FAIRPLAY VENTURES INC.

Management Discussion and Analysis
for the year ended December 31, 2024

April 7, 2025

The following management discussion and analysis ("MD&A") of the results of the operations and financial position of Fairplay Ventures Inc. (the "Company") prepared as of April 7, 2025 should be read in conjunction with the Company's audited annual financial statements as at December 31, 2024. All figures contained in this MD&A are presented in Canadian dollars.

Forward-Looking Statements

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements.

Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of various risk factors.

The Company

The Company was incorporated under the Business Corporations Act (Ontario) on July 30, 2019 and carries on business as a Capital Pool Company ("CPC") in accordance with Policy 2.4 ("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 ("QT") under the Exchange rules. Consequently, the Company currently has no commercial operations and has no significant assets other than cash and prepaid expenses.

The Company completed its initial public offering (the "Offering") of 5,000,000 common shares at a price of $0.10 per common share for gross proceeds of $500,000 on December 23, 2021. The Company received approval for the shares to be listed on the Exchange on December 23, 2021 and commenced trading on the Exchange under the symbol "FPY.P".

In connection with the Offering, the Agent received a cash commission of $50,000, a corporate finance fee of $15,750 (excluding applicable taxes and disbursements) and broker warrant options to purchase up to 500,000 common shares of the Company at a price of $0.10 per common share exercisable for a period of 5 years.

Following the closing of the Offering, a total of 8,500,000 common shares are issued and outstanding, of which 3,500,000 are currently held in escrow pursuant to the policies of the Exchange. Concurrent with the closing of the Offering, the Corporation also granted an aggregate of 850,000 stock options (the "Options") to the directors and officers of the Corporation. The Options, which will be held in escrow until the closing of a Qualifying Transaction and then released pursuant to the terms of an Escrow Agreement, have been granted pursuant to the Corporation's stock option plan, are exercisable at a per share price of $0.10 and will expire five years from the date of grant.

Summary of Quarterly Results

The following table sets out a summary of the results of the Company for the periods noted:

	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Revenue	-	-	-	-	-	-	-	-
Expenses	$18,382	$13,592	$25,526	$22,661	$10,717	$11,037	$12,522	$29,576
Net Loss	($18,382)	($13,592)	($25,526)	(22,661)	($10,717)	($11,037)	($12,522)	($29,576)
Weighted average number of shares outstanding	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000
Loss per share (basic & diluted)	($0.002)	($0.002)	($0.003)	($0.002)	($0.001)	($0.001)	($0.002)	($0.004)

Results of Operations - Annual

The Company recorded a net loss of $80,161 during the year ended December 31, 2024 and a net loss of $18,382 for the three months ended December 31, 2024. Comparatively, the Company recorded a net loss of $63,852 during the year ended December 31, 2023 and a net loss of $10,717 for the three months ended December 31, 2023.

Loss per share for the year ended December 31, 2024 was ($0.009) and ($0.002) for the three months ended December 31, 2024. Loss per share for the year ended December 31, 2023 was ($0.008) and ($0.001) for the three months ended December 31, 2023.

See the table below for the costs contributing to the loss during the periods indicated.

Additional Disclosure for Venture Issuers without Significant Revenue

The Company has no revenue from operations. The following is a breakdown of the material costs incurred in the period noted:

Material Costs	Year ended December 31, 2024	Three months ended December 31, 2024	Year ended December 31, 2023	Three months ended December 31, 2023
Filing fees	$23,037	$2,509	$18,722	$1,837
Insurance	$15,669	$3,440	$19,637	$4,950
Professional fees	$15,306	$3,750	$15,701	$3,930
Legal fees	$26,127	$8,511	$9,486	-
Other	$22	$3	$306	-
Total	**$80,161**	**$18,213**	**$63,852**	**$9,537**

Liquidity & Capital Resources

As of December 31, 2024, the Company had cash of $152,604, other current assets of $6,263 and current liabilities of $15,144. Working capital as of December 31, 2024 was $143,723.

A Net Reduction in Cash of ($15,005) was incurred for the three months ended December 31, 2024 and a reduction of ($78,062) for the year ended December 31, 2024.

Comparatively, a Net Reduction in Cash of ($254) was incurred for the three months ended December 31, 2023 and a reduction of ($66,217) for the year ended December 31, 2023.

Net Change in Cash is composed of cash flow from operating activities, cash flow from investing activities, and cash flow from financing activities. Cash flows from operating activities were negative in both the 2024 and 2023 fiscal years due to the Company incurring various overhead expenses without having a source of revenue. There were no cash flow items related to financing activities in either the 2024 or 2023 fiscal years. There were no cash flow items related to investing activities in either the 2024 or 2023 fiscal years.

Outstanding Share Data

The Company is authorized to issue an unlimited number of common shares without nominal or par value of which, as of the date of this MD&A, 8,500,000 common shares are issued and outstanding as fully paid common shares of the Company.

On January 11, 2021, the Company issued 3,499,999 common shares for gross proceeds of $174,999 which included $125,000 from the share subscription liability recognized as of December 31, 2020. These shares are held in escrow pursuant to an Escrow Agreement entered into on May 7, 2021 and will be released from escrow in stages over a period of eighteen (18) months after the date of a final Qualifying Transaction.

On December 23, 2021, the Company completed its initial public offering (IPO) of 5,000,000 common shares issued at a price of $0.10 per share for gross proceeds of $500,000. Cash issue costs related to Agent commissions and other fees were $86,191.

There were no share issuance transactions in the 2024 fiscal year.

Dilution
The common share position of current shareholders will be diluted as a result of possible future issuances of common shares through the exercise of stock options and by the QT that the Company is pursuing as a CPC.

Stock option plan
The Company has adopted an incentive stock option plan in accordance with the policies of the TSX Venture (the "Stock Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding common shares. The Stock Option Plan provides that options shall be exercisable for the duration set out in the individual option agreements, which in no event shall exceed ten (10) years from the date such options are granted. In addition, the number of common shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding common shares. The Board of Directors determines the price per common share and the number of common shares which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of TSX Venture.

On December 23, 2021, in connection with the closing of the Company's IPO, 850,000 stock options were granted to Directors and Officers, to purchase up to 850,000 commons shares at a price of $0.10 per common share, which are exercisable for a period of five (5) years after the date of grant and are subject to escrow pursuant to the Escrow Agreement. The options were valued using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 100%, risk free return of 1.26% and an expected remaining life of 5 years. The Company did not record a share-based payment expense in the year in connection with the issuance of the options because they are not yet exercisable pursuant to escrow provisions.

The following is a summary of the outstanding stock options:

	Number of options	Number of options exercisable	Expiry date	Exercise price
Outstanding as at December 31, 2022	**637,500**	**nil ****	**December 23, 2026**	**$0.10**
Issued February 24, 2023	212,500	nil **	December 23, 2026	$0.10
Outstanding as at December 31, 2023	**850,000**	**nil ****	**December 23, 2026**	**$0.10**
Expired June 24, 2024	212,500	nil **	See "share based payments" below	$0.10
Outstanding as at December 31, 2024	**637,500**	**nil ****	**December 23, 2026**	**$0.10**

** the options are subject to an escrow agreement that provides the options and any shares issued as a result of exercising the option are held in escrow - see note above on Escrow shares.

Share based payments

During the year ended December 31, 2023 the company issued 212,500 options to one of its Directors. No share based compensation expense was recognized on the issuance of these options as they are held in escrow pending a QT, the certainty of which and the timing of which are not determinable. During the year ended December 31, 2024 212,500 options expired and were cancelled as a result of the resignation of an officer of the Company.

Warrants

On December 23, 2021, in connection with the closing of the Company's IPO, 500,000 broker warrants were granted to the Company's Agent, to purchase up to 500,000 common shares of the Company at a price of $0.10 per common share, which are exercisable for a period of five (5) years after the date of grant. Not more than 50% of the common shares received on the exercise of the broker warrant options may be sold by the Agent prior to the completion of a Qualifying Transaction. The remaining 50% may be sold after the completion of a Qualifying Transaction. The broker warrants were valued using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 100%, risk free return of 1.26% and an expected remaining life of 5 years. The Corporation has recorded a $37,200 share issuance cost within equity in the year ended December 31, 2021 in connection with the issuance of the broker warrants.

There were no warrants issued or exercised or cancelled during the fiscal year.

The following is a summary of the outstanding warrants:

	Number of warrants outstanding	**Expiry date**	**Exercise price**
Issued December 23, 2021	500,000	December 23, 2026	$0.10

Off-Balance Sheet Arrangements

The Company has not had any off-balance sheet arrangements from the date of its incorporation to the date of this MD&A.

Related Party Transactions

There were no transactions with related parties, other than the share options issued to a Director described above, and no remuneration was paid to key management personnel during the year ended December 31, 2024.

Financial Instruments and Risk Factors

Fair Values

As at December 31, 2024, the Company's financial instruments consist of cash, and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments. The Company classifies its cash as financial assets at fair value through profit and loss, and its accounts payable and accrued liabilities as loans and receivables.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a major Canadian chartered bank.

Interest Rate Risk
The Company is not exposed to any significant interest rate risk.

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations with cash. The ability to do this relies on the Company raising capital through equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

Risks and Uncertainties

The Company does not have a history of operations. There is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future. The Company's continued operations will be dependent upon its ability to complete a Qualifying Transaction and to generate operating revenues and to procure additional financing. To date, the Company has done so through equity financing.

The Company has no active business or principal assets other than cash. It does not have a history of earnings, nor has it paid any dividends. It will not generate earnings or pay dividends until at least after the completion of a Qualifying Transaction.

The directors and officers of the Company will only devote a portion of their time to the business and affairs of the Company. Some of them are or will be engaged in other projects or businesses such that conflicts of interest could arise from time to time.

The Company is relying solely on the past business success of its directors and officers to identify a Qualifying Transaction of merit. The success of the Company is dependent upon the efforts and abilities of its management team. The loss of any member of the management team could have a material adverse effect upon the business and prospects of the Company. In such event, the Company will seek satisfactory replacements but there can be no guarantee that appropriate personnel may be found.

The Company has only limited funds with which to complete a potential Qualifying Transaction. The Qualifying Transaction may be financed in whole, or in part, by the issuance of additional securities by the Company. This may result in further dilution to investors, which dilution may be significant, and may also result in a change of control of the Company. Completion of any Qualifying Transaction is subject to a number of conditions, including acceptance by the Exchange and in the case of a non-arm's length Qualifying Transaction, majority of minority approval.

Critical Accounting Policy

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). The Company's significant accounting policies are disclosed in Note 2 of the annual financial statements for year ended December 31, 2024.

Accounting Standards Issued But Not Yet Applied

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning in later periods.

The Corporation has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. It does not currently expect any of these to have a material impact on its financial statements.

Additional Information

For further detail, see the Company's audited financial statements for the financial year ended December 31, 2024 and interim unaudited financial statements for the three, six and nine months ended

March 31, 2024, June 30, 2024 and September 30, 2024 filed on SEDAR. Additional information about the Company can also be found on www.sedar.com.