# ICWHY CAPITAL VENTURES INC.

# FORM 51-102F1
# MANAGEMENT DISCUSSION AND ANALYSIS
# FOR THE THREE AND NINE MONTH PERIODS ENDED
# DECEMBER 31, 2022

The following Management's Discussion and Analysis ("MD&A"), prepared as of January 18, 2023 should be read together with the condensed interim financial statements for the three and nine month periods ended December 31, 2022 and the related notes attached thereto. Accordingly, the condensed interim financial statements and MD&A include the results of operations and cash flows for the three and nine month periods ended December 31, 2022 and the reader must be aware that historical results are not necessarily indicative of the future performance. The reader may also wish to refer to the Company's audited financial statements and MD&A for the year ended March 31, 2022. All amounts are reported in Canadian dollars. The aforementioned documents can be accessed on the SEDAR website at www.sedar.com.

Unless otherwise stated, financial results are being reported in accordance with International Financial Reporting Standards ("IFRS").

MD&A contains the term cash flow from operations, which should not be considered an alternative to, or more meaningful than, cash flows from operating activities as determined in accordance with IFRS as an indicator of the Company's performance. The Company's determination of cash flow from operations may not be comparable to that reported by other companies. The reconciliation between profit or loss and cash flows from operating activities can be found in the statement of cash flows.

Certain statements contained in this MD&A may contain words such as "could", "should", "expect", "believe", "will" and similar expressions and statements relating to matters that are not historical facts but are forward-looking statements. Such forward-looking statements are subject to both known and unknown risks and uncertainties which may cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, the receipt of required regulatory approvals, the availability of sufficient capital, the estimated cost and availability of funding for the continued exploration and development of the Company's prospects, political and economic conditions, commodity prices and other factors.

**Description of Business**

ICWHY Capital Ventures Inc. (the "Company") was incorporated on March 23, 2021 pursuant to the provisions of the *Business Corporations Act* (British Columbia). The Company was formed to complete an Initial Public Offering ("IPO") and become classified as a Capital Pool Company ("CPC") as defined by TSX Venture Exchange ("TSXV") Policy 2.4. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). On June 17, 2022, the Company's common shares were be listed on the TSXV with the symbol ICWY. The head office and the registered office of the Company is located at 1120 - 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6.

As at December 31, 2022, the Company has no business operations. As a CPC, the Company's principal business objective will be to identify and evaluate assets, properties or businesses with a view to a potential acquisition or participation by completing a QT subject, in certain cases, to shareholders' approval and acceptance by the TSXV. There is no assurance that the Company will identify and successfully acquire businesses or assets that will produce a profit. Moreover, if a potential business or asset is identified which warrants acquisition or participation, additional funds may be required to complete the acquisition or participation and the Company may not be able to obtain such financing on terms which are satisfactory to the Company.

On March 11, 2020, there was a global outbreak of coronavirus (COVID-19) that has impacted global economic activity, leading to an economic downturn. The impact of COVID-19 on the Company has not been significant, but management continues to monitor the situation.

**Description of Business** (continued)

*Going Concern*

These condensed interim financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the nine month period ended December 31, 2022, the Company had no revenues and incurred a net loss of $50,113. As at December 31, 2022, the Company has no current business and had an accumulated deficit of $104,021. The Company's continuing operations are dependent upon its ability to complete its IPO and identify, evaluate, and negotiate a QT. If the QT is identified or completed, additional funding may be required and there is no assurance that the Company will be able to obtain such financing, if any, on terms that are acceptable to the Company. These condensed interim financial statements do not include any adjustments to the recorded assets or liabilities that might be necessary should the Company be unable to continue as a going concern.

## Liquidity & Capital Resources

### Results of Operations

### For the three and nine month periods ended December 31, 2022

The Company incurred losses of $1,129 and $50,113 respectively for the three and nine month periods ended December 31, 2022 compared to losses of $14,412 and $21,170 respectively for the three and nine month periods ended December 31, 2021. The decrease in the loss for the three month period ended December 31, 2022 compared to the three month period ended December 31, 2021 was the result of decreases in professional fees, transfer agent and filing fees and general and administrative fees combined with interest received from the Company's GIC. The increase in the loss for the nine month ended December 31, 2022 compared to the nine month period ended December 31, 2021 is directly attributable to professional fees and transfer agent and filing fees associated with the Company's IPO and ongoing expenses as a listed entity.

### Off-balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements.

### Cash Flows

During the nine month period ended December 31, 2022, the Company used $49,475 of cash for operating activities compared to $51,420 during the nine month period ended December 31, 2021. The Company completed its IPO during the nine month period ended December 31, 2022 which provided $206,718 of net funds.

### Performance Summary

### Selected Annual Information

The following table provides a brief summary of the Company's financial operations for the three most recently completed financial years ended March 31:

| | 2022 | 2021 |
|---|---|---|
| Total revenue | – | – |
| Net loss for the period | (53,908) | (6) |
| Basic and diluted loss per share | (0.01) | – |
| Total assets | 154,929 | 42,994 |
| Total long-term liabilities | – | – |

This information has been prepared in accordance with IFRS and is presented in Canadian dollars, which is the functional currency of the Company. For more detailed information please refer to the Company's financial statements.

### Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

| | December 31, 2022 $ | September 30, 2022 $ | June 30, 2022 $ | March 31, 2022 $ |
|---|---|---|---|---|
| Net income (loss) for the period | (1,129) | (19,595) | (29,389) | (32,732) |
| Basic and diluted loss per share | – | – | – | – |
| | **December 31, 2021 $** | **September 30, 2021 $** | **June 30, 2021 $** | **Period from March 23, 2021 (date of incorporation) to March 31, 2021 $** |
| Net income (loss) for the period | (14,412) | (6,581) | (177) | (6) |
| Basic and diluted loss per share | – | – | – | – |

### Share Capital

Authorized: unlimited common shares without par value
unlimited preferred shares without par value

(a) On May 10, 2021, the Company issued 800,000 common shares at $0.05 per share for proceeds of $40,000.

(b) During the period ended March 31, 2022, the Company received $107,000 of share subscriptions related to common shares that were issued as at March 31, 2021.

(c) During the period ended December 31, 2022 the Company received net proceeds of $206,718 from the completion of its IPO.

### Stock Options

The Company has established a stock option plan (the "Plan") for its directors, executive officers, employees and consultants under which the Company may grant up to 630,000 stock options until the completion of the qualifying transaction which increases to 10% of the total issued and outstanding common shares of the Company after the completion of the qualifying transaction.

The Company also issued 250,000 Compensation Options to the underwriting Agent.

| | Number of options | Weighted average exercise price $ |
|---|---|---|
| Outstanding, December 31, 2022 | 880,000 | 0.10 |

Additional information regarding stock options outstanding as at December 31, 2022, is as follows:

| Range of exercise prices $ | Stock options outstanding | Weighted average remaining contracted life (years) |
|---|---|---|
| 0.10 | 880,000 | 7.26 |

### Financial Instruments and Risk Management

The Company is exposed in varying degrees to a variety of financial instruments and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of financial instruments, which includes cash and accounts payable and accrued liabilities, approximates its fair value due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consists of cash. The Company will limit its exposure to credit loss by placing its cash with a high credit quality financial institution or within a legal trust. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

**Financial Instruments and Risk Management** (continued)

(d) 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 plans on settling its financial obligations out of cash. The ability to do this relies on the Company raising debt and equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. There is no assurance that financing will be available or, if available, that such financing will be on terms acceptable to the Company.

## Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company and its Board of Directors will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is subject to externally imposed capital requirements under Policy 2.4 of the TSX-V for CPCs and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended March 31, 2022.

## Outstanding Share Data

As at December 31, 2022, the Company has the following issued and outstanding shares:

- 6,300,000 issued and outstanding common shares; and
- 880,000 issued and outstanding stock options and compensation options.

## Risks and Uncertainties

### Limited Operating History

The Company has no history of business operations, revenue generation or production. The Company was incorporated on March 23, 2021 and has no active business. The Company is subject to all the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective.

## Other Matters

The Company is not aware of any contingent liabilities relating to its activities or any legal proceedings against the Company as of the date of this report.

## Directors and Conflict of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.