non-brokered private placement of 1,900,000 common shares (the "**Private Placement**") at a price of \$0.05 per common share for gross cash proceeds of \$95,000. No commission or finder's fees were paid in connection with the Private Placement.

Initial Public Offering

On June 11, 2021, the Company filed a final prospectus (the "**Prospectus**") and was issued a receipt from the provincial securities commissions of Ontario, British Columbia, and Alberta on June 15, 2021. The Prospectus qualified the distribution of a minimum of 2,000,000 common shares and a maximum of 5,000,000 common shares at a price of \$0.10 per common share for gross proceeds of a minimum of \$200,000 and a maximum of \$500,000 (the "**IPO**").

On August 24, 2021, the Company completed an IPO pursuant to which it issued an aggregate of 2,750,000 common shares at a price of \$0.10 per common share for aggregate gross proceeds of \$275,000. In connection with the completion of the IPO and pursuant to the terms of an agency agreement dated June 11, 2021, entered into between the Company and Haywood Securities Inc. (the "**Agent**"), the Agent received a cash commission in the amount of \$22,000 which is equal to 8% of the gross proceeds of the IPO. In addition, the Agent received: (i) a corporate finance cash fee equal to \$10,000, plus applicable taxes; (ii) non-transferable options to purchase an aggregate of 275,000 common shares, representing 10% of the aggregate number of common shares sold pursuant to the IPO, each exercisable into one common share at a price of \$0.10 per common share for a period of 60 months from August 24, 2021; and (iii) a reimbursement for its legal fees incurred pursuant to this IPO, estimated to be \$7,500, plus applicable taxes and disbursements.

Following the completion of the IPO, there were 6,651,281 common shares issued and outstanding. In addition, 275,000 options were granted to the Agent, and 665,128 incentive stock options were granted to the Company's directors and officers (156,052 incentive stock options have an exercise price of \$0.05 per common share and expire on June 11, 2031, and 509,076 incentive stock options have an exercise price of \$0.10 per common share and expire on August 24, 2031). Any incentive stock options granted are subject to the terms and conditions of the Company's amended and restated stock option plan approved by the board of directors of the Company (the "**Board**") on June 27, 2022.

Additional details about the IPO are included in the Prospectus and the news release in connection with the closing of the IPO filed under the Company's profile on SEDAR, available at www.sedar.com.

Annual General and Special Meeting of Shareholders

On July 27, 2022, the Company held an annual general and special meeting of shareholders. At the meeting, shareholders approved, among other things, the amendments to the stock option plan of the Company, pursuant to changes to Policy 4.4 – *Security Based Compensation* of the TSX-V, which became effective on November 24, 2021. For further details on the meeting, please refer to the Company's management information circular dated June 29, 2022 available under the Company's profile at www.sedar.com.

OVERALL PERFORMANCE

The Company is focusing on completing a QT and will continue to incur expenses to fulfil this objective.

RESULTS OF OPERATIONS

As of the date of this MD&A, the Company is a Capital Pool Company. Accordingly, the Company has not recorded any revenues, and depends upon share issuances and its cash on hand to fund its administrative expenses.

For the immediate future, the Company intends to continue working towards completing a QT. Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

There were no significant activities to report during the twelve-months ended December 31, 2022.

Selected Financial Information

The table below provides a summary of selected financial information derived from the audited financial statements for the periods ended December 31, 2022, and 2021.

	Three months ended December 31, 2022	Three months ended December 31, 2021	For the year ended December 31, 2022	For the year ended December 31, 2021
Total expenses ⁽¹⁾	11,058	\$11,751	44,228	\$176,643
Net loss				
- Total	\$(11,058)	\$(11,751)	\$(44,228)	\$(176,643)
- Per share	\$(0.00)	\$(0.00)	\$(0.02)	\$(0.04)
Total assets	218,336	\$254,118	218,336	\$254,118
Cash used in operations	\$0.00	\$9,608	\$35,782	\$101,826
Long-term financial liabilities	\$nil	\$nil	\$nil	\$nil
Basic and diluted loss per share	\$(0.00)	\$(0.00)	\$(0.02)	\$(0.04)
Weighted average number of common shares outstanding	2,750,000	2,750,000	2,750,000	4,572,114

Notes:

(1) Total expenses include professional fees.

Net and Comprehensive Loss

The Company recorded a net loss of \$11,058 for the three-months ended December 31, 2022, with basic and diluted loss per share of \$0.00. This compares with a net loss of \$11,751 with basic and diluted loss per share of \$0.00 for the three-months ended December 31, 2021.

The decrease in the net loss of \$693 during this period as compared to the three-month period ended December 31, 2021, was principally due to decreased professional costs related to standard operation of the company which includes accounting and legal fees.

Summary of Quarterly Results

The following table sets out financial information for each of the eight most recently completed quarters. This summary of quarterly results should be read in conjunction with the Company's audited annual financial statements and accompanying notes for the years ended December 31, 2022, and December 31, 2021.

	Q4-2022	Q3-2022	Q2-2022	Q1-2022
Stock-based compensation	\$nil	\$nil	\$nil	\$nil
General and administration costs:				
Operating expenses	\$557	\$6,192	\$1,512	\$2,582
Professional fees	\$10,501	\$7,012	\$11,633	\$1,152
Provision for bad debt	\$nil	\$nil	\$nil	\$nil
Net loss for the period	\$(11,058)	\$(13,204)	\$(13,145)	\$(3,734)
Basic and diluted loss per share	\$(0.005)	\$(0.005)	\$(0.005)	\$(0.001)

	Q4-2021	Q3-2021	Q2-2021	Q1-2021
Stock-based compensation	\$nil	\$80,003	\$nil	\$nil
General and administration costs:				
Operating expenses	\$850	\$12,207	\$800	\$5,250
Professional fees	\$10,901	\$36,821	\$16,175	\$18,886
Provision for bad debt	\$nil	\$nil	\$nil	\$nil
Net loss for the period	\$(11,751)	\$(129,031)	\$(16,975)	\$(18,886)
Basic and diluted loss per share	\$(0.004)	\$(0.047)	\$(0.005)	\$(0.009)

LIQUIDITY AND CAPITAL RESOURCES

The Company had cash of \$218,336 as at December 31, 2022, compared to \$254,118 at December 31, 2021, a decrease of \$35,782, due to normal ongoing accounting, legal and filing requirements.

As at December 31, 2022 the Company has accounts payable and accrued liabilities of \$18,921 (December 31, 2021 - \$13,562) due within 12 months.

As at December 31, 2022, the Company had a working capital of \$199,415, which is defined as current assets less current liabilities. This is expected to be adequate to maintain the Company's current levels of activity through to the completion of a QT.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The Company is a Capital Pool Company which is listed on the TSX-V in accordance with the current policies under Policy 2.4 *Capital Pool Companies* of the TSX-V as at January 1, 2021 (the "**Policy**"). Pursuant to the Policy, the proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investments, including reasonable general and administrative expenses that do not exceed an aggregate of \$3,000 per month. The Company shall observe the parameters in connection with the use of proceeds and prohibited payments pursuant to the Policy.

SHARE CAPITAL

The Company's authorized share capital is an unlimited number of common shares without nominal or par value.

The following table sets forth the Company's issued and outstanding common shares and amount of gross proceeds raised:

Balance as at	Number of Common Shares	Amount (\$)
December 31, 2022	6,651,281	470,064
December 31, 2021	6,651,281	470,064
December 31, 2020	2,001,281	100,064

(i) Common Shares

As of the date of this MD&A, the Company has issued an aggregate of 6,651,281 common shares.

In connection with certain private placements completed by the Company the Company issued a total of 2,001,281 common shares at a price of \$0.05 per share for gross proceeds of \$100,064.

On April 14, 2021, the Company completed a non-brokered private placement pursuant to which it issued 1,900,000 common shares at a price of \$0.05 per common share for gross proceeds of \$95,000. See "*Corporate Profile and Overview – Private Placement*" for more details.

On August 24, 2021, the Company completed an IPO pursuant to which it issued an aggregate of 2,750,000 common shares at a price of \$0.10 per common share for gross proceeds of \$275,000. See "*Corporate Profile and Overview – Initial Public Offering*" for more details.

(ii) Escrowed Common Shares

3,901,281 of the Company's common shares, issued during the seed financing and the subsequent non-brokered private placement, are subject to escrow restrictions pursuant to the Policy of the TSX-V. The Company has entered into a new escrow agreement dated June 11, 2021, with TSX Trust Company and its shareholders in connection with the IPO.

(iii) Stock Options

As of the date of this MD&A, 665,128 incentive stock options had been granted to the Company's directors and officers (156,052 incentive stock options have an exercise price of \$0.05 per common share and expire on June 11, 2031, and 509,076 incentive stock options have an exercise price of \$0.10 per common share and expire on August 24, 2031). Any incentive stock options granted are subject to the terms and conditions of the Company's amended and restated stock option plan approved by the Board on June 27, 2022.

(iv) Agents' Options

In accordance with the agency agreement dated June 11, 2021, between the Company and the Agent signed in relation to the IPO, the Company granted the Agent 275,000 non-transferable options to purchase common shares at a price of \$0.10 per common share for a period of 60 months from the listing date of the Company's common shares on the TSXV. As of the date of this MD&A, the Agent's options remain outstanding and have not been exercised.

PROPOSED TRANSACTIONS AND OFF-BALANCE SHEET ARRANGEMENTS

The Company has no proposed transactions or off-balance sheet arrangements as of December 31, 2022.

TRANSACTIONS WITH RELATED PARTIES

As of the date of this MD&A, the Company has not entered into any related party transactions.

INVESTOR RELATIONS

Until completion of a QT, neither the Company nor any party on behalf of the Company will engage the services of any person to provide investor relation activities or market making services.

CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates are those estimates that have a high degree of uncertainty and for which changes in those estimates could materially impact the Company's results. There have been no critical accounting estimates made in the preparation of the financial statements for the year ended December 31, 2022.

Financial Instruments

The Company's financial instruments, consisting of cash, accounts payable, and accrued liabilities, approximate fair values due to the relatively short-term maturities of the instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Disclosure Controls and Procedures

Disclosure controls and procedures are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized, and reported within the time periods specified by securities regulations and that the information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. As the Company is a venture issuer, management does not make any representations in this regard, and the Company has inherent limitations in this regard that may result in additional risks relating to its filings and reporting.

RISK FACTORS

An investment in the securities of the Company is highly speculative and involves numerous significant risks. The Company does not have a history of operations and there is no assurance that it will produce revenue, operate profitably, or provide a return on investment in the future. Therefore, such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that currently affect, and those which in the future are reasonably expected to affect the Company and its financial position.

The Company is focused on completing a QT in accordance with the policies of the TSX-V. There are restrictions on the Company's activities prior to the completion of a QT and general and specific parameters regarding the characteristics and timing of a QT. Until completion of a QT, the Company is not permitted to carry on any business other than the identification and evaluation of potential QTs. There can be no assurances that the Company will identify any assets or businesses in pursuit of a QT, or have the financial resources necessary to complete a QT.

Current global financial conditions have been subject to increased volatility and as a result, access to financing may be negatively impacted. These factors may further impact the ability of the Company to obtain additional capital in the future on terms acceptable to the Company or at all. If these increased levels of volatility continue, the Company's operations could be adversely impacted and the value and the price of its common shares and other securities could continue to be adversely affected.

For other risk factors applicable to the Company, please refer to the section entitled "*Risk Factors*" in the Company's Prospectus currently available on SEDAR at www.sedar.com.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Except for statements of historical fact, certain information contained in this MD&A constitutes forward-looking statements. Forward-looking statements are usually identified by the use of certain terminology, including "will", "may", "expects", "estimates", "continues", "believes", "intends", or variations thereof, or by discussions of strategy or intentions, or the negatives of such words and phrases. Forward-looking statements in this MD&A include, but are not limited to, the closing of a potential QT. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results or achievements to be materially different from any future results or achievements express or implied by such forward-looking statements.

Inherent in forward-looking statements are risks, uncertainties, and other factors beyond the Company's ability to predict or control, including factors affecting the closing of a QT and the timing and receipt of all applicable regulatory, corporate, shareholder, and third party approvals, the satisfaction of other conditions to the closing of a QT and the ability of the Company to complete a QT. 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.

If risks or uncertainties materialize, or if underlying assumptions prove incorrect, the actual results may vary materially from those expected, estimated, or projected. The Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Given these uncertainties, the reader of the information included herein is cautioned not to place undue reliance on such forward-looking statements.