Faction Investment Group Corp.
(a capital pool company)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED
NOVEMBER 30, 2024

Introduction

This Management Discussion and Analysis ("MD&A") of Faction Investment Group Corp. ("Faction" or the "Corporation") has been prepared by management as of March 17, 2025, and should be read in conjunction with the audited financial statements for the year ended November 30, 2024, and related notes thereto. This MD&A was written to comply with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*. All dollar amounts herein are expressed in Canadian dollars (the presentation and functional currency of the Corporation's financial statements).

Unless otherwise specified, all financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Additional information can be found under the Corporation's profile at www.sedarplus.ca.

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in the following MD&A constitute forward-looking statements. All statements, other than statements of historical fact, made by the Corporation that address activities, events or developments that the Corporation expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Readers are cautioned that these statements which describe the Corporation's plans, objectives, and budgets may differ materially from actual results and as such should not be unduly relied upon by investors. Forward-looking statements contained in this MD&A speak only as to the date of this MD&A, or such other date as may be specified herein, and are expressly qualified in their entirety by this cautionary statement. See additional discussion under the "Risks Factors" section below.

Description of Business

Faction was incorporated under the *Business Corporations Act* (British Columbia) on August 17, 2021. The registered and records office of the Corporation is located at Suite 800, 885 West Georgia Street, Vancouver, British Columbia V6C 3H1. The head office of the Corporation is located at 2160 - 650 West Georgia Street, Vancouver, British Columbia V6B 4N7. The Corporation's financial year ends on November 30.

The Corporation is a "reporting issuer" in the provinces of British Columbia and Alberta and its Common Shares are listed on the TSX Venture Exchange (the "Exchange") trading under the symbol "FINV.P".

Initial Public Offering

On September 12, 2022, the Corporation completed its initial public offering (the "IPO") in British Columbia and Alberta, through the distribution of an aggregate of 2,500,000 Common Shares at a price of $0.10 per Common Share for total gross proceeds to the Corporation of $250,000 pursuant to the policies of the Exchange governing Capital Pool Companies (as defined in Policy 2.4 – *Capital Pool Companies* of the Exchange's Corporate Finance Manual (the "CPC Policy")).

Pursuant to an agency agreement dated June 10, 2022 (the "Agency Agreement") between the Corporation and Canaccord Genuity Corp. (the "Agent"), the Corporation agreed to pay the Agent a commission of 10% of the gross proceeds of the IPO, a corporate finance fee of $15,000 and the Agent's expenses in connection with the IPO (including its legal fees). The Agent was also entitled to receive a non-transferable warrant to purchase that number of Common Shares as is equal to 10% of the total number of Common Shares sold under the IPO (equal to 250,000 Common Shares) at a price of $0.10 per Common Share, exercisable for a period of 60 months from the date of listing of the Common Shares on the Exchange.

Immediately following the closing of the IPO, the Corporation granted stock options (the "Options") to the directors and officers of the Corporation in accordance with the Corporation's stock option plan, exercisable to acquire up to an aggregate of 990,000 Common Shares. Each Option is exercisable to acquire one Common Share at a price of $0.05 until September 14, 2032 (unless expired earlier in accordance with the option plan).

Qualifying Transaction

With the completion of the IPO (and the satisfaction of certain other conditions, as described in greater detail below), the Corporation has been classified as a Capital Pool Company. The Corporation has not commenced commercial operations and has no assets other than cash and cash equivalents and an immaterial balance of other receivable. Except as specifically contemplated in the CPC Policy, until the completion of the Qualifying Transaction ("QT") (as defined below), the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a QT.

Under the CPC Policy, a "Qualifying Transaction" is defined as a transaction where a Capital Pool Company acquires Significant Assets (as hereinafter defined), other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means. "Significant Assets" means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the Capital Pool Company, together with any other concurrent transactions, would result in the Capital Pool Company meeting the minimum listing requirements of the Exchange.

The Corporation has only limited funds with which to identify and evaluate possible QTs and there can be no assurance that the Corporation will be able to identify or complete a suitable QT. The Corporation proposes to identify and evaluate businesses and assets with a view to completing a QT. Any proposed QT must be accepted by the Exchange and, in the case of a Non Arm's Length QT (as such term is defined in the CPC Policy), will also be subject to Majority of the Minority Approval (as such term is defined in the CPC Policy) in accordance with the CPC Policy.

With the consent of the Exchange, the Corporation may raise additional funds in order to finance an acquisition. Subject to certain exceptions set out in the CPC Policy, funds raised pursuant to the IPO and any subsequent financing will be utilized only for the identification and evaluation of potential QT and not for any deposit, loan or direct investment in a potential acquisition.

The Corporation has not conducted commercial operations other than to enter into discussions for the purpose of identifying potential acquisitions and investments. Although the Corporation has commenced the process of identifying potential acquisitions with a view to completing a QT, as of the date hereof, the Corporation has not yet entered into an Agreement in Principle (as such term is defined in the CPC Policy).

Selected Annual Information

	Year ended November 30, 2024	Year ended November 30, 2023
Revenue	-	-
Loss from Operations	$31,744	$64,384
Basic and Diluted Loss per Share	$0.00	$0.01
Total Assets	$369,179	$397,238
Total non-current liabilities	-	-
Distributions or cash dividends declared per-share for each class of share	-	-

Discussion of Operations and Cash Flows

Three months ended November 30, 2024 ("Current quarter") compared to the three months ended November 30, 2023 ("Comparative quarter")

The Corporation's net loss totaled $14,550 for the three months ended November 30, 2024, compared to $16,898 during the Comparative quarter which is a decrease of $2,348. The decrease can be primarily attributed to an increase in interest income of $3,970 and a decrease in listing fees of $1,220 and in legal expenses of $1,022, partially offset by an increase in accounting and audit of $3,858 during the quarter when compared to the comparative quarter in 2023.

All other costs of the Corporation remained relatively consistent during these two periods.

Year ended November 30, 2024 ("the Current year") compared to the year ended November 30, 2023 ("Comparative year")

The Corporation's net loss totaled $31,744 for the year ended November 30, 2024, compared to $64,384 during the Comparative year in 2023 which is a decrease of $32,640. The decrease can be primarily attributed to interest income during the Current year of $19,668 (2023 - $Nil) and a decrease in legal expenses of $13,909 during the year when compared to the comparative year in 2023.

All other costs of the Corporation remained relatively consistent during these two years.

In the year ended November 30, 2024, the Corporation's cash and cash equivalents balance decreased by $28,059 (2023 - $73,899) due to cash and cash equivalents used in operating activities.

Summary of Quarterly Results

A summary of selected information for each of the quarters presented below is as follows:

	Three Months Ended November 30, 2024	Three Months Ended August 31, 2024	Three Months Ended May 31, 2024	Three Months Ended February 29, 2024	Three Months Ended November 30, 2023	Three Months Ended August 31, 2023	Three Months Ended May 31, 2023	Three Months Ended February 28, 2023
Net Revenues ($)	-	-	-	-	-	-	-	-
Net Loss ($)	14,550	1,453	7,725	8,016	16,898	13,428	10,273	23,785
Basic and Diluted Loss per Share ($)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Liquidity

As at November 30, 2024, the Corporation had a cash and cash equivalents balance of $369,179 (November 30, 2023 - $397,238) and a working capital surplus of $353,137 (November 30, 2023 – $384,881). The Corporation manages its capital structure and adjusts it based on available funds to the Corporation. Capital levels for Capital Pool Companies are regulated pursuant to guidelines issued by the Exchange. In accordance with the CPC Policy, the proceeds raised from the sale of securities may only be used to identify and evaluate assets or businesses, and obtain shareholder approval for a QT, including expenses such as: (i) reasonable expenses relating the IPO; (ii) reasonable general and administrative expenses (not exceeding in aggregate of $3,000 per month); (iii) reasonable expenses relating to a proposed QT; (iv) agents' and finders' fees, costs and commissions; (v) assurance and audit fees; (vi) escrow agent and transfer agent fees; and (vii) regulatory filing fees.

Management believes the Corporation's working capital is sufficient for the Corporation to meet its ongoing obligations and meet its objective of completing a QT.

As of the date hereof, the Corporation did not have any commitments for capital expenditures or other contractual obligations. The Corporation has no debt other than its accounts payable balance.

Capital Resources

As of the date of this filing, the Corporation has completed the following financings:

Date	Gross Proceeds	Type of Transaction
August 17, 2021	$370,000	Seed capital
September 12, 2022	$250,000	Initial public offering

Off-Balance Sheet Arrangements

As of the date of this filing, the Corporation does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Corporation including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Transactions Between Related Parties

Related parties of the Corporation include its key management personnel, being the members of the Board of Directors and Officers of the Corporation. Related parties also include close family members and any companies controlled by these individuals. In 2024 no compensation has been paid to key management personnel (2023 - $nil). The Corporation is currently utilizing office space rent-free in the office of a related party.

Proposed Transactions

The Corporation has commenced the process of identifying potential acquisitions and investments with a view to completing a QT.

Compensation to Directors and Officers

As of the date hereof, the Corporation has not yet completed QT. Accordingly, the officers and directors of the Corporation have not been paid any compensation since incorporation (other than the grant of stock options), as the CPC Policy precludes directors and officers from receiving any remuneration (other than the grant of stock options) so long as the Corporation is a Capital Pool Company.

Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management believes the estimates and assumptions used in the preparation of the financial statements are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

The Corporation's significant accounting judgments and estimates are consistent with those applied in the audited financial statements for the year ended November 30, 2023.

Financial Instruments

As at November 30, 2024, the Corporation's financial instruments consist of cash and cash equivalents, and accounts payable. The Corporation classifies cash and cash equivalents as financial assets held at amortized cost. The Corporation classifies accounts payable as financial liabilities, and these are held at amortized cost. The fair value of all the Corporation's financial instruments approximates their carrying value due to the short-term nature of the financial instruments.

The risk exposure arising from these financial instruments is summarized as follows:

(a) Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Corporation's financial assets are cash and cash equivalents. The Corporation's maximum exposure to credit risk, as at the year end, is the carrying value of its financial assets, being $369,179. The Corporation holds it cash and cash equivalents in a bank account with a highly rated Canadian financial institution, therefore minimizing the Corporation's credit risk.

(b) Liquidity risk

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 sufficient funds as of November 30, 2024, to cover its liabilities. The Corporation's ability to continue to meet its liabilities when due, beyond the current cash and cash equivalents balance, is dependent on future support of shareholders through public or private equity offerings. All the Corporation's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Corporation's income or value of its holdings or financial instruments. The Corporation's activities have only been transacted in Canadian dollars since incorporation, in addition, the Corporation carries no interest-bearing debt. As such, the Corporation has minimal market risks facing it at present.

Capital Management

Capital is composed of the Corporation's shareholders' equity and any debt that it may issue. As at November 30, 2024, the Corporation's shareholders' equity was $353,137 and it had current liabilities of $16,042. The Corporation's objectives when managing capital are to maintain financial viability and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness, and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements, and internally determined capital guidelines and calculated risk management levels. During the year ended November 30, 2024, there was no change to the Corporation's management of capital.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Corporation, is reasonable.

The Corporation's current capital was received from the issuance of common shares. The net proceeds raised to date will only be sufficient to identify and evaluate a limited number of assets and businesses for the purpose of identifying and completing QT.

The Corporation is not subject to any externally imposed capital requirements other than the expenditure restrictions applicable under Policy 2.4, which apply on completion of the IPO. These expenditure restrictions limit the aggregate amount that the Corporation is permitted to spend on reasonable general and administrative costs of the Corporation not exceeding in aggregate of $3,000 per month, and reasonable expenses incurred related to QT.

Disclosure of Data for Outstanding Shares and Stock Options

Common Shares

As at the date of this MD&A, the Corporation has 9,900,000 Common Shares outstanding. 7,550,000 of these Common Shares are subject to escrow restrictions and will be released from escrow in tranches over 18 months commencing from completion of a QT.

Stock Options

As at the date of this MD&A, the Corporation has 990,000 stock options outstanding and exercisable at an exercise price of $0.05 per common share.

Agent's Warrants

As at the date of this MD&A, the Corporation has 250,000 warrants outstanding and exercisable at an exercise price of $0.10 per common share.

Risks Factors

Investing in the Common Shares involves risk. Prospective investors should carefully consider the risks described below, together with all the other information included in this MD&A before making an investment decision. If any of the following risks actually occurs, the business, financial condition or results of operations of the Corporation could be harmed. In such an event, the trading price of the Common Shares could decline, and prospective investors may lose part or all their investment.

No Operating History

The Corporation was incorporated on August 17, 2021, has not commenced commercial operations and has minimal working capital. The Corporation has neither a history of earnings nor has it paid any dividends, and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future. Until completion of a QT, the Corporation is not permitted to carry on any business other than the identification and evaluation of a potential QT. The Corporation has only limited funds with which to identify and evaluate potential QTs and there can be no assurance that the Corporation will be able to identify a suitable QT. Even if a proposed QT is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction.

Possible Trading Suspension or Delisting

The Exchange may suspend from trading or delist the securities of the Corporation if the Corporation fails to meet initial listing requirements of the Exchange. Trading in the Common Shares of the Corporation may be halted at other times for other reasons, including for failure by the Corporation to submit documents to the Exchange in the time periods required.

Halt of Trading

Upon public announcement of a potential QT trading in the Common Shares will be halted and will remain halted until completion of the QT, or sooner pursuant to the CPC Policy. Neither the Exchange nor any securities regulatory authority passes upon the merits of the potential QT.

Exchange May Not Approve a QT

Completion of a QT is subject to a number of conditions including acceptance by the Exchange and, in the case of a Non-Arm's Length QT, Majority of the Minority Approval (as such terms are defined in the CPC Policy).

Notwithstanding that a transaction may meet the definition of a QT; the Exchange may not approve a QT: (a) if the Corporation fails to meet the initial listing requirements prescribed by Exchange Policy 2.1 – *Initial Listing Requirements* of the Exchange upon completion of the QT; (b) if, following completion of the QT, the Corporation will be a finance company or a mutual fund as defined under applicable securities laws; (c) the consideration proposed to be paid by the Corporation in connection with the QT is not acceptable to the Exchange; or (d) for any other reason at the sole discretion of the Exchange.

Approval by the Majority of the Minority

Where Majority of the Minority Approval is required, unless the shareholder has the right to dissent and be paid fair value in accordance with the applicable corporate or other law, a shareholder who votes against a proposed Non-Arm's Length QT for which Majority of the Minority Approval (as such terms are defined in the CPC Policy) by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Corporation of fair value for the Common Shares.

Dilution

If the Corporation issues treasury shares to finance an acquisition or participation opportunities, control of the Corporation may change, and subscribers may suffer dilution of their investment.

Directors and Officers

The directors and officers of the Corporation will not be devoting all of their time to the affairs of the Corporation but will be devoting such time as required to effectively manage the Corporation and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time.

Reliance on Management

The Corporation is relying solely on the past business success of its directors and officers to identify a QT of merit. The success of the Corporation is dependent upon the efforts and abilities of its directors and officers. The loss of any of its directors or officers could have a material adverse effect upon the business and prospects of the Corporation.

Foreign Acquisition

In the event the Corporation identifies a foreign business as a proposed QT, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

Loans or Advances

Subject to prior acceptance from the Exchange, the Corporation may be permitted to loan or advance up to an aggregate of $250,000 ($25,000 without prior Exchange approval) of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Corporation will be able to recover the loan or advance.