

KP3993 Resources Inc.

(A Capital Pool Company)

Management Discussion and Analysis

Quarterly Report - October 31, 2021

(Expressed in Canadian Dollars)

The following management's discussion and analysis of financial conditions and results of operations (the "MD&A") has been prepared by management and provides a review of the activities, results of operations and financial condition of KP3993 Resources Inc. (the "Company" or "KP3993"). This discussion dated December 30, 2021, complements and supplements the Company's unaudited condensed interim financial statements and associated notes for the three months ended October 31, 2021, and should be read in conjunction with the audited annual financial statements for the year ended July 31, 2021. Please also refer to the cautionary statement of forward-looking information at the end of this document. All financial information in this MD&A is prepared in accordance with International Financial Reporting Standards ("IFRS") and reported in Canadian dollars unless otherwise noted. Additional information about the Company is available under the Company's profile on SEDAR at www.sedar.com.

1. COMPANY OVERVIEW

KP3993 was incorporated pursuant to the provisions of the Canada Business Corporations Act on July 2, 2021. The Company has applied for status as a Capital Pool Company ("CPC") as defined pursuant to Policy 2.4 of the TSX Venture Exchange ("TSX Venture"). The Company's head office is located at Suite 2209 - 1111 Alberni Street, Vancouver, British Columbia, Canada, V6E 4V2.

The activities of the Company are initially limited to the efforts to identify and evaluate the acquisition of assets and business, which would represent a "Qualifying Transaction" for regulatory purpose. The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment and to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company.

2. INITIAL PUBLIC OFFERING

The Company has signed an Agency Agreement with Research Capital Corp. (the "Agent") after the approval of the preliminary prospectus from the Exchange for it to act as an agent on a commercially reasonable basis with respect to a proposed Initial Public Offering ("IPO") by way of a Prospectus to issue 2,500,000 common shares at \$0.10 per common share, for aggregate proceeds of \$250,000 (the "Offering"). The additional funds will be used to locate and fund a purchase that would be a Qualifying Transaction.

Pursuant to the Agency Agreement, the Agent will receive a 7% commission on the gross proceeds from the Offering. The Agent will also be issued compensation options equal in number to 7% of the number of shares sold under the Offering. Each option will entitle the Agent to purchase one common share at an exercise price of \$0.10 per share for a period of 24 months following the date on which the common shares of the Company are listed on the TSX-V.

In conjunction with the completion of the IPO the Company intends to grant stock options to its Officers and Directors to purchase up to 350,000 common shares at a price of \$0.10 per share for a period of 5 years from the date of the listing of the Company's shares on the TSX-V.

3. RESULTS OF OPERATIONS

During the three months ended October 31, 2021, the Corporation operated as a Capital Pool Company.

4. REVIEW OF FINANCIAL RESULTS

Summary of Quarterly Results

	October 31, 2021	Inception to July 31, 2021
Net Loss	\$(71,762)	\$(22,005)
Basic and diluted loss per share	\$(0.01)	\$(0.00)
Working capital surplus	\$221,233	\$292,995
Total assets	\$249,110	\$310,948

During the three months ended October 31, 2021, the Company had a net loss of \$71,762 and a net loss of \$22,005 for the period ended July 31, 2021. The loss resulted from expenses and costs relating to the Prospectus and the Offering, including listing fees, Agent's work fee, legal fees, audit fees and expenses.

5. LIQUIDITY AND CAPITAL RESOURCES

As a CPC, the Company's principal business is the identification, evaluation and acquisition of assets, properties or businesses or participation therein subject to, in certain cases, shareholder approval and acceptance by the Exchange. Where an acquisition or participation (the "Qualifying Transaction") 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. Under the CPC policies of the Exchange, the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company's shares are listed for trading on the Exchange. There is no assurance that the Company will be able to complete a Qualifying Transaction within 24 months of being listed or that it will be able to secure the necessary financing to complete a Qualifying Transaction. The Exchange may suspend or de-list the Company's shares from trading should it not meet these requirements. 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 its ability to obtain additional financing. Such an acquisition will be subject to regulatory approval and, if required, shareholder approval.

As at October 31, 2021 the Company had a cash balance of \$245,650, and working capital of \$221,233.

Cash Flows

Investing Activities

During the three months ended October 31, 2021, there were no investing activities.

Financing Activities

During the three months ended October 31, 2021 there were no financing activities.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Related Party Transactions

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers.

During the period from incorporation on July 2, 2021 to July 31, 2021, the Company issued 2,100,000 common shares to key management at a price of \$0.05 per common share for a total gross proceed of \$105,000.

Proposed Transactions

There are no proposed transactions.

Commitments

See note 2.

Changes in Accounting Policies

There are no changes in accounting policies

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

Additional Disclosure for Venture Issuers without Significant Revenue

Detail regarding material items within general and administrative expenses has been provided throughout this document.

Outstanding Share Data

Common Shares:

Authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

A total of 6,300,000 common shares were outstanding at October 31, 2021. These shares are subject to an escrow agreement in accordance with the Exchange Policy 2.4. The shares will be released as follows: 25% upon the issuance of notice of final acceptance of a Qualifying Transaction by the TSX Venture Exchange, and the remainder in three equal tranches of 25% every six months thereafter for a period of 18 months.

Stock options

As of October 31, 2021, the Company approved a share option plan (the "option plan") whereby a maximum of 10% of common shares issued and outstanding is reserved for the issuance of non-transferable options to directors and officers. This option plan provides that the terms and conditions of the options and the exercise price of options will be determined by the directors subject to price restrictions and other requirements imposed by the TSX Venture Exchange Inc. The period for exercising the options granted under the option plan can not exceed a period of ten years and the exercise price must be fully paid before the issuance of shares. The stock option plan is subject to regulatory approval by TSX Venture Exchange. Also see Note 2.

6. RISKS AND UNCERTAINTIES

An investment in the Company involves a number of risks. You should carefully consider the following risks and uncertainties in addition to other information in this interim report in evaluating the Company and the business before making any investment decision in regards to the common shares of the Company. The business, operating and financial condition could be harmed due to any of the following risks. The risks described below are not the only ones facing the Company. Additional risks not presently known to us may also impair the business operations.

(a) The Company was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and shall not generate earnings or pay dividends until at least after Completion of the Qualifying Transaction;

(b) until Completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;

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(c) the Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction;

(d) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction;

(e) Completion of the 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 the Minority Approval.

Ability to Raise Funds

As at October 31, 2021, the Company had positive working capital of \$221,233, however, it is limited in financial resources, and has no assurance that additional funding will be available. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable.

Markets for Securities

There can be no assurance that an active trading market in the securities will be established and sustained. The market price for the securities could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of the peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of the Company.

Reliance on Key Individuals

The success depends to a certain degree upon certain key members of the management. It is expected that these individuals will be a significant factor in the Company's growth and success. The loss of the service of members of the management and certain key employees could have a material adverse effect on the Company.

7. INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations and may not prevent or detect misstatements. Therefore, even those systems determined to be effective can only provide reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

8. CRITICAL JUDGEMENTS AND ESTIMATES

The consolidated financial statements are prepared in accordance with IFRS. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The critical judgment that the Company's management has made in the process of applying the Company's accounting policies that has the most significant effect on the amounts recognized in the Company's financial statements is related to the assumption that the Company will continue as a going concern. For a summary of significant accounting policies, please refer to Note 2 of the interim financial statements. Management believes it has made estimates that best reflect the facts and circumstances; however, actual results may differ from estimates.

9. FORWARD- LOOKING INFORMATION

Certain statements contained in this MD&A constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to our future outlook and anticipated events or results and may include statements regarding the future financial position, business strategy, budgets, litigation, projected costs, capital expenditures, financial results, taxes and plans and objectives of or involving the Company. Particularly, statements regarding our future operating results and economic performance are forward-looking statements. In some cases, forward-looking information can be identified by terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts. Examples of such statements include the Company's intention to complete a "Qualifying Transaction" (as defined by policy 2.4 (the "CPC Policy") of TSX Venture Exchange Inc. (the "Exchange")). Forward-looking information is subject to certain factors, including risks and uncertainties, which could cause actual results to differ materially from what we currently expect. These factors include the ability of the Company to obtain necessary financing and complete a Qualifying Transaction. Forward-looking information contained in this MD&A is based on our current estimates, expectations and projections, which we believe are reasonable as of the current date. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information, except as required by law.

Additional Information

Additional information relating to the Company may be obtained from the SEDAR website (www.sedar.com).

On behalf of the Board of Directors

"Signed"

Terry Wong
CEO, CFO & Director

December 30, 2021