

# ASTER ACQUISITION CORP.

(a Capital Pool Corporation)

## **Management's Discussion and Analysis**

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**For the six months ended:            May 31, 2024**

**Date of Report:                        June 25, 2024**

The following Management's Discussion & Analysis ("MD&A") of Aster Acquisition Corp. ("Aster" or the "Company") for the six months ended May 31, 2024, has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company.

This interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's audited annual financial statements for the year ended November 30, 2023, together with the notes thereto, and unaudited condensed interim financial statements for the six months ended May 31, 2024, together with the notes thereto.

Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Information about the Company and its operations can be obtained from the offices of the Company.

### **Caution Regarding Forward-Looking Information:**

Certain information contained in this MD&A constitutes forward-looking information, which is information regarding possible events, conditions or results of operations of the Company that is based upon assumptions about future economic conditions and courses of action and which is inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information contained in this MD&A includes, without limitation, our expectations regarding anticipated investment activities and results and financing activities, the impact of changes in accounting policies and other factors on our operating results, and the performance of global capital markets and interest rates.

Forward-looking information involves 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 information. The Company believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. The forward-looking information contained in this MD&A is provided as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

Selected forward-looking statements, assumptions, and risk factors are as follows:

Forward-looking statements	Assumptions	Risk factors
The Company proposes to work towards completing a Qualifying Transaction.	The Company expects to identify an asset or business to acquire and close a Qualifying Transaction, on terms favorable to the Company.	The Company’s inability to find a target, the inability to satisfy all of the conditions precedent (due diligence, shareholder and regulatory approval, financing) to complete a Qualifying Transaction, resulting in the Company remaining as a public shell.
The Company’s ability to meet its working capital needs at the current level for the twelve-month period ending November 30, 2024.	The operating activities of the Company for the twelve-month period ending November 30, 2024, and the costs associated therewith, will be consistent with the Company’s current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favorable to the Company.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; regulatory compliance and changes in regulatory compliance and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions.

**Nature of the Business and Incorporation**

Aster Acquisition Corp. (the “Company”) was incorporated on April 8, 2021 pursuant to the Business Corporations Act of British Columbia and is classified as a Capital Pool Company as defined in the TSX Venture Exchange (“TSX-V”) Policy 2.4 after completing its Initial Public Offering (“IPO”) on June 24, 2022.

As a Capital Pool Company, the Company’s principal business is the identification and evaluation of assets, properties or businesses with a view to acquire or participate therein subject, in certain cases, to shareholder approval and acceptance by the TSX-V. Where an acquisition or participation is warranted (the “Qualifying Transaction”), additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon obtaining additional financing. There is no assurance that the Company will complete a Qualifying Transaction, at which time the TSX-V may suspend or de-list the Company’s shares from trading.

The head office, principal address is located at 478-6647 Fraser Street Vancouver BC V5X 0K3 and registered and records office of the Company are located at 10<sup>th</sup> Floor 595 Howe Street Vancouver BC V6C 2T5.

## Operational Highlights

The Company has no revenues, so its ability to ensure continuing operations is dependent on it completing a Qualifying Transaction. At May 31, 2024, the Company had net working capital of \$180,768 (November 30, 2023 – \$211,018). The Company had cash of \$188,553, (November 30, 2022 - \$221,973). Working capital and cash decreased during the year ended November 30, 2023, due to its ongoing operation costs.

The Company has sufficient capital to meet its ongoing operating expenses and continue to meet its obligations on its current projects for the twelve-month period ending November 30, 2024. Management may increase or decrease budgeted expenditures depending on exploration results and ongoing volatility in the economic environment. See “Liquidity and Capital Resources” below.

## Trends

The Company plans to search for suitable assets or businesses to acquire or merge with in order to maximize value for shareholders. Management regularly monitors economic conditions and estimates their impact on the Company’s operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Strong equity markets are favorable conditions for completing a public merger or acquisition transaction.

Apart from the risk factors noted under the heading “Risk Factors”, management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company’s business, financial condition or results of operations.

## Results of Operations - Six months ended May 31, 2024

The Company recorded a net loss and comprehensive loss of \$32,422 during the six months ended May 31, 2024.

The net loss for the six months ended May 31, 2024 is represented by the following income and expenses incurred in the period:

	<b>2024</b>		<b>2023</b>
Corporate development	\$ 2,670	\$	2,669
Office and administration	8,071		7,738
Professional fees	8,603		11,500
Regulatory fees	10,906		10,535
	\$ 30,250	\$	32,422

The Company, during the six months period ended May 31, 2024, incurred expenses related to ongoing corporate development, administration, professional fees, listing and filing fees related to the Company’s listing on the TSX-V.

## Results of Operations - Three months ended May 31, 2024

The Company recorded a loss and comprehensive loss of \$14,175 during the three months ended May 31, 2024.

The loss for the three months ended May 31, 2024 is represented by the following income and expenses incurred in the period:

	<b>May 31, 2024</b>	<b>May 31, 2023</b>
Corporate development	\$ 2,070	\$ 2,669
Office and administration	4,023	4,005
Professional fees	4,650	6,793
Regulatory fees	3,432	3,032
	<b>\$ 14,175</b>	<b>\$ 16,499</b>

The Company, during the three months period ended May 31, 2024, incurred expenses related to ongoing corporate development, administration, professional fees, listing and filing fees related to the Company's listing on the TSX-V.

### **Liquidity and capital resources**

As at May 31, 2024 the Company had cash of \$188,553 (November 30, 2023 - \$221,973). The Company had total liabilities of \$9,563 (November 30, 2023 - \$11,250).

Shareholder equity decreased to \$180,769 as of May 31, 2024 (November 30, 2023 - \$211,018).

### **Quarterly Financial Results**

<b>Quarter Ended</b>	<b>Loss</b>	<b>Loss Per Share</b>
May 31, 2024	(14,175)	(0.01)
February 29, 2024	(16,075)	(0.01)
November 30, 2023	(18,245)	(0.01)
August 31, 2023	(7,375)	(0.01)
May 31, 2023	(16,499)	(0.01)
February 28, 2023	(15,943)	(0.02)
November 30, 2022	(13,153)	(0.01)
August 31, 2022	(7,465)	(0.01)

### **Segmented Information**

The Company has a single reportable geographic segment – Canada – and all of the Company's assets are located in Canada.

### **Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

### **Investor Relations**

During the six months ended May 31, 2024, the Company's management handled the Company's investor relations activities.

## Outstanding Share Capital as at May 31, 2024

### (a) Authorized

Unlimited number of common shares  
Unlimited number of special shares

### (b) Issued

As at May 31 and June 25, 2024:

6,700,000 common shares \$485,000

### (c) Warrants outstanding:

As at May 31 and June 25, 2024:

<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
300,000	0.10	June 24, 2027

## Proposed Transactions

None

## Critical Accounting Estimates

Not applicable to venture issuers.

## Changes in Accounting Policies

The financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards. Our significant accounting policies are set out in Note 3 of the financial statements of the Company, for the six months ended May 31, 2024 and 2023.

## Transactions with Related Parties

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and directors.

Key management personnel compensation during the six months ended May 31, 2024 was as follows:

	<u>2024</u>	<u>2023</u>
Professional fees	\$ 5,213	\$ 6,538

Professional fees were billed and accrued for services rendered by the Chief Financial Officer during the year. As at May 31, 2024, \$1,750 (2023 - \$1,750) was included in trade and other payables.

## Management of Capital

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes equity, comprised of issued common shares, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the policies of the TSX-V.

### **Contingency**

There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the TSX-V, at which time the TSX-V may suspend or delist the Company's shares from trading.

### **Risk Disclosures and Fair Value**

The Company's financial instruments, consisting of cash, amounts receivable and accounts payable and accrued liabilities approximates fair value due to the relatively short-term maturities of the instrument. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

### **Outlook**

Management believes the Company is well positioned to seek and complete a Qualifying Transaction. The Company believes that it has sufficient cash and capital resources.