Q4 2021

Management Discussion and Analysis

Sayward Capital Corp.

READER ADVISORY

The Management's Discussion and Analysis ("MD&A") for the three and twelve month periods ended December 31, 2021 of the financial condition and results of operations of Sayward Capital Corp. (the "Company"), is prepared as at April 15, 2022. This discussion should be read in conjunction with the Company's audited Annual Financial Statements for the year ended December 31, 2021, and notes thereto. Other information on the Company is available on SEDAR at www.sedar.com.

This discussion should not be considered all-inclusive as it does not include all changes regarding general economic, political, governmental and environmental events. This MD&A contains certain statements that constitute forward-looking statements under the meaning of applicable securities laws. Please see "Forward-Looking Statement Advisory" for a discussion regarding the Company's use of such information.

This MD&A and the financial statements were reviewed by the Audit Committee of the Company's Board of Directors and approved by the Company's Board of Directors on April 25, 2022.

OVERVIEW OF BUSINESS

Sayward Capital Corp. was incorporated on November 17, 2020 by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (Alberta). The Company is classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Company is to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising of an option or by any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a Qualifying Transaction under the Exchange rules.

The head office and registered office of the Company is located at 1900-520 3 Ave SW, Calgary Alberta, T2P 0R3.

Where an acquisition or participation is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing.

The novel coronavirus ("COVID-19") outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in significant economic uncertainty and governments worldwide are enacting emergency measures to contain the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global financial markets have experienced significant volatility and weakness as a consequence of this economic uncertainty. The duration and impact of the COVID-19 outbreak is unknown as this time, as is the effectiveness of interventions by governments and central banks. The full extent of the impact on the Company's future financial results is uncertain given the length and severity of these developments cannot be reliably estimated.

SELECTED FINANCIAL INFORMATION & SUMMARY OF QUARTERLY RESULTS

	Three months ended December 31			Twelve months ended December 31		
	2021	2020	($) Change	2021	2020	($) Change
Financial results						
Revenue	-	-	-	-	-	-
Expenses						
Professional fees	57,581	-	(57,581)	126,403	-	(126,403)
General and administration	27	-	(27)	232	-	(232)
Other items						
Stock-based compensation	40,000	-	(40,000)	52,000	-	(52,000)
Finance income	(434)	-	434	(933)	-	933
Net loss	(97,174)	-	(97,174)	(177,702)	-	(177,702)
Loss per share basic & diluted	(0.01)	-	0.01	(0.03)	-	0.03

Professional Fees

For the three months ended December, 2021 the Company's professional fees consisted of $57,581 primarily due to transfer agent fees, professional fees and audit fees for prospectus preparation and legal fees associated with the Qualifying Transaction.

For the twelve months ended December 31, 2021 the Company's professional fees consisted of $126,403 primarily due to transfer agent fees, professional fees, audit fees for prospectus preparation and legal fees associated with the Qualifying Transaction.

General and Adminstration

For the three months ended December 31, 2021 the Company's general and administration was $27 related to bank service charges.

For the twelve months December 31, 2021 the Company's general and administration was $232 related to bank service charges.

Stock-based compensation

On February 1, 2021 the Company granted 300,000 options under the Company’s stock option plan to directors and officers of the Company. The options vest immediately. The Company recognized stock-based compensation expense of $12,000 using the Black-Scholes Option Pricing Model with the following assumptions: risk free rate of 0.42%, no dividends and a 120% volatility.

On July 21, 2021 the Company granted 500,000 options under the Company’s stock option plan to directors and officers of the Company. The options vest immediately. The Company recognized stock-based compensation expense of $40,000 using the Black-Scholes Option Pricing Model with the following assumptions: risk free rate of 0.78%, no dividends and a 120% volatility.

Finance income

For the three months ended December 31, 2021, finance income was $433 for interest earned on the cash balance.

For the twelve months ended December 31, 2021, finance income was $933 for interest earned on the cash balance.

SUMMARY OF QUARTERLY RESULTS

The following table highlights revenue, cash used in operating activities, net earnings (loss) and earnings (loss) per share for the eight most recently completed quarters ended December 31, 2021.

	3 months ended Dec 31, 2021	3 months ended Sept 30, 2021	3 months ended June 30, 2021	3 months ended March 31, 2021	From incorporation to Dec 31, 2020
Revenue	-	-	-	-	-
Expenses	57,608	62,342	17,117	29,061	-
Net loss for the period	(97,174)	(62,342)	(17,117)	(41,009)	-
Loss per share basic and diluted	(0.01)	(0.01)	(0.01)	(0.01)	-

- Q4 2021 was the third quarter the company continued the process of associated with the Qualifying Transaction with Field Safe Solutions Inc. The loss reflects the professional service fees associated with the Qualifying Transaction.
- Q3 2021 was the third quarter the company continued the process of filing the prospectus and fees associated with the Qualifying Transaction with Field Safe Solutions Inc. The loss reflects the professional service fees associated with the filing and the Qualifying Transaction.

- Q2 2021 was the second quarter the company continued the process of filing the prospectus, as such the loss reflects the professional service fees associated with the filing.
- Q1 2021 was the first quarter the company began the process of filing the prospectus, as such the loss reflects the professional service fees associated with the filing.

SHARE CAPITAL

[a] Authorized

The Company is authorized to issue the following:
• Unlimited number of common shares without nominal or par value.
• Unlimited number of voting preferred shares without par value.

[b] Issued

On July 19, 2021 the Company announced that it had successfully completed its initial public offering of 5,000,000 common shares of the Company at a price of $0.10 per Common Share for gross proceeds of $500,000 (the “Offering”). After completion of the Offering, the Company now has 8,000,000 Common Shares issued and outstanding. Haywood Securities Inc. (the “Agent”) acted as the agent for the Offering and in connection therewith, the Company granted the Agent non-transferable warrants (the “Agent’s Warrants”) which entitle the holder to purchase an aggregate of 500,000 Common Shares at an exercise price $0.10 per Common Share. The Agent’s Warrants will expire 60 months from the date the Common Shares are listed on the TSX Venture Exchange.

At December 31, 2021 the Company had 3,000,000 common shares held in escrow until completion of a Qualifying Transaction. 25% of these common shares will be released on the issuance of the final exchange bulletin and an additional 25% will be released on the dates 6 months, 12 months and 18 months following the initial release. These common shares, which are considered contingently issuable until the Company completes a Qualifying Transaction, are not considered to be outstanding for the purpose of the loss per share calculation.

[c] Stock options

The Company has a stock option plan that provides for the issuance of options to eligible persons. The option price under each option granted must be no less than the discount market price as defined by the TSX-V. The term of the options must be no longer than 5 years and the directors determine the vesting period. The maximum number of outstanding options must be no more than 10% of the issued and outstanding shares at any point in time. Any common shares acquired pursuant to the exercise of options prior to the completion of a Qualifying Transaction must be deposited in escrow and will be subject to escrow until a final exchange bulletin is issued.

On February 1, 2021 the Company granted 300,000 options under the Company’s stock option plan to directors and officers of the Company. The options, which vest immediately, may be exercised at a price of $0.05 per common share for a period of five years from the date of the agreement. The Company recognized stock-based compensation expense of $12,000 using the Black-Scholes Option Pricing Model with the following assumptions: risk free rate of 0.42%, no dividends and a 120% volatility.

On July 21, 2021 the Company granted 500,000 options under the Company’s stock option plan to directors and officers of the Company. The options, which vest immediately, may be exercised at a price of $0.10 per common share for a period of five years from the date of the agreement. The Company recognized stock-based compensation expense of $40,000 using the Black-Scholes Option Pricing Model with the following assumptions: risk free rate of 0.78%, no dividends and a 120% volatility.

[d] Warrants

In conjunction with completing its IPO on July 19, 2021 the Company issued 500,000 warrants to the Agent exercisable at $0.10 for five years. The Company recognized the fair value of the warrants at $40,000 using a Black-Scholes calculation with the following assumptions: risk free rate of 0.78%, no dividends and a 120% volatility. 500,000 warrants remain outstanding at December 31, 2021.

LIQUIDIY AND CAPITAL RESOURCES

As at December 31, 2021 the Company had cash of $472,676 and working capital of $435,796. The Company's cash was derived from the issuance of 3,000,000 common shares for gross proceeds of $150,000 and the IPO issuance of common 5,000,000 for gross proceeds of $500,000, less amounts paid for costs relating to the preparation of a Prospectus, completion of the Company's initial public offering and TSX-V listing and Qualifying Transaction with Field Safe Solutions Inc.

Management believes that the Company has sufficient working capital to meet its ongoing administrative costs. As a CPC, the Company only source of capital is through issuing further equity, therefore working capital is expected to decrease due to administration and public company costs while the Company evaluates opportunities in pursuit of a Qualifying Transaction.

CAPITAL MANAGEMENT

The Company’s capital consists of share capital. The Company’s objective for managing capital is to maintain sufficient capital to identify, evaluate and complete an acquisition or other transaction as disclosed in Note 1.
The Company sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

The Company’s objectives when managing capital are:

i. to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and,

ii. to maintain investor, creditor and market confidence in order to sustain the future development of the business.

The Company is not subject to any externally or internally imposed capital requirements at period-end apart from the requirements of the Exchange.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company, as part of its operations, carries financial instruments consisting of cash and accounts payable and accruals. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

Fair value

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The carrying amount of cash and account payable and accruals approximates its fair value due to the short-term maturities of these items.

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk as its cash balance is held with a major Canadian financial institution.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. As at December 31, 2021, the Company has cash of $472,676 (December 31, 2020 - $Nil) to satisfy obligations of $38,942 (December 31, 2020 - $Nil) as they come due, as such, is not exposed to significant liquidity risk.

Market risk

Market risk is the risk of loss that results from changes in market prices, market risk is comprised of foreign currency risk, interest rate risk and other price risks.

[i] Currency risk

The Company does not have assets or liabilities in a foreign currency and therefore is not exposed to foreign currency risk.

[ii] Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's cash is held in an account with a major Canadian financial institution. The funds may be withdrawn at any time without penalty.

(iii) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potentially adverse impact on the Company's ability to obtain equity financing due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

SUBSEQUENT EVENT

On March 24, 2022 the Company announced that the amalgamation agreement between the Corporation, 2372845 Alberta Ltd., a wholly-owned subsidiary of the Corporation, and Field Safe Solutions Inc. ("Field Safe"), dated September 20, 2021, as amended (the "Amalgamation Agreement"), and as previously announced by the Corporation on September 21, 2021, has been terminated due to unfavorable market conditions affecting Field Safe. The Corporation is continuing to identify and evaluate assets and businesses with a view to completing its Qualifying Transaction (as such term is defined in Policy 2.4)

OFF-BALANCE SHEET ARRANGMENTS

The Company does not have any off-balance sheet financing arrangements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of these interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the interim consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The impacts of such estimates are pervasive throughout these interim condensed consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Note 3 and 4 to the Company's audited financial statements as at December 31, 2021 contains a description of the accounting policies, judgements, estimates and assumptions that are considered significant.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on the SEDAR web site www.sedar.com

Forward Looking Statement Advisory

This Management's Discussion and Analysis ("MD&A") contains certain forward looking statements and forward looking information (collectively referred to herein as "forward looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward looking statements. Forward looking information is often, but not always, identified by the use of words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may", "projected", "sustain", "continues", "strategy", "potential", "projects", "grow", "take advantage", "estimate", "well positioned" or similar words suggesting future outcomes. In particular, this MD&A may contain forward looking statements relating to future opportunities, business strategies, development and production plans and competitive advantages, including with respect to closing of the Transaction and entering into the Definitive Agreement with Field Safe.

The forward looking statements regarding the Company are based on certain key expectations and assumptions of the Company concerning anticipated financial performance, business prospects, strategies, regulatory developments, exchange rates, tax laws, the sufficiency of budgeted capital expenditures in carrying out planned activities, the availability and cost of labour and services and the ability to obtain financing on acceptable terms and future costs and expenses being based on historical costs and expenses, adjusted for inflation, all of which are subject to change based on market conditions and potential timing delays. Although management of the Company consider these assumptions to be reasonable based on information currently available to them, they may prove to be incorrect.

By their very nature, forward looking statements involve inherent risks and uncertainties (both general and specific) and risks that forward looking statements will not be achieved. Undue reliance should not be placed on forward looking statements, as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations and anticipations, estimates and intentions expressed in the forward looking statements, including among other things: general economic and market factors, including business competition, changes in government regulations or in tax laws; component prices; technology development or operational activities; inability to scale manufacturing; changes in market demand; changes in international trade regulations, affecting the Company; timing and availability of external financing on acceptable terms; and lack of qualified, skilled labour or loss of key individuals; as well as those factors detailed from time to time in the Company's interim and annual financial statements and management's discussion and analysis of those statements. Readers are cautioned that the foregoing list is not exhaustive.

The forward looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward looking statements included in this MD&A are made as of the date of this MD&A and the Company does not undertake and is not obligated to publicly update such forward looking statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.