MAGNETIC NORTH ACQUISITION CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2024

(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 October 10, 2024, should be read in conjunction with our unaudited condensed interim financial statements and accompanying notes for the three months ended March 31, 2024 and 2023, the December 31, 2023 audited annual financial statements and accompanying notes, and the December 31, 2023 MD&A.

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"). 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 three months ended March 31, 2024.

Description of Business and Overview

Magnetic North, with its 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 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 "Purchased Assets") 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 100,000 Series A preferred shares of the Company at a deemed price of $10.00 per Series A preferred share. The Purchased 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. On completion of the Transaction, the Company changed its primary business to an investment entity comprised of a team of highly experienced professionals in finance and strategy. Magnetic North is primarily focused on investing in the following industries: clean power technology, oilfield services, consumer products, and technology (software and hardware).

In furtherance of the Company's new business objective, the following criteria is utilized to assess potential investment opportunities:

(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;
(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; and
- 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

- On March 6, 2024 the Company held an annual general and special meeting of the holders of common shares of the Company. At this meeting the Company's Omnibus long-term Incentive Plan, initially approved by the Board of Directors and its shareholders at the annual and special meeting of shareholders held on November 10, 2020, was re-approved. The policies of the TSXV require that share based incentive plans, such as the Omnibus Plan, which reserve for issuance up to 10% of a listed company's shares, be approved annually by the shareholders of the company. In addition, the audited financial statements of the Company for the financial years ended December 31, 2022 and 2021 and the auditor's report on these statements as well as the unaudited interim financial statements for the period ended September 30, 2023 were presented.
- During the Company's 2023 audit, Company management reviewed the accounting for, and classification of, the Series A preferred shares. It was determined that the Series A preferred shares are not a financial liability, rather they are more properly classified as equity.
  There are three key terms, all of which were relevant to the determination of the classification of the Series A preferred shares:
  1. Redemption option - at the discretion of MNAC's Board of Directors.
  2. Dividend distribution - at the discretion of MNAC's Board of Directors.
  3. Entitlement - Distribution of net investment gain upon future events, non-discretionary.

  Each of these terms was analyzed individually under existing IFRS pronouncements.
  Based on the analysis undertaken, the Preferred Shares are considered a compound instrument, consisting of both an equity component and a liability component. However, the liability component is initially recognized at nil value due to its nature as a contingent obligation which has an indeterminable payment probability and an amount that cannot be reliably measured. Therefore, the entire amount of the proceeds from the issue of Series A preferred shares was reallocated to the equity component.
  The effect of this adjustment to the classification of the Series A preferred shares on the statement of financial position as at December 31, 2023 and March 31, 2024 is a decrease in financial liability-Series A preferred shares within non- current liabilities of $17,404,079 and a net increase in Series A preferred shares within shareholders' equity of $16,467,597. The March 31, 2023 comparative figures presented have also been restated, as appropriate, to reflect the reclassification of the Series A preferred shares to equity.
- On May 7, 2024 the Company was granted a Management Cease Trade Order by the Alberta Securities Commission, as a result of the Company being late to file its 2023 annual audited financial statements.
- On June 28, 2024 the Company repaid the US$10.0 Term Loan from the Canadian financial institution in the amount of US$10,000,000 using the Restricted Cash for the repayment.

- On July 12, 2024 the ASC issued a Cease Trade Order (the "CTO"). The CTO was issued as a result of the delay in the filing of the Company's 2023 audited annual financial statements and the accompanying corresponding interim financial statements, management discussion and analysis, and certifications for the period ended March 31, 2024.

Investments

The Company's investment portfolio consisted of the following as at March 31, 2024:

Investments	Instrument	Financial Instrument Fair Value Hierarchy	Cost	Fair Value	Company Ownership
CXTL Recycling (Canada) Corp.	Equity	3	$9,031,396	$ nil	50%
Previcare. Inc.	Equity	3	nil	nil	32%
			$9,031,396	$ nil	

The Company also held shares in the following companies that, under IFRS 13, were held at $nil fair value as at March 31, 2024: Ignite Alliance Corp. 50,000 shares representing less than 1% of its common shares; Power Symmetry 400,000 shares representing 40% of its common shares; and GrowthCell Global 335,000 common shares representing less than 1.5 % of its total common shares.

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 March 31, 2024 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 the investments in the Company's investment portfolio.
As at March 31, 2024, based on management's fair value assessment of these investments under IFRS 13, the Company reported the fair value of its investments in CXTL and Previcare, Inc. as nil (December 31, 2023 - $nil). Investments other than CXTL and Previcare have also been assessed under IFRS 13 to have $nil fair value as at March 31, 2024 (December 31, 2023 - $nil). As soon as there is additional progress and/or events that would assist in the determination of the probability of the key valuation assumptions used, the Company will re-evaluate its valuation model and determine a fair value in subsequent financial reporting periods.

Results of Operations

For the three months ended March 31, 2024 compared with the three months ended March 31, 2023

For the three months ended March 31, 2024, the Company's net loss was $736,087 ($0.01 per share), compared to a net loss of $258,304 ($0.00 per share) for the three months ended March 31, 2023. The increase in net loss of $477,783 is primarily a result of the following items:

Revenue

During the three months ended March 31, 2024, the Company reported revenue of $60,000 as compared to $nil in the comparative period in 2023. Revenue is generated from providing management advisory services to Investee Entities. Revenue is comprised of advisory fees from its investee entity, CXTL.

General and Administrative Expenses ("G&A")

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

G&A expenses increased by $79,859 for the three months ended March 31, 2024 compared to the same period in 2023. G&A expenses were higher in the 2024 period primarily due to the increased cost of insurance coverage renewals plus increased consulting fees, professional fees and office and general expenses required to support the Company's activity in the 2024 period related to the Company's financing activities and investment acquisition assessment activities.

Share-based compensation

Share-based compensation expense decreased by $23,068 for the three months ended March 31, 2024 compared to the 2023 period. Share-based compensation expense varies 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. The comparatively lower fair value of the options granted more recently will also impact on share-based compensation expense.

Other items

Other items expense includes accretion, net finance income/(cost) and expected credit losses. Other items expense increased by $479,239 in the three months ended March 31, 2024 compared to the 2023 period primarily due to interest expense on the US$10.0M loan and the partial amortization of commitment fees incurred in 2023 related to securing the $CDN 14.0 million letter of credit that supported the loan.

Summary of Quarterly Results

Summary of Quarterly Results					RESTATED			
	Mar 31 2024	Dec 31 2023	Sept 30 2023	Jun 30 2023	Mar 31 2023	Dec 31 2022	Sept 30 2022	Jun 30 2022
Revenue	$ 60,000	$60,000	$ 60,000	$ 760,000	$ -	$ -	$ -	$ -
Operating income (loss)	(256,618)	(779,944)	(293,818)	447,831	(258,174)	(472,833)	(204,808)	(282,446)
Net income (loss)	(736,087)	(1,302,677)	(293,998)	447,651	(258,304)	(9,645,442)	4,795,002	(490,446)
Income (loss) per share - basic & diluted	(0.01)	(0.01)	(0.00)	0.01	(0.00)	(0.17)	0.08	(0.01)
Operating income (loss) full year		(884,105)				(1,317,346)		
Net income (loss) full year		(1,407,328)				(5,698,325)		

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.

In November 2023 the Company received a Term Loan from a Canadian financial institution in the amount of US$10,000,000 (CDN$ 13,334,216). The Term Loan was supported by a General Security Agreement on the Company's assets. The interest rate was US prime + 1.5%. In addition, a third party provided a Letter of Credit in the amount of CDN$ 14,000,000 as security for the Term Loan. Proceeds of the loan were to be used only to support certain specific potential financial transactions. As a result, the proceeds of the loan were classified as Restricted Cash.

On completion of an initial successful financial transaction supported by the proceeds of this loan, a one-time success fee of $250,000 would have been payable to the Canadian financial institution. There could however be no assurance that the Company would be successful in its efforts to complete an initial financial transaction supported by the proceeds of the loan.

The specific financial transactions and investment opportunities contemplated when the Company entered into the Credit Agreement for the non-revolving Term Loan in the amount of US$10,000,000 either did not materialize, were assessed to be inconsistent with the restrictions placed on the use of the funds or were not economically beneficial to the Company and, as a result, on June 28, 2024 the Company repaid the US$10,000,000 Term Loan using the Restricted Cash in the amount of US$10,000,000. Accrued interest on the Term Loan of $US 539,315.08 was converted to a non-interest bearing Demand Promissory Note.

Apart from the issues highlighted above 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.

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. As noted under Summary of Quarterly Results above, use of the proceeds of the US$10.0 million short-term loan was restricted to the support of certain specific potential financial transactions and, as a result, loan proceeds were not available to fund general and administrative expenditures and any investment activities not specific to the use of the term loan proceeds.

At March 31, 2024, the Company had a working capital deficiency of $2,267,260 (December 31, 2023 – a $1,538,396 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 2024, the Company's expected operating expenses are estimated to be in excess of $100,000 per month for recurring operating costs.

The Company does not have sufficient free cash to fund its operating expenses for the twelve months ended March 31, 2025. The Company will have to raise additional capital during fiscal 2024 in amounts sufficient to fund both investment activities and working capital requirements.

The major variables include the Company's ability to successfully deploy the Restricted cash into specific financial transactions and/or investment opportunities; the size, timing and results of the Company's investment activities; and the Company's 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 three months ended March 31, 2024 and 2023:

Summary statement of cash flows	Three Months Ended Mar. 31, 2024	Three Months Ended Mar. 31, 2023
Net cash flows provided by (used in)operating activities	**$ 168,561**	$ (102,140)
Net cash flows provided by (used in) investing	**-**	-
Net cash flows provided by financing activities	**164,547**	114,500
Net change in cash and cash equivalents	**333,108**	12,360
Cash and cash equivalents, beginning of period	**13,232,976**	13,571
Cash and cash equivalents, end of period	**$ 13,566,084**	$ 25,931

Operating activities for the three months ended March 31, 2024 were mainly affected by: adjustments for share-based compensation expense; accrued interest expense on the US $10.0M loan; the partial amortization of commitment fees incurred related to securing the letter of credit supporting the US$10.0M loan; an increase in Due from related parties; and, a net increase in accounts payable and accrued liabilities balances.

Investing activities relate to providing advice and support for and to existing investments related to the development of their business plans in addition to work related to examining and assessing additional potential investment opportunities for the Company. Repayment of Advances by an Investee and an additional Advance to the Company by the Investee exceeded total Advances made to the Investee during the three months ended March 31, 2024, which resulted in net cash flow to the Company. These net advances to the Company have been reclassified from Investing to Financing activities.

Financing activities for the three months ended March 31, 2024 generated cash of $164,547 from net Advances from Investees discussed above.

Other Commitments and Contingencies

The Company has commitments for financial liabilities, minimum payments due as of March 31, 2024, as follows:

As at March 31, 2024	Carrying Value	Less than 1 year	1 to 3 years	4 to 5 years	Total
Trade payables and accrued liabilities	**$ 1,501,715**	$ 1,501,715	$ -	$ -	**$ 1,501,715**
Short term loans payable	**13,887,330**	13,887,330	-	-	**13,887,330**
Advances from investees	**816,360**	816,360			**816,360**
Total commitments	**$ 16,205,405**	$ 16,205,405	$ -	$ -	**$ 16,205,405**

Outstanding Share Data

The total number of fully diluted outstanding and issuable Common shares and total Common share and Preferred share options and warrants is as follows:

	March 31, 2024	March 31, 2023
Common shares	**59,097,178**	59,097,178
Common share stock options	**4,990,000**	4,443,927
Series A preferred share stock options	**97,500**	12,500
Series A preferred share purchase warrants	**993,162**	443,162
Total	**65,177,840**	63,996,767

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:

	Three months ended March 31,	
	2024	**2023**
Consulting fees	**100,000**	79,867
Share-based compensation	**2,742**	-
Salaries and benefits	**36,816**	-
	$ 139,558	$ 79,867

Investments in companies with common management personnel:

Entity	Type of Investment	Holdings (#)	Fair Value
CXTL Recycling (Canada) Corp.[(1)]	Common shares	115,592 shares	$nil
Previcare, Inc.[(2), (3)]	Common shares	1,600,000 shares	$nil
Ignite Alliance Corp.	Common shares	50,000 shares	$nil
Bluenose Quartz Ltd.[(4)]	Common shares	100 shares	$nil

(1) Andrew Osis, Co-Chief Executive Officer of the Company, is also the Executive Chairman of CXTL and Ian 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) Lance McIntosh, CFO of the Company, is also the Chief Financial Officer of Previcare, Inc.

(4) Andrew Osis and Kevin Spall, Co-Chief Executive Officers of the Company, are also the directors of Bluenose Quartz Ltd.

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 recoverable 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 free cash and cash equivalents on the basis of projected cash flow. As at March 31, 2024, the Company had free cash of $27,084 (December 31, 2023 – $6,976) to settle current liabilities, excluding the US$10.0 million short-term loan of $2,733,020 (December 31, 2023 - $2,068,366). 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 or sufficient 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. The Company is exposed to market risks associated with the inherent volatility and external factors that can impact the fair value of equity instruments:

(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 interest-bearing debt of $US 10,000,000; at prevailing market interest rates, the impact on interest expense is approx. US$100,000 [approx. $CDN135,000] for every 1.0% increase or decrease in the US prime rate.

(b) Foreign Currency Risk
The Company has assets and liabilities denominated in a foreign currency. The amount of assets and liabilities denominated in the foreign currency as at March 31, 2024 basically offset, providing a natural hedge

(c) Commodity Price Risk
The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as 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 to determine the appropriate course of action to be taken by the Company when circumstances permit.

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 measurement date. 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 other means. Level 2 financial instruments include 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 is 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 three month period ended March 31, 2024.

Outlook

For the immediate future, the Company plans to: continue to implement its investment strategy, as described above; identify and complete an initial financial transaction, including transaction opportunities that are not supported by and do not require the Restricted Cash proceeds of the US$ 10.0 million loan; 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 the option of finding a joint venture partner for its exploration mining 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.

Critical Accounting Estimates

The preparation of the financial statements in compliance with IAS 34 requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas where significant judgment and estimates have been made in preparing the financial statements and their effect are disclosed in Note 2 of the Company's 2023 audited annual financial statements and reflect its status as an Investment Entity, as noted below.

Investment Entity Status

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

Changes in Accounting Policies

Basis of Consolidation

Effective December 31, 2020, the Company's ownership of CXTL Recycling (Canada) Corp. ("CXTL") was reduced from 100% to 50% as a result of the transfer of 50% ownership to Cirque Innovations Ltd. Due to the reduction in the Company's ownership, the Company ceased consolidating CXTL's results effective January 1, 2021.

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.

Classification of Series A Preferred shares

During the Company's 2023 audit, the Company reviewed the accounting for, and classification of, the Series A preferred shares. It was determined that the Series A preferred shares are not a financial liability, rather they are more properly classified as equity.

Based on the analysis undertaken, the Preferred Shares are considered a compound instrument, consisting of both an equity component and a liability component. However, the liability component is initially recognized at nil value due to its nature as a contingent obligation which has an indeterminable payment probability and an amount that cannot be reliably measured. Therefore, the entire amount of the proceeds from the issue of Series A preferred shares was reallocated to the equity component.

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 future results, 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 regarding the Company'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 assumptions may prove to be incorrect. Accordingly, readers are cautioned not to 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 which it 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, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not 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 implement 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.

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. Please refer to the section entitled "Risks and Uncertainties" in the Company's MD&A for the fiscal year ended December 31, 2021, available on SEDAR at www.sedar.com.