

**FIFE CAPITAL CORP.**  
**INTERIM MD&A – QUARTERLY HIGHLIGHTS**

**FOR THE PERIOD FROM INCORPORATION ON SEPTEMBER 18, 2020  
TO APRIL 30, 2021**

**Background and Corporate Update**

This Management Discussion and Analysis – Quarterly Highlights (“Quarterly Highlights”) of for Fife Capital Corp. (“Fife” or the “Company”) is prepared as at June 17, 2021 and should be read in conjunction with the Company’s unaudited condensed interim financial statements for the period from incorporation on September 18, 2020 to April 30, 2021.

The unaudited condensed interim financial statements for the period from incorporation on September 18, 2020 to April 30, 2021 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the Interim Accounting Standards Board, including International Accounting Standard (“IAS”) 34 “*Interim Financial Reporting*,” and the interpretations of the International Financial Reporting Interpretations Committee.

All dollar figures included therein and in the following Quarterly Highlights are quoted in Canadian dollars. Additional information relevant to the Company’s activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

The Company to complete an initial public offering of common shares (the “IPO”) on at which time it will become a Capital Pool Company (“CPC”) as defined in the revised TSX Venture Exchange (“TSX-V”) Policy 2.4 (“Policy 2.4”), effective January 1, 2021. As a CPC, the Company’s objective will be to identify and acquire either operating assets or a business, subject to regulatory approval, that meet the criteria of a Qualifying Transaction as defined by the TSX-V (“Qualifying Transaction”). Until such time that a Qualifying Transaction is completed, the Company will have no significant revenue and will incur expenses primarily for Qualifying Transaction investigation, TSX-V listing and filing requirements, professional services and office facilities and administration, subject to certain restrictions under Policy 2.4.

The Company was incorporated on September 18, 2020 with 1,380,000 shares being issued at a price of \$0.075 per share for total proceeds of \$103,500 (the “Seed Shares”).

## **Initial Public Offering**

On November 18, 2020, the Company entered into a letter of intent (the “LOI”) with Haywood Securities Inc. (“Haywood”) pursuant to which Haywood would act as the Company’s agent for the IPO. Under the terms of the LOI, the Company will offer up to 2,150,000 of its common shares at a price of \$0.15 per share for up to \$322,500 in gross proceeds. As compensation for agency services, Haywood will receive a cash commission of 7.5% of the gross IPO proceeds, a \$9,000 finance fee, reimbursement for out-of-pocket expenses up to \$9,000 and 100,000 agent’s warrants (the “Agent’s Warrants”). Each Agent’s Warrant would be exercisable to purchase an additional common share in the Company at a price of \$0.15 for a 24-month period following the completion of the IPO.

The Company has paid a total of \$22,290 for IPO-related legal, listing and other costs, which is recorded as a deferred financing fee as at April 30, 2021.

Upon completion of the IPO and reclassification of the Company as a CPC, the Seed Shares were transferred to escrow and will be released ratably over a period of up to 18 months following the completion of a Qualifying Transaction. The Company also intends to grant options to purchase 300,000 common shares on the close of the IPO which will be exercisable for one common share at a price of \$0.15 and will expire five years following the completion of the IPO.

In connection with the IPO, the Company filed a final prospectus dated April 28, 2021 which is available on [www.sedar.com](http://www.sedar.com).

## **COVID-19 Pandemic**

On March 11, 2020, the World Health Organization declared the COVID-19 coronavirus outbreak a pandemic, which continues to spread globally. As a CPC with no commercial operations, the COVID-19 pandemic has not had a significant impact on the Company’s routine operations or on the carrying value of its assets. However, the pandemic’s effect on broader capital markets may hinder the Company’s ability to complete the IPO or identify and complete a Qualifying Transaction.

## **Forward-Looking Statements**

Certain statements contained in the following Quarterly Highlights constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks include, but are not limited to, the Company completing the IPO and a Qualifying Transaction. Readers are cautioned not to place undue reliance on these forward-looking statements.

## **Analysis of the Company's Financial Performance and Condition**

During the three months ended April 30, 2021, the Company reported a \$6,475 net loss, primarily owing to a \$4,725 expense for corporate and administrative services provided by a related party, \$1,000 in profession fees for legal and audit services and \$711 in transfer agent, shareholder communications and listing and filing fees.

For the period from incorporation on September 18, 2020 to April 30, 2021, the Company reported a net loss of \$12,128. In addition to the \$4,725 expense for corporate and administrative services reported for the three months ended April 30, 2021, this loss is a result of a \$6,480 expense for legal and audit services incurred for the Company's incorporation and its pending listing on the TSX-V. In addition, the Company has paid \$22,290 in connection with its IPO, which has been deferred as at April 30, 2021 and was recognized as a reduction against IPO proceeds when the IPO closed.

As at April 30, 2021, the Company had a cash balance of \$75,657 which it believes is sufficient to settle current liabilities of \$6,575 and anticipated short-term cash requirements, but that the additional funding from the IPO is required to meet long-term requirements.

## **Liquidity and Changes to Expense Structure**

As a CPC, the Company's routine expenses are limited to general administrative costs such as TSX-V listing and filing fees, audit fees, legal fees and expenses for corporate and administrative services. Additional legal or other costs may be incurred to pursue a potential Qualifying Transaction, regardless of whether the transaction is ultimately completed. The Company's current cash balance is sufficient to pay its existing accounts payable and accrued liabilities, to maintain its existing level of operations for the next 12 months, and to pursue a limited number of potential Qualifying Transactions.

## **Related Party Transactions**

On February 1, 2021, the Company entered into a corporate services agreement with Earlston Management Corp. ("Earlston") whereby Earlston will provide various administrative, management and corporate services to the Company for a fee of \$1,500 per month plus out-of-pocket costs. Additional fees may be paid to Earlston for non-standard services provided in connection with a Qualifying Transaction.

During the period from incorporation on September 18, 2020 to April 30, 2021, the Company recognized a \$4,725 expense for corporate and administrative services provided by Earlston of which \$1,575 is included in accounts payable and accrued liabilities as at April 30, 2021.