MAGNETIC NORTH ACQUISITION CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021

(Expressed in Canadian Dollars)

Introduction

This management's discussion and analysis ("MD&A") for Magnetic North Acquisition Corp. ("Magnetic North", the "Company", "we", "us" or "our") dated June 27, 2022, should be read in conjunction with our audited annual financial statements and accompanying notes for the twelve months ended December 31, 2021 and the fifteen months ended December 31, 2020 and accompanying notes.

All financial information, unless otherwise noted, presented in this MD&A is reported in Canadian dollars and has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Certain figures have been reclassified to conform to the current year presentation in this MD&A. Additional information relating to the Company, including the annual and quarterly financial statements and MD&A, is available on SEDAR at www.sedar.com.

This MD&A addresses matters we consider important for an understanding of the Company's business, financial condition and results of operations as at and for the twelve months ended December 31, 2021.

Description of Business and Overview

Magnetic North with the registered and head office at 1000, 250 2nd Street SW, Calgary, AB T2P 0C1, and offices in Toronto, ON, was incorporated under the Business Corporations Act (Alberta) on July 18, 1997. On September 12, 2008, the Company continued under the Canada Business Corporations Act.

The Company's common shares and Series A preferred shares trade on the TSX Venture Exchange (the "TSXV") under the symbol "MNC"and "MNC.PR.A", respectively.

On October 22, 2019, the Company completed an asset purchase transaction with a group of investment and business professionals to effect an arm's length "Change of Business" (as defined in TSXV Policy 5.2) transaction (the "Transaction") within the meaning of such terms in the policies of the TSXV. Under the Transaction, the Company acquired certain shareholdings (the "PurchasedAssets") from Mr. Kevin Spall, Mr. Ian Wild and Mr. Andrew Osis (the "Vendors") in exchange for the issuance of 38,000,000 Common Shares of the Company at a deemed price of $0.05 per share and 100,000Series A preferred shares of the Company at a deemed price of $10.00 per Series A preferred share. ThePurchased Assets comprised of all the Vendors' equity interests in Previcare, Inc. ("Previcare"), Ignite Alliance Corp. ("Ignite"), and Power Symmetry Inc. With the completion of the Transaction, the Vendors were appointed officers and directors of the Company, the Company changed its primary business to merchant banking and changed its name from Black Bull Resources Inc. to Magnetic North Acquisition Corp.

Before the change of business, the Company was engaged in the acquisition, exploration and evaluation of mineral properties of the Company's current holdings in Nova Scotia, Canada. After the completion of the Transaction, the Company changed its primary business to an investment entity as a merchant bank comprised of a team of highly experienced professionals in finance, and strategy. Market segments we investin include, but are not limited to, clean power technology, oilfield services, consumer products, and technology (software and hardware).

In furtherance of the Company's new business objective, we will invest in opportunities based upon criteriathat may include, but are not limited to, the following investee characteristics:

(a) management expertise and funding to expand, or improve the investee's business model, strategy,or geographic reach;
(b) an opportunity to provide strategic guidance on the investee's businesses or assets through board representation;

(c) cash flow positive, or close thereto, and through improvements to structure, operations or consolidation, cash flow can be positively impacted to provide sustainable cash flow: and
(d) identifiable business improvements, expansion, consolidation, or acquisition opportunities that enhance the value of operations, and will result in increasing the investee company's valuation.

See "Risks and Uncertainties" below.

Status as an Investment Entity

The following are the criteria within IFRS 10 Consolidated Financial Statements, which the Company used to evaluate and determine that it meets the definition of an Investment Entity:

- Obtain funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- Measures and evaluates the performance of substantially all its investments on a fair value basis.

The Company has evaluated the above criteria and determined that it meets the definition of an Investment Entity. As a result of meeting the definition of an Investment Entity, subsidiaries which otherwise would have been consolidated are carried at fair value through profit or loss ("FVTPL").

Operational Highlights

- Magnetic North and Cirque Innovations Ltd. executed the previously reported unanimous shareholder agreement as per the terms of the sale and usage agreement to provide each party with a 50% equity interest into CXTL Recycling (Canada) Corp. ("CXTL").

- Incorporated Bluenose Quartz Ltd. to effect the transfer of the mining assets into this new entity.

- Magnetic North commenced the transfer paperwork to transfer the mining assets. The transfer paperwork is currently being reviewed by the Province of Nova Scotia. The Company is also currently in discussions with Infrastructure Commodities Limited to improve the terms of the previously reported indicative offer of finance to further explore and mine the property.

- On May 26, 2021, Magnetic North announced that its investee, CXTL, executed a sale of precious and base metals, primarily gold and copper, from the processing of e-waste. The aggregate sale price was approximately $1.9 million and will close in tranches.

- On September 18, 2021, the Company appointed Ms. Cindy Davis as Chief Financial Officer to replace Ms. Ha Tran.

- On December 6, 2021, the Company completed a private placement of 105,264 units for gross proceeds of $1,000,008. Each unit was comprised of one Series A preferred share and one Series A preferred share purchase warrant, with each warrant will entitling the holder thereof to purchase one additional Series A preferred share at a price of $10.00 per share during the period ending on the fifth anniversary of the closing date of the Financing. The warrants will have an acceleration provision whereby, in the event the 10 day weighted average trading price of the Series A preferred shares on the TSXV (or such other stock exchange on which the Series A preferred shares may then be listed and posted for trading) exceeds $20.00 at any time, the Company will have the right to accelerate the expiry date of the warrants to 30 days from the date of issuance of a news release of the Company announcing the accelerated exercise period.

- On January 10, 2022, the Company announced the appointment of Robert Purdy as a special advisor to Magnetic North.

- On January 20, 2022, the Company granted to certain consultants of the Company options to acquire an aggregate of up to 500,000 common shares and 12,500 preferred shares of the Company at an exercise price of $0.175 for the common shares, and at an exercise price of $7.00 for the preferred shares and expiring on January 20, 2027.

- On January 27, 2022, Ignite Alliance Corp. ("Ignite"), a Magnetic North portfolio company, acquired Calgary, Alberta based information technology firm NBi Solutions. According to Ignite management's internal projections, revenues are expected to increase to approximately $20 million for the fiscal year ending December 31, 2022, up from approximately $11.6 million in the previous year.

- On April 22, 2022, the Company completed a private placement of 37,898 units for gross proceeds of $360,031. Each unit was comprised of one Series A preferred share and one Series A preferred share purchase warrant, with each warrant will entitling the holder thereof to purchase one additional Series A preferred share at a price of $10.00 per share during the period ending on the fifth anniversary of the closing date of the Financing. The warrants will have an acceleration provision whereby, in the event the 10 day weighted average trading price of the Series A preferred shares on the TSXV (or such other stock exchange on which the Series A preferred shares may then be listed and posted for trading) exceeds $20.00 at any time, the Company will have the right to accelerate the expiry date of the warrants to 30 days from the date of issuance of a news release of the Company announcing the accelerated exercise period.

Outlook

For the immediate future, the Company plans to continue to implement its investment strategy, as described above, and focus on investments in, but not limited to, clean power technology, consumer products, oilfield services, and technology (software and hardware). The Company will also continue to explore and evaluate, with a joint venture partner, the Company's exploration property in Nova Scotia. The Company continues to monitor its spending and will amend its plans and budgets based on operational results and expectations of raising financing as and when required.

Restatement of prior period

During 2021, the Company reviewed the criteria with IFRS 10 Consolidation Financial Statements for qualification as an investment entity and determined that it met this criteria and considers itself an investment entity for both years ended December 30, 2020 and 2021. Accordingly, the Company shall measure its investment in investee (in this case CXTL Recycling (Canada) Corp. ("CXTL")) at fair value through profit or loss in accordance with IFRS 9.

The effect of this adjustment on the financial statements of the Company for the fifteen months ended December 21, 2020 is that they have been restated to present only the stand alone financial statements of the Company and the effect of consolidation of CXTL into the Company has been eliminated. The Company will now include its investment in CXTL as an investment at fair value through profit or loss in its statement of financial position as at December 31, 2020. This has resulted in recognition of fair value loss of $3,861,856 in the profit or loss for the fifteen months ended December 31, 2020. There will be no effect of this change on the financial statements prior to 2020. Impact on each of the financial statements presented will be as follows:

Effect on the statement of financial position as at December 31, 2020:

	As previously reported	Adjustment	Restated
ASSETS			
Current assets			
Cash and cash equivalents	$ 123,680	$ (97,677)	$ 26,003
Short-term investments	60,222	(10,000)	50,222
Trade and other receivables	291,583	(158,842)	132,741
Inventory	2,036,086	(2,036,086)	-
Prepaids and other current assets	344,522	(309,903)	34,619
Total current assets	2,856,093	(2,612,508)	243,585
Non-current assets			
Investments - fair value through profit or loss	-	5,169,540	5,169,540
Property, plant and equipment	4,449,563	(4,444,956)	4,607
Right-of-use asset	1,325,066	(1,325,066)	-
Mineral claims	1	-	1
Exploration and evaluation assets	1	-	1
Other assets	497,042	(192,077)	304,965
Total assets	$ 9,127,766	$ (3,405,067)	$ 5,722,699
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
Current liabilities			
Accounts payable and accrued liabilities	$ 688,101	$ (271,543)	$ 416,558
Promissory note payable	176,984	-	176,984
Current portion of lease liability	661,860	(661,860)	-
Total current liabilities	1,526,945	(933,403)	593,542
Non-current liabilities			
Long-term lease liability	793,394	(793,394)	-
Asset retirement obligation	190,872	-	190,872
Financial liability - Series A preferred shares	16,044,710	-	16,044,710
Total liabilities	18,555,921	(1,726,797)	16,829,124
Shareholders' deficiency			
Common shares	29,045,663	-	29,045,663
Warrants	164,400	-	164,400
Contributed surplus	2,923,109	-	2,923,109
Accumulated deficit	(41,561,327)	(1,678,270)	(43,239,597)
Total shareholders' deficiency	(9,428,155)	(1,678,270)	(11,106,425)
Total liabilities and shareholders' deficiency	$ 9,127,766	$ (3,405,067)	$ 5,722,699

Effect on statement of loss and comprehensive loss for the fifteen months ended December 31, 2020 is as follows:

	As previously reported	Adjustment	Restated
Expenses			
Exploration and evaluation (recovery) expenses	(50,959)	-	(50,959)
Selling, general and administrative	3,320,992	(1,698,199)	1,622,793
Share-based compensation	852,976	-	852,976
Depreciation	438,177	(437,645)	532
Total expenses	4,561,186	(2,135,844)	2,425,342
Loss before other items	(4,561,186)	2,135,844	(2,425,342)
Other items			
Accretion	(54,873)	47,742	(7,131)
Finance income, net	78,829	-	78,829
Dividend expense	(148,874)	-	(148,874)
Transaction costs	(455,373)	-	(455,373)
Share-based transaction costs	(7,659,973)	4,800,000 [1]	(2,859,973)
Expected credit loss	(761,509)	-	(761,509)
Fair value adjustment of investments	(417,000)	(8,661,856)[1]	(9,078,856)
Net and comprehensive loss for the period	$ (13,979,959)	$ (1,678,270)	$ (15,658,229)
Net and comprehensive loss per share - Basic and Diluted	$ (0.24)	$ (0.03)	$ (0.27)
Weighted average number of common shares - Basic and Diluted	59,051,105	59,051,105	59,051,105

[1] $4,800,000 was reclassified to fair value adjustment of investments from share-based transaction costs to appropriately align the nature of the expense.

Effect on statement of cash flows for the fifteen months ended December 31, 2020 is as follows:

	As previously reported	Adjustment	Restated
Operating activities			
Net loss for the period	$ (13,979,959)	$ (1,678,270)	$ (15,658,229)
Adjustments for:			
Depreciation	438,177	(437,645)	532
Change in asset retirement obligation estimate	(83,150)	-	(83,150)
Accretion	54,873	(47,742)	7,131
Share-based compensation	852,976	-	852,976
Fair value adjustment of investments	417,000	8,661,856	9,078,856
Lease termination	35,605	(35,605)	-
Share-based transaction costs	7,264,798	(4,746,984)	2,517,814
Expected credit losses	761,509	-	761,509
Changes in non-cash working capital items:			
Trade and other receivables	(341,425)	158,842	(182,583)
Prepaid expenses and other current assets	(527,680)	501,979	(25,701)
Deferred costs	405,102	-	405,102
Accounts payable and accrued liabilities	994,944	(425,042)	569,902
Net cash used in operating activities	(3,707,230)	1,951,389	(1,755,841)
Investing activities			
Purchase of short-term investments	(37,434)	10,000	(27,434)
Purchase of investments	(417,000)	(3,507,826)	(3,924,826)
Additions to property, plant and equipment	(1,110,671)	1,105,535	(5,136)
Net cash used in investing activities	(1,565,105)	(2,392,291)	(3,957,396)
Financing activities			
Proceeds from private placements	4,859,840	200,000	5,059,840
Share issue costs	(17,009)	-	(17,009)
Bridge loan	(695,000)	-	(695,000)
Repayment of demand loans	(38,220)	-	(38,220)
Lease payments	(143,225)	143,225	-
Net cash provided by financing activities	3,966,386	343,225	4,309,611
Net change in cash and cash equivalents	(1,305,949)	(97,677)	(1,403,626)
Cash and cash equivalents, beginning of period	1,429,629	-	1,429,629
Cash and cash equivalents, end of period	$ 123,680	$ (97,677)	$ 26,003

Investments

The Company's investment portfolio consisted of the following as at December 31, 2021:

Investment	Instrument	Financial Instrument Fair Value Hierarchy	Cost $	Fair Value $	Company's ownership %
CXTL Recycling (Canada) Corp.	Equity	3	$ 9,031,396	$ 4,259,265	50%
			$ 9,031,396	**$ 4,259,265**	

The Company also held shares in the following companies that the fair value were adjusted to zero at initial recognition and remained unchanged as at the end of December 2021 or December 2020: Previcare Inc. 1.6 million shares representing 32% of the common shares, Ignite Alliance Corp. 50,000 shares representing less than 1% of the common shares, Power Symmetry 400,000 shares representing 40% of the common shares, and GrowthCell Global 335,000 common shares representing less than 1.5 % of the common shares. The loss resulted from this fair value adjustment in 2020 was $5,217,000, which is included in fair value adjustment of investments on the restated Statements of Loss and Comprehensive Loss for the year ended December 31, 2020.

The Company's management review and approve the valuation results of all investments in the portfolio based on all observable and unobservable inputs. The Company will also engage an independent valuation firm to perform an independent valuation in situations where it requires additional expertise. The valuation results are reviewed with the audit committee as part of its quarterly approval of the Company's financial statements.

As at December 31, 2021, all of the Company's investments are unlisted equity instruments and are categorized as Level 3 financial instruments. These investments are valued at cost for a limited period after the date of acquisition, provided the purchase price remains representative of the fair value at the reporting date; otherwise, these investments are valued using the most appropriate valuation methodology in light of the nature, facts and circumstances of the investment. Investments in early-stage companies not generating sustainable revenue or earnings and for which there has not been any recent independent funding, which represents 100% of the Company's current portfolio, are valued using alternative methodologies. The Company considers investee company performance relative to plan, going concern risk, continued funding availability, comparable peer group valuations, exit market conditions and general sector conditions and calibrates its valuation of each investment as appropriate. The Company may apply a further illiquidity discount to the fair value of an investment if conditions exist that could make it challenging to monetize the investment in the near term at a price indicated by the valuation models. The amount of illiquidity discount applied requires considerable judgment and is based on the facts and circumstances of each investment.

The process of valuing investments for which no active market exists is inevitably based on inherent uncertainties, and the resulting values may differ significantly from the values that would have been used had a ready market existed for the investments. These differences could be material to the fair value of investments in the portfolio.

As at December 31, 2021, based on management's fair value assessment of these investments, the Company reported the fair value of CXTL $4.3 million (2020 - $5.17 million). An adjusted cost approach with reference to the original purchase price of the company and updated share pricing for the consideration rendered in further transactions entered into by the Company for CXTL has been used for this purpose. This has resulted in use of an implied discount of 65%. Investments other than CXTL however have been assessed to have $nil fair value as at December 31, 2021 (2020 - $nil).

Selected Annual Financial Information

The Company's selected annual financial information as at and for the three most recently completed financial years ended are summarized as follows:

	Twelve Months Ended December 31, 2021	Fifteen Months Ended December 31, 2020	Twelve Months Ended September 30, 2019
Operating loss	$ (1,456,747)	$ (2,425,342)	(219,261)
Net loss	(3,109,489)	(15,658,229)	(1,468,182)
Loss per share - basic and diluted	(0.05)	0.27	(0.16)
Total assets	5,242,291	5,722,699	2,188,075
Total liabilites	18,328,301	16,829,124	2,436,638
Shareholders' deficiency	(13,086,010)	(11,106,425)	(248,563)

Summary of Quarterly Results

Summary of Quarterly Results

	Dec 31 2021	Sept 30 2021	Jun 30 2021	Mar 31 2021	Dec 31 2020	Sept 30 2020	Jun 30 2020	Mar 31 2020
Revenue	$ (405,524)	$ 285,524	$ 60,000	$ 60,000	$ (92,824)	$ 92,824	$ -	$ -
Operating loss	(724,652)	(75,356)	(291,855)	(364,884)	(879,849)	(526,680)	(436,784)	(314,257)
Net loss	(1,413,866)	(75,535)	(291,948)	(1,328,140)	(14,956,408)	(516,319)	(423,210)	(314,502)
Loss per share - basic and diluted	(0.01)	(0.00)	(0.00)	(0.02)	(0.15)	(0.01)	(0.01)	(0.01)

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, financing or acquisition transaction. Apart from these and the risk factors noted under the heading "Risks and Uncertainties", 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

<u>For the three months ended December 31, 2021 compared with the three months ended December 31, 2020</u>

For the three months ended December 31, 2021, the Company's net loss was $1,413,866 ($0.01 per share), compared to net loss of $8,576,738 ($0.15 per share) for the three months ended December 31, 2020. The decrease in net loss of $7,162,872 is a result of the following:

Fair value adjustment of investments

The Company reported an impairment of investments of $nil for the three months ended December 31, 2021, and $5,217,000 for the 2020 comparable period. The impairment of its investments was based on minimal revenues to date. The Company reported a fair value adjustment of investments of $910,275 for the three months ended December 31, 2021 and $3,861,856 for the 2020 comparable period

Selling, General and Administrative Expenses ("SG&A")

SG&A include consulting fees, professional fees, investor relations, salaries and benefits, office and general, travel expenses and regulatory fees.

SG&A decreased by $289,950 for the three months ended December 31, 2021 compared to the same period in 2020. SG&A were higher in the 2020 period due to more corporate activity in the 2021 period related to the acquisition of investments.

Share-based compensation

Share-based compensation expense decreased by $241,045 for the three months ended December 31, 2021 compared to the 2020 period. Share-based compensation expense will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date.

Share-based transaction costs

During the three months ended December 31, 2021, the Company reported share-based transaction costs of $745,616 which was related to the Series A preferred shares issue costs. During the three months ended December 31, 2020, the Company reported share-based transaction costs of $2,859,973, related to the excess of the consideration transferred over the fair value of the assets acquired and are comprised of $2,517,814 relating to the assets acquired from Intergild and $342,159 was related to the Series A preferred shares issue costs.

Expected credit losses

During the three months ended December 31, 2020, the Company reported an expected credit loss of $761,509. This loss is comprised of the bridge loan principal and related interest receivable of $695,000 and $66,509, respectively. The Company did not provide any such loans during the three months ended December 31, 2021.

For the twelve months ended December 31, 2021 compared with the fifteen months ended December 31, 2020

For the twelve months ended December 31, 2021, the Company's net loss was $3,109,489 ($0.05 per share), compared to net loss of $15,658,229 ($0.276 per share) for the fifteen months ended December 31, 2020. The decrease in net loss of $12,548,740 is a result of the following:

Impairment of investments and fair value adjustment of investments

The Company reported an impairment of investments of $nil for the twelve months ended December 31, 2021, and $5,217,000 for the 2020 comparable period. The impairment of its investments was based on minimal revenues to date. The Company reported a fair value adjustment of investments of $910,275 for the twelve months ended December 31, 2021 and $3,861,856 for the 2020 comparable period.

Selling, General and Administrative Expenses ("SG&A")

SG&A include consulting fees, professional fees, investor relations, salaries and benefits, office and general, travel expenses and regulatory fees.

SG&A decreased by $541,209 for the twelve months ended December 31, 2021 compared to the period in 2020. SG&A were higher in the 2020 period due to more corporate activity in the 2021 period related to the acquisition of investments.

Share-based compensation

Share-based compensation expense decreased by $491,178 for the twelve months ended December 31, 2021 compared to the 2020 period. Share-based compensation expense will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date.

Share-based transaction costs

During the twelve months ended December 31, 2021, the Company reported share-based transaction costs of $745,616 which was related to the Series A preferred shares issue costs. During the fifteen months ended December 31, 2020, the Company reported share-based transaction costs of $2,890,345 related to the excess of the consideration transferred over the fair value of the assets acquired and are comprised of $2,517,814 relating to the assets acquired from Intergild and $342,159 was related to the Series A preferred shares issue costs.

Expected credit losses

During the fifteen months ended December 31, 2020, the Company reported an expected credit loss of $761,509. This loss is comprised of the bridge loan principal and related interest receivable of $695,000 and $66,509, respectively. The Company did not provide any such loans during the twelve months ended December 31, 2021.

Liquidity and Financial Position

The activities of the Company, now merchant banking and formerly the acquisition, exploration and evaluation of mineral properties, are financed through equity offerings. The Company continues to seek capital through various means including the issuance of equity.

The Company has minimal operating revenues and therefore must utilize its current cash reserves and other financing transactions to maintain its capacity to meet ongoing discretionary and committed exploration and operating activities.

At December 31, 2021, the Company had working capital deficiency of $429,546 (December 31, 2020 – $349,957 working capital deficiency). The Company's use of cash at present occurs, and in the future will occur, principally in two areas, namely, funding of its general and administrative expenditures and funding of its investment activities. Those investing activities include the purchase of investments. For fiscal 2022, the Company's expected operating expenses are estimated to be $100,000 per month for recurring operating costs.

The Company does not have sufficient cash to fund its operating expenses for the twelve months ended December 31, 2022. The Company will have to raise additional capital during fiscal 2022 in amounts sufficient to fund both investment activities and working capital requirements. The major variables are expected to be the size, timing and results of the Company's investment activities and its ability to continue to access capital to fund its ongoing operations.

The following table sets out the condensed interim statement of cash flows for the twelve months ended December 31, 2021 and the fifteen months ended December 31, 2020.

	Twelve Months December 31, 2021	Fifteen Months Ended December 31, 2020
Net cash flows used in operating activities	$ (469,834)	$ (1,755,841)
Net cash flows used in investing activities	(578,629)	(3,957,396)
Net cash flows provided by financing activities	1,022,498	4,309,611
Net change in cash and cash equivalents	(25,965)	(1,403,626)
Cash and cash equivalents, beginning of period	26,003	1,429,629
Cash and cash equivalents, end of period	**$ 38**	**$ 26,003**

Operating activities for the twelve months ended December 31, 2021 were mainly affected by adjustments for share-based compensation expense of $361,798, share-based transaction costs of $745,616 and net change in non-cash working capital balances of $628,550.

Investing activities for the twelve months ended December 31, 2021 were related to advances made to the Company's investee CXTL of $601,451 and partially offset by the redemption of guaranteed investment certificates that were no longer required of $22,822.

Financing activities for the twelve months ended December 31, 2021 generated cash of $1,022,498 from a private placement and stock options exercised.

Other Commitments and Contingencies

The Company has commitments for financial liabilities, minimum payments due as of December 31, 2021, as follows:

As at December 31, 2021	Carrying Value	Less than 1 year	1 to 3 years	4 to 5 years	Greater than 5 years	Total
Trade and accrued liabilities	$ 924,023	$ 924,023	$ -	$ -	$ -	$ 924,023
Promissory note payable	176,984	176,984	-	-	-	176,984
Total commitments	$ 1,101,007	$ 1,101,007	$ -	$ -	$ -	$ 1,101,007

Outstanding Share Data

The total number of fully diluted outstanding and issuable Common Shares is as follows:

	June 27, 2022	Dec 31, 2021
Common shares	59,097,178	59,097,178
Series A preferred shares	1,750,825	1,712,927
Stock options[(1)]	4,456,427	3,943,927
Common share purchase warrants[(1)]	443,162	405,264
Total	65,747,592	65,159,296

Related Party Transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

	Twelve Months Ended December 31, 2021	Fifteen Months Ended December 31, 2020
Consulting fees	$ 328,549	$ 612,236
Share-based compensation	209,691	559,824
Salaries and benefits	130,947	-
	669,187	1,172,060

Investments in companies with common management personnel:

Entity	Type of Investment	Holdings (#)	Fair Value ($)
CXTL Recycling (Canada) Corp. (1)	Common shares	115,592 shares	4,259,265
Previcare, Inc. (2)	Common shares	1,600,000 shares	Nil
Ignite Alliance Corp. (3)	Common shares	50,000 shares	Nil
			4,259,265

(1) Andrew Osis, Co-Chief Executive Officer of the Company, is also the Executive Chairman of CXTL andIan Wild, Director of the Company is also a Director of CXTL.
(2) Kevin Spall, Co-Chief Executive Officer of the Company, is also the Treasurer/VP and a Director of Previcare, Inc.
(3) Andrew Osis, Co-Chief Executive Officer of the Company, is also the Chief Financial Officer of Ignite Alliance Corp.

Financial Instruments and Risk Management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and commodity and equity price risk). Risk management is carried out by the Company's management team with guidance from the Board of Directors.

The Company has exposure to the following risks from its use of financial instruments:

(i) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and trade and other receivables. Cash and cash equivalents are held with select major Canadian chartered banks. Trade and other receivables consist of sales taxes receivable from government authorities in Canada and advisory fees. The Company does not have significant concentration risk from cash and cash equivalents and trade and other receivables.

(ii) Liquidity Risk

Liquidity risk is the risk the Company will encounter difficulties in meeting its financial liability obligations. The Company manages its liquidity risk through cash management, which includes monitoring forecasts of the Company's cash and cash equivalent on the basis of projected cash flow. As at December 31, 2021, the Company had cash of $38 (December 31, 2020 – cash of $26,003) to settle current liabilities of $1,101,007 (December 31, 2020 - $593,542). Historically, the Company's sole source of funding has been the issuance of securities for cash through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

(iii) Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices.

(a) Interest Rate Risk

The Company has cash balances invested in guaranteed investment certificates that are issued by a Canadian Chartered bank. The Company has no interest-bearing debt. At prevailing market interest rates, the impact on interest income is minimal.

(b) Foreign Currency Risk

The Company does not have assets or liabilities denominated in a foreign currency.

(c) Commodity Price Risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is definedas the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices as they relate to valuable minerals todetermine the appropriate course of action to be taken by the Company. The Company is exposed to market risks associated with the inherent volatility and external factors that can impact the fair value ofequity instruments.

Fair Value of Financial Instruments

The Company measures fair value in accordance with IFRS 13 Fair Value Measurement, which provides a single source of fair value measurement guidance. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurementdate. The Company has applied the framework for measuring fair value, which requires a fair value hierarchy to be applied to all fair value measurements:

- Level 1 – valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities.
- Level 2 – valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived from or corroborated by observable market data by correlation or othermeans. Level 2 financial instruments includes financial liability – Series A preferred shares.
- Level 3 – valuation techniques with significant unobservable market inputs. Level 3 financial instruments include investments.

The fair values of cash and cash equivalents, short-term investments, trade and other receivables, advances to investees, accounts payable and accrued liabilities, and promissory note payable included in the condensed interim statement of financial position approximate their carrying amount due to the short- term maturity of these instruments. The fair value of investments are measured at fair value through profit or loss and considered to be under Level 3 hierarchy. There were no transfers between levels in the fair value hierarchy during the period ended December 31, 2021.

Critical Accounting Estimates

The preparation of these financial statements in accordance with IFRS requires management to make judgments and estimates that could materially affect the amounts recognized in the financial statements. By their nature, judgments and estimates may change in light of new facts and circumstances in the internal and external environment. The following judgments and estimates are those deemed by management to be material to the Company's financial statements.

Judgments

Going Concern

At each reporting period, management exercises judgment in assessing the Company's ability to continue as a going concern by reviewing the Company's performance, resources and future obligations.

Fair value of financial instruments

For Level 3 investments where quoted prices are not readily available, the Company values its investments using recognized valuation models. Some or all of the significant inputs into these models may not be observable in the market and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs requires a higher degree of management judgment and estimation in the determination of fair value.

Depreciation and Amortization

Depreciation and amortization methods are based on management's judgment of the most appropriate method to reflect the pattern of an asset's future economic benefit expected to be consumed by the Company. Among other factors, these judgments are based on industry standards and company-specific history and experience.

Impairment

Significant judgment is required to assess when impairment indicators exist, and impairment testing is required. The assessment of impairment indicators is based on management's judgment of whether there are internal and external factors that would indicate that a cash generating unit ("CGU") and specifically the non-financial assets within the CGU, are impaired. The determination of a CGU is also based on management's judgment and is an assessment of the smallest group of assets that generate cash inflows independently of other assets.

Investment Entity Status

The following are the criteria within IFRS 10 Consolidated Financial Statements, which the Company used to evaluate and determine that it meets the definition of an Investment Entity:

- Obtain funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

- Measures and evaluates the performance of substantially all its investments on a fair value basis.

The Company has evaluated the above criteria and determined that it meets the definition of an Investment Entity. As a result of meeting the definition of an Investment Entity, subsidiaries which otherwise would have been consolidated are carried at fair value through profit or loss ("FVTPL").

Management exercises judgment in applying criteria in IFRS 10 Consolidated Financial Statements, which determines the Company's status as an investment entity.

Income Taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities arise from temporary differences between the tax bases of assets and liabilities and their carrying amounts reported in the financial statements. Deferred income tax assets also reflect the benefit of unutilized tax losses that can be carried forward to reduce income taxes in future years. Such method requires the exercise of significant judgment in determining whether or not the Company's deferred tax assets are probable of recovery from taxable income of future years and therefore, can be recognized in the financial statements. Also, estimates are required to determine the expected timing upon which tax assets will be realized and upon which tax liabilities will be settled.

Estimates

Asset Retirement Obligation

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These costs are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of restoration liabilities that may occur upon decommissioning of the property.

Impairment of Non-Financial Assets

In determining the estimated recoverable amount of a CGU subject to impairment testing, the Company measures the estimated recoverable amount of a CGU as the higher of fair value less costs of disposal and its value in use. Estimated recoverable amounts of a CGU are evaluated and calculated using various data and assumptions. The data and assumptions used in the estimates of recoverable amount are assessed for reasonableness based on the information available at the time the estimate of recoverable amount is prepared. The estimate of recoverable amount for a CGU involves certain significant assumptions including the forecasted revenue growth rates, forecasted earnings before finance costs, taxes, depreciation and amortization and the discount rate.

Fair value of financial instruments

The Company measures its financial instruments at fair value or amortized cost. Fair value is determined on the basis of market prices from independent sources, if available. If there is no available market price, then fair value is determined by using valuation models. The inputs to these models, such as expected volatility and liquidity discounts, are derived from observable market data where possible, but where observable date is not available, judgment is required to establish fair values. There is inherent uncertainty and imprecision in estimating the factors that can affect fair value, and in estimating fair values generally, when observable data is not available. Changes in assumptions and inputs used in valuing financial instruments could affect the reported fair values.

Share-Based Compensation

The Company uses an option pricing model to determine the fair value of equity-settled share-based compensation including stock options and warrants. Inputs to the model are subject to various estimates relating to volatility, interest rates, dividend yields and expected life of the units issued. Fair value inputs are subject to market factors as well as internal estimates. The Company considers historic trends together with any new and comparative information to determine the best estimate of fair value at the date of grant.

Risks and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

General

The Company is in the business of investing in public and private companies with the objective of enhancing the value of the investee companies through augmentation of the investee's management team, management process, acquisitions and/or mergers, which is a highly speculative endeavour. A purchase of any of the securities of the Company involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Company should not constitute a major portion of an individual's investment portfolio and should only be made by Persons who can afford a total loss of their investment. Prospective investors should evaluate carefully the following risk factors associated with an investment in the Company's securities prior to purchasing any securities.

Dependence on Key Personnel

The success of the Company will be largely dependent on the abilities, experience, efforts and industry knowledge of its directors and senior officers. The long-term loss of the services of any of these persons for any reason could have a material adverse effect on the Company's business, financial condition, and results of operations or future prospects. There can be no assurance that the Company can maintain the services of its directors or senior officers required to operate its business, and any failure to do so could have a material adverse effect on its business, financial condition, results of operations and future prospects.

Cash Flows and Revenue

The Company will generate revenue and cash flows primarily from income from financial advisory services and, dividend and proceeds from the disposition of its investments. The availability of these sources of funds and the amount of funds generated from these sources are dependent upon various factors, most of which are outside of the Company's direct control. The Company's liquidity and operating results may be adversely affected if access to the capital markets is hindered, whether as a result of a downturn in the market conditions generally or to matters specific to the Company, or if the value of the Company's investments decline, resulting in lesser proceeds of disposition and capital losses for the Company upon disposition.

Investments Portfolio Exposure

Given the nature of the Company's activities, its results of operations and financial condition are dependent upon the market value of securities that comprise the Company's investments portfolio. Magnetic North invests primarily in small companies which the Company believes exhibit potential for growth and sustainable cash flows, but which may not ever mature or generate returns the Company expects or may require a number of years to do so.

Investments in private companies may offer relatively high potential returns, but will also be subject to a relatively high degree of risk. Private company investments are subject to various risks, particularly the risk that the Company will be unable to realize the Company's investments objectives by sale or other disposition at attractive prices or otherwise be unable to complete any exit strategy.

Macro factors such as fluctuations in commodity prices and global political and economic conditions could also negatively affect the Company's portfolio of investments. The Company may be adversely affected by the falling share prices of the securities of investee companies; as such, share prices may directly and negatively affect the estimated value of the Company's portfolio of investments. Moreover, company-specific risks could have an adverse effect on one or more of the investments that may comprise the portfolio at any point in time. Company-specific and industry-specific risks that may materially adversely affect the Company's investment portfolio may have a materially adverse impact on operating results. The factors affecting current macro economic conditions are beyond the control of the Company.

Ability to Access Public and Private Capital

In order to execute the anticipated growth strategy, the Company will require some additional equity to support its continuing operations, or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms, which are acceptable. The Company's inability to raise financing to support ongoing operations or to fund acquisitions could limit the Company's growth and may have a material adverse effect upon future profitability. The Company may require additional financing to fund its operations to the point where it is generating positive cash flows.

Possible Volatility of Stock Price

Securities markets throughout the world are cyclical and, over time, tend to undergo high levels of price and volume volatility. A publicly-traded company will not necessarily trade at values determined by reference to the underlying value of its business. The prices at which the Company's common shares and series A preferred shares will trade cannot be predicted. The market price of the Company's securities could be subject to significant fluctuations in response to variations in quarterly and annual operating results, the results of any public announcements the Company makes, general economic conditions, and other factors. Increased levels of volatility and resulting market turmoil may adversely impact the price of the Company's securities. If the Company is required to access capital markets to carry out its development objectives (as is expected), the state of domestic and international capital markets and other financial systems could affect its respective access to, and cost of, capital. Such capital may not be available on terms acceptable to the Company or at all, and this could have a material adverse impact on its business, financial condition, results of operations or prospects.

Dilution

The Company will be authorized to issue an unlimited number of Company's common shares and series A preferred shares or other securities for such consideration and on such terms and conditions as may be established by the Company, without the approval of Company's Shareholders. In addition, it is currently anticipated that the Company will be required to conduct additional equity financings to develop the business of the Company and envisioned by management of the Company. Any further issuance of Company Shares pursuant to such equity financings may further dilute the interests of existing shareholders.

Impact of Quarterly and Annual Financial Reporting

There can be no assurance that the Company will be profitable on a quarterly or annual basis. The investees' business strategies may not be successful. As a reporting company, the Company will be required to report financial results on an annual and quarterly basis. If its business is not profitable, the Company's share price may decline.

Public Health Crisis

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. COVID-19's impact on global markets was significant throughout 2020. This outbreak resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the Company's financial results and condition in future periods.

Private Issuers and Illiquid Securities

The Company may invest in securities of private issuers, illiquid securities of public issuers and publicly-traded securities that have low trading volumes. The value of these investments may be affected by factors such as investor demand, resale restrictions, general market trends and regulatory restrictions. Fluctuation in the market value of such investments may occur for a number of reasons beyond the control of the Company and there is no assurance that an adequate market will exist for investments made by the Company. Many of the investments made by the Company may be relatively illiquid and may decline in price if a significant number of such investments are offered for sale by the Company or other investors.

Available Opportunities and Competition for Investments

The success of the Company's operations depends upon, among others: (a) the availability of appropriate investment opportunities; (b) the Company's ability to identify, select, acquire, grow and exit those investments; and (c) the Company's ability to generate funds for future investments. The Company can expect to encounter competition from other entities having similar investment objectives, including institutional investors and strategic investors. These groups may compete for the same investments as the Company, will have a longer operating history and may be better capitalized, have more personnel and have different return targets. As a result, the Company may not be able to compete successfully for investments. In addition, competition for investments may lead to the price of such investments increasing, which may further limit the Company's ability to generate desired returns. There can be no assurance that there will be a sufficient number of suitable investment opportunities available to invest in or that such investments can be made within a reasonable period of time. There can also be no assurance that the Company will be able to identify suitable investment opportunities, acquire them at a reasonable cost or achieve an appropriate rate of return. Identifying attractive opportunities is difficult, highly competitive and involves a high degree of uncertainty. Potential returns from investments will be diminished to the extent that the Company is unable to find and make a sufficient number of investments.

Concentration of Investments

There are no restrictions on the proportion of the Company's funds and no limit on the amount of funds that may be allocated to any particular investment. The Company may participate in a limited number of investments and, as a consequence, its financial results may be substantially adversely affected by the unfavourable performance of a single investment. Completion of one or more investments may result in a highly concentrated investment in a particular company, commodity or geographic area, resulting in the performance of the Company depending significantly on the performance of such company, commodity or geographic area.

No Guaranteed Return

There is no guarantee that an investment in the securities of the Company will earn any positive return in the short-term or long-term. The task of identifying investment opportunities, monitoring such investments and realizing a significant return is difficult. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize a return on such investments successfully.

Due Diligence

The due diligence process undertaken by the Company in connection with investments may not reveal all facts that may be relevant in connection with an investment. Before making investments, the Company will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, the Company may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, the Company will rely on resources available, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that is carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Non-Controlling Interests

The Company's investments may consist only of debt instruments and equity securities of companies that it does not control. These investments will be subject to the risk that the company in which the investment is made may make business, financial or management decisions with which the Company does not agree or that the majority stakeholders or the management of the investee company may take risks or otherwise act in a manner that does not serve the Company's interests. If any of the foregoing were to occur, the values of the Company's investments could decrease and its financial condition, results of operations and cash flow could suffer as a result.

Potential Transaction and Legal Risks

The Company intends to manage transaction risks through allocating and monitoring its capital investments in circumstances where the risk to its capital is minimal, carefully screening transactions, and engaging qualified personnel to manage transactions, as necessary. Nevertheless, transaction risks may arise from the Company's investment activities. These risks include market and credit risks associated with its operations. An unsuccessful investment may result in the total loss of such an investment and may have a material adverse effect on the Company's business, results of operations, financial condition and cash flow.

The Company may also be exposed to legal risks in its business, including potential liability under securities or other laws and disputes over the terms and conditions of business arrangements. The Company also faces the possibility that counterparties in transactions will claim that it improperly failed to inform them of the risks involved or that they were not authorized or permitted to enter into such transactions with the Company and that their obligations to the Company are not enforceable. During a prolonged market downturn, the Company expects these types of claims to increase. These risks are often difficult to assess or quantify and their existence and magnitude often remains unknown for substantial periods of time. The Company may incur significant legal and other expenses in defending against litigation involved with any of these risks and may be required to pay substantial damages for settlements and/or adverse judgments. Substantial legal liability or significant regulatory action against the Company could have a material adverse effect on its results of operations and financial condition.

Potential Conflicts of Interest

Certain of the directors and officers of the Company are or may, from time to time, be involved in other financial investments and professional activities that may on occasion cause a conflict of interest with their duties to the Company. These include serving as directors, officers, advisers or agents of other public and private companies, including companies involved in similar businesses to the Company or companies in which the Company may invest, management of investment funds, purchases and sales of securities and investment and management counselling for other clients. Such conflicts of the Company's directors and officers may result in a material and adverse effect on the Company's results of operations and financial condition.

Cautionary Note Regarding Forward-Looking Information

This MD&A includes certain statements and information that constitutes "forward-looking statements" and "forward-looking information" under applicable securities laws (collectively, "Forward- Looking Statements", unless otherwise stated). Forward-looking statements appear in a number of places in this MD&A and include statements and information regarding the intent, beliefs or current expectations of the Company. Such Forward-Looking Statements involve known and unknown risks and uncertainties that may cause the Company's actual results, performance or achievements to be materially different from any futureresults, performance or achievements expressed or implied by such Forward-Looking Statements. When used in this MD&A, words such as "expects", "anticipates", "estimates", "projects", "plans", "goals", "objectives", "outlook", "believe", "could", "intend", "may", "predict", "will", "would" and similar expressions are intended to identify these forward- looking statements. Forward-looking statements may relate to the Company's future outlook and anticipated events or results and may include statements regardingCompany's future business strategy, plans and objectives. The Company has based these Forward- Looking Statements largely on their current expectations and projections about future events. These Forward-Looking Statements were derived using numerous assumptions, and while the Company considers these assumptions to be reasonable, based on information currently available, such assumptionsmay prove to be incorrect. Accordingly, readers are cautioned to not put undue reliance on these Forward-Looking Statements. Forward-looking statements should not be read as a guarantee of future events or results.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under whichit is made, as of the date of and for the periods presented by the financial statements, and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certificationof Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate doesnot include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implementon a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality,reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.