Michichi Capital Corp.

Management's Discussion and Analysis

For the years ended December 31, 2023 and December 31, 2022

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This Management's Discussion and Analysis (this "MD&A") should be read in conjunction with the audited financial statements of Michichi Capital Corp. (the "Corporation" or "Michichi") for the years ended December 31, 2023 and December 31, 2022 and the notes thereon (the "Financial Statements") prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board

Additional information relating to the Corporation is available on the Corporation's profile on SEDAR+ at www.sedarplus.ca.

This MD&A was prepared by management of the Corporation and was approved by the Board of Directors of the Corporation (the "Board") on April 26, 2024. All amounts included in the Financial Statements and this MD&A are expressed in Canadian dollars unless otherwise stated.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", used by any of the Corporation's management, are intended to identify forward-looking statements. Such statements reflect the Corporation's forecasts, estimates and expectations, as they relate to the Corporation's current views based on their experience and expertise with respect to future events and are subject to certain risks, uncertainties, and assumptions. These risks include, but are not limited to, Michichi completing a QT (as defined below) on a timely basis and the Corporation's ability to raise sufficient capital for long-term operations should a QT not be completed on a timely basis. Readers are cautioned not to place undue reliance on these forward-looking statements.

DESCRIPTION OF BUSINESS

Michichi was incorporated under the *Business Corporations Act* (British Columbia) on March 16, 2021. The Corporation completed an initial public offering (the "IPO") of its common shares ("Common Shares") on July 15, 2021, after which it became listed on the TSX Venture Exchange (the "Exchange") as a Capital Pool Company (a "CPC"), as such term is defined in Policy 2.4 (the "CPC Policy") of the Exchange under the trading symbol "MCCP.P".

As a CPC, the principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (a "QT"), as such term is defined in the CPC Policy. Until a QT is completed, the Corporation will have no significant revenue and will incur expenses primarily for the identification and evaluation of a potential QT, Exchange listing and filing requirements and professional services, subject to certain restrictions under the CPC Policy. The Corporation's continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of assets or a business, or an interest therein. Such an acquisition or business will be subject to the approval of the Exchange and in the case of a non-arm's length transaction, of the majority of the Corporation's minority shareholders.

On January 13, 2023, the Corporation and Zylorion Health Inc. (formerly, PsiloTec Health Solutions) ("Zylorion") announced that they had terminated their previously announced non-binding letter of intent dated August 12, 2021 pursuant to which the Corporation and Zylorion intended to complete a business combination or other similarly structured transaction, which would have constituted a reverse take-over of the Corporation and the QT of the Corporation. Michichi continues to identify and evaluate assets and businesses with a view to completing a QT in accordance with the CPC Policy.

The head office of the Corporation is located at Suite 1242 – 12 Royal Vista Way NW, Calgary, AB T3R 0N2.

The registered and records office of the Corporation is located at 2200 HSBC Building, 885 West Georgia Street, Vancouver BC V6C 3E8.

OPERATIONAL HIGHLIGHTS AND SIGNIFICANT DEVELOPMENTS

The Corporation reported a net loss of $102,839 for the year ended December 31, 2023, compared with a net loss of $57.381 for the year ended December 31, 2022. The higher loss in the comparative period was primarily the result of increased legal costs of $45,206 and increased administration costs of $11,919, offset by finance income resulting from interest revenue of $11,667. The administration cost increase was comprised of increases in accounting fees of $3,591, SEDAR+ fees of $3,204 and other administrative fees of $5,043 which were largely the result of the Corporation holding its first shareholders meeting.

In 2021, in connection with closing of the IPO (as defined below) the Corporation issued 150,000 Agent Warrants to the Agent (each as defined below). The Agent Warrants had a value of $39,188 and expired in July 2023. The shareholders' equity has been adjusted to reflect the expiry of the Agent Warrants.

As a CPC, the Corporation's routine expenses will be limited to general administrative costs such as corporate and administrative fees, the listing and filing fees of the Exchange, and audit and accounting fees. When the Corporation has identified a potential QT, additional legal or other transaction-related costs may be incurred, regardless of whether the transaction closes.

SELECTED FINANCIAL INFORMATION

a) The following table provides a summary of the Corporations financial operations and key financial results as at and for the period from incorporation on March 16, 2021 to December 31, 2021, the financial year ended December 31, 2022, the three-month periods ended: (a) March 31, 2023, (b) June 30, 2023, (c) September 30, 2023, and (d) December 31, 2023, and the financial year ended December 31, 2023.

Selected Financial Information	As at and for the period from March 16, 2021 to December 31, 2021	For the year ended December 31, 2022	For the Period January 1 to March 31, 2023	For the Period April 1 to June 30, 2023	For the Period July 1 to September 30, 2023	For the Period October 1 to December 31, 2023	For the Year ended December 31, 2023
Current and total assets	$556,187	$486,878	$468,405	$436,521	$427,039	$424,659	$424,659
Current and total liabilities	$24,317	$12,388	$16,485	$14,576	$38,123	$53,009	$53,009
Total shareholders' equity	$531,870	$474,490	$451,920	$421,945	$388,916	$371,650	$371,650
Finance Income				2,604	4,380	4,683	11,667
General and administrative expenses	(238,127)	(57,381)	(22,569)	(32,580)	(37,408)	(21,948)	(114,506)
Share based compensation	(77,871)	0.00	0.00	0.00	0.00	0.00	0.00
Net loss for the period	(315,998)	(57,381)	(22,569)	(29,976)	(33,028)	(17,265)	(102,839)
Loss per share – basic and diluted	0.22	0.03	0.01	0.01	0.02	0.01	0.05
Number of shares	1,443,155	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000

SELECTED FINANCIAL INFORMATION (CONTINUED)

The Corporation will not have significant revenue other than interest income, until it completes its QT.

The Corporation does not have any operations and will not conduct any business other than the identification and evaluation of business assets to complete a QT.

For the year ended December 31, 2023, the Corporation recorded a net loss of $102,839. The net loss for this period is comprised of $11,667 of interest income, general and administrative expenses of $114,506. General and administrative expense included $74,877 in legal costs and $39,629 in other administrative costs.

For the three-month period ended December 31, 2023, the Corporation recorded a net loss and comprehensive loss of $17,265. The net loss is comprised on $4,683 of interest income, $16,885 in administrative expenses and $5063 in legal costs.

For the three-month period ended September 30, 2023, the Corporation recorded a net loss and comprehensive loss of $33,028. The net loss is comprised of $4,380 of interest income, $5,109 in administrative expenses and $32,299 in legal costs.

For the three-month period ended June 30, 2023, the Corporation recorded a net loss and comprehensive loss of $29,976. The net loss is comprised of $2,604 of interest income, $5,300 in administrative expenses and $27,280 in legal costs.

For the three-month period ended March 31, 2023, the Corporation recorded a net loss and comprehensive loss of $22,569. The net loss is comprised of $12,334 in administrative expenses and $10,235 in legal costs.

For the financial year ended December 31, 2022, the Corporation recorded a net loss of $57,381. The net loss for this period is comprised of general and administrative expenses of $57,381. General and administrative expense included $ 29,671in legal costs and $27,710 in other administrative costs.

For the three-month period ended December 31, 2022 the Corporation recorded a net loss of $17,404 comprised of general and administrative expenses of $17,404. General and administrative expenses include $2,732 of legal costs, $13,175 in accounting costs and $1,497 in other administrative costs.

For the three-month period ended September 30, 2022, the Corporation recorded a net loss of $7,225 comprised of general and administrative expenses of $7,225. General and administrative expenses include $5,750 of legal costs and $1,475 in other administrative costs.

For the financial year ended December 31, 2021, the net loss of $315,998 was comprised of $171,172 of legal costs, $31,458 in accounting expenses, $33,211 in SEDAR+ filing fees, bank and administration expenses of $2,286 and $77,871 of share-based compensation.

FINANCIAL CONDITION INCLUDING CASH FLOWS, LIQUITDY AND CAPITAL RESOURCES

As of December 31, 2023, the Corporation had current assets of $424,659 and current liabilities of $53,009. Current assets included a cash balance of $408,298. As a CPC, the Corporation's routine expenses are limited to general administrative costs such as the listing and filing fees of the Exchange, audit and accounting fees, legal fees and expenses for corporate and administrative services. Additional costs may be incurred in connection with the Corporation pursuing a potential QT, regardless of whether such a transaction is ultimately completed. Based on current information, the Corporation anticipates that its working capital is sufficient to meet its ongoing obligations and to pursue a limited number of potential QTs. However, there is no assurance the Corporation will be able to obtain adequate financing in the future and further equity and debt financing may be required.

OUTSTANDING SHARE DATA

(a) Authorized

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares.

(b) Issued and Outstanding

As of December 31, 2023, and the date of this MD&A, the Corporation had 2,100,000 Common Shares issued and outstanding.

(c) Stock Options

The Corporation has adopted an incentive stock option plan (the "Plan"). The Board may grant non-transferrable stock options ("Options") to eligible directors, officers, employees and consultants in accordance with the terms of the Option Plan.

On July 15, 2021, concurrent with the closing of the IPO, the Corporation granted 210,000 Options (the "Outstanding Options") to directors and officers with an exercise price of $0.50 per Common Share. The fair value of the Options was $77,871 as at the date of grant. As of December 31, 2023, the Outstanding Options are the only Options that have been granted by the Corporation.

(d) Agent's Warrants

In connection with closing of the IPO, the Corporation issued to Lightyear Capital Inc. (the "Agent"), who acted as the lead agent under the IPO, warrants to purchase 150,000 Common Shares (the "Agent Warrants") at an exercise price of $0.50 per Common Share. The Agent Warrants, valued at $39,188, expired on July 21, 2023, prior to being exercised. The Financial Statements have been adjusted to reflect the expiry of the Agent Warrants.

ESCROW

In connection with the IPO, and pursuant to the CPC escrow agreement dated June 23, 2021 (the "CPC Escrow Agreement") amongst Computershare Investor Services Inc., as escrow agent, the Corporation and certain shareholders of the Corporation, 600,000 Common Shares and 210,000 Options held by the directors and officers of the Corporation (the "Escrowed Securities") were placed into escrow, to be released rateably over a period of 18-months commencing on the date of the Final QT Exchange Bulletin (as defined in the CPC Policy), in accordance with the CPC Escrow Agreement.

CASH RESTRICTION

Pursuant to the CPC Policy, the proceeds raised from the issuance of Common Shares are restricted in use such that they are to be used to identify and complete a QT and certain general and administrative costs of the Corporation. These restrictions apply until the Corporation completes a QT.

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements as of December 31, 2023.

RELATED PARTY TRANSACTIONS

During the period from incorporation until December 31, 2023, the Corporation has not paid any cash compensation to related parties. Concurrent with the closing of the IPO, on July 15, 2021 the Corporation issued 210,000 Options to directors and officers of the Corporation pursuant to the Plan. As at December 31, 2023, the Corporation has recorded from inception to date share-based compensation of $77,871, which is included in contributed surplus.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Corporation's significant accounting polices, and estimates are disclosed in the financial statements for the period ended December 31, 2023.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Corporation includes equity, comprised of issued Common Shares, in the definition of capital. The Corporation's objectives when managing capital are to maintain a low-level of on-going operating costs and to continue as a going concern until a QT can be completed.

The Corporation's current capital was received from the issuance of Common Shares and will only be sufficient to identify and evaluate a limited number of assets and businesses for the purpose of identifying and completing a QT. To secure the additional capital necessary to identify and complete a QT, the Corporation may attempt to raise additional funds through the issuance of equity and by securing strategic partners.

Until the completion of its QT, the Corporation is subject to externally imposed capital requirements under the policies and regulations of the Exchange that are applicable to CPCs. In summary, the Corporation is required to use its available funds to identify and complete a QT and fund reasonable general and administrative costs, including costs related to the IPO. There are prohibitions under the policies and regulations of the Exchange to use available funds for payments to non-arm's length parties in the form of compensation such as salaries, consulting fees and bonuses.

Risk Disclosures

Credit risk:

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Corporation's cash on hand. The carrying amount of cash and other receivables represents the maximum credit exposure to the Corporation. The Corporation manages credit exposure related to cash by selecting financial institution counterparties with high credit ratings or retaining the cash in trust with external legal counsel. Other receivables consist of GST receivable and accordingly do not have significant credit risk.

Liquidity risk:

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Corporation has accounts payable and accrued liabilities of $53,009 as of December 31, 2023, and does not have significant exposure to liquidity risk.

Market risk:

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Corporation does not have significant exposure to these risks.

Financial History for the Past 8 Quarters

Selected Financial Information	For the Period January 1 to March 31, 2022	For the Period April 1 to June 30, 2022	For the Period July 1 to September 30, 2022	For the Period October 1 to December 31, 2022	For the Period January 1 to March 31, 2023	For the Period April 1 to June 30, 2023	For the Period July 1 to September 30, 2023	For the Period October 1 to December 31, 2023
Current and total assets	$534,267	$506,396	$495,046	$486,878	$468,405	$436,521	$427,039	$424,659
Current and total liabilities	$29,113	$7,278	$3,153	$1,888	$16,485	$145,767	$38,123	$53,009
Total shareholders' equity	$505,154	$499,118	$491,893	$484,990	$451,920	$421,945	$398,196	$371,650
Finance Income						$2,604	$4,380	$4,683
General and administrative expenses	(26,716)	(6,036)	(7,225)	(6,903)	(22,569)	(32,580)	(37,408)	(21,949)
Share based compensation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net loss for the period	(26,716)	(6,036)	(7,225)	(6,903)	(22,569)	(29,978)	(33,028)	(17,264)
Loss per share – basic and diluted	0.0185	0.0042	0.0034	0.0107	0.02	0.02	0.02	0.01
Number of shares	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000

As per the above table, the Corporation has had minimal revenue, all resulting from interest on the investment of cash. Administrative expenses comprise the quarterly losses, which are largely legal expenses related to review of potential QT's and ongoing monthly legal fees. As well the amount also included the expense for our audit. For more information, please refer to Michichi's quarterly reports which are available on SEDAR+ at www.sedarplus.ca.

SUBSEQUENT EVENTS

There are no other events after the reporting date which could have had a material effect on the financial position of the Corporation as of December 31, 2023, and on the profit or loss for the year ended, which have not been adequately provided for or disclosed in the financial statements.

CORPORATE GOVERNANCE

The Board and its committees substantially follow the recommended corporate governance guidelines for public companies to ensure transparency and accountability to its shareholders. The current Board is comprised of three individuals, one of whom holds all officer roles for the Corporation. All members of the Board comprise the Audit Committee.

OTHER INFORMATION

The policies of the Exchange prohibit CPC's from carrying on formal investor relations activities. Corporate communications and investor inquiries are handled by the Board. Additional information about the Corporation is available on SEDAR+ at www.sedarplus.ca.