

Management's Discussion and Analysis

Jessy Ventures Corp.

For the Six Months Period Ended October 31, 2019

Jessy Ventures Corp.

Management's Discussion and Analysis of Financial Results

For the six months ended October 31, 2019

The following management discussion and analysis ("MD&A") should be read in conjunction with the condensed interim financial statements and accompanying notes ("Financial Statements") of Jessy Ventures Corp. (the "Company") for the six months ended October 31, 2019. Results have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All monetary amounts are reported in Canadian dollars unless otherwise indicated.

For further information on the Company reference should be made to the Company's public filings which are available on SEDAR.

This MD&A contains forward-looking information. See "Forward-Looking Information" and "Risks and Uncertainties" for a discussion of the risks, uncertainties and assumptions relating to such information.

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INTRODUCTION

The following discussion of performance and financial condition should be read in conjunction with the condensed interim financial statements of Jessy Ventures Corp. (the "Company") for the six months ended October 31, 2019. The Company's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The Company's reporting currency is Canadian dollars unless otherwise stated. This Management's Discussion and Analysis ("MD&A") is dated December 11, 2019.

DESCRIPTION OF BUSINESS

Jessy Ventures Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on November 21, 2018. The Company was formed for the primary purpose of completing an Initial Public Offering ("IPO") on the TSX Venture Exchange ("Exchange") as a Capital Pool Corporation ("CPC") as defined in Policy 2.4 of the Exchange. The principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Company has not commenced operations and has no assets other than cash. The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition, or business, or an interest therein within 24 months of listing on the Exchange. Such an acquisition will be subject to the approval of the regulatory authorities concerned and in the case of a non-arms' length transaction, of the majority of the minority shareholders.

On October 8, 2019, the Company completed its IPO on the Exchange raising gross proceeds of \$200,000 through the issuance of 2,000,000 common shares at \$0.10 per common share. The Company's common shares were approved for listing on the Exchange and commenced trading effective October 10, 2019 under the symbol "SARG.P".

There is no assurance that the Company will identify a Qualifying Transaction within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or delist the Company's shares from trading.

The registered and head office of the Company is located at 605 – 815 Hornby Street, Vancouver, BC, V6Z 2E6.

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. As at October 31, 2019, the Company has not generated any revenues from operations and has an accumulated deficit of \$93,832. The Company expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments to the carrying values of assets and liabilities, the reported expenses, and the balance sheet classifications used that may be necessary if the Company is unable to continue as a going concern.

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SELECTED QUARTERLY FINANCIAL INFORMATION

Selected Annual Information

The following selected financial information is derived from the audited financial statements of the Company. The figures have been prepared in accordance with IFRS.

	October 31, 2019	July 31, 2019	April 30, 2019	From November 21, 2018 (date of incorporation) to January 31, 2019
	\$	\$	\$	\$
General and administrative expenses	51,635	35,355	6,842	-
Net loss and comprehensive loss	(51,635)	(35,355)	(6,842)	-
Net loss per share – Basic & fully diluted	-	-	-	-
Totals assets	201,936	67,193	99,158	-
Total liabilities	5,250	9,390	6,000	-
Cash dividends declared per share	Nil	Nil	Nil	-

RESULTS OF OPERATIONS

For the three and six months period ended October 31, 2019

Net loss and comprehensive loss for the three and six month period ended October 31, 2019 was \$51,635 and \$86,990. There were no comparable prior year results as the Company was incorporated on November 21, 2018. The expenses for the three and six month period ended October 31, 2019 comprised bank charges, professional fees, filing fees and stock-based compensation.

LIQUIDITY AND CAPITAL RESOURCES

As at October 31, 2019, the Company had working capital of \$196,686 (April 30, 2019 - working capital of \$93,158).

As at October 31, 2019, the shareholders' equity of \$196,686 (April 30, 2019 - \$93,158) consisted of share capital of \$250,618 (April 30, 2019 - \$100,000) and deficit of \$93,832 (April 30, 2019 - \$6,842).

OUTSTANDING SHARE DATA

- Authorized Share Capital: unlimited common shares without par value.
- Issued and Outstanding as at October 31, 2019: 4,000,000 common shares, 400,000 share purchase options and 200,000 share purchase warrants.

Share issuances

On November 21, 2018, the Company issued 25,000 common shares at \$0.05 per share to the directors and/or officers of the Company for proceeds of \$1,250.

On April 12, 2019, the Company issued 1,975,000 common shares at \$0.05 per share to the directors and/or officers of the Company for proceeds of \$98,750.

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On October 8, 2019, the Company completed its IPO of 2,000,000 common shares at a price of \$0.10 per share. Share issuance costs for the IPO totaled \$49,382 comprising agent's cash commission of \$20,000, and other related cash fees totaling \$18,982. Additionally, the Company issued 200,000 broker warrants with a \$10,400 fair value.

The issued and outstanding common shares are subject to a CPC Escrow Agreement. Under the CPC Escrow Agreement, 10% of the escrowed common shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the dates 6, 12, 18, 24, 30 and 36 months following the Initial Release. All common shares acquired on the exercise of stock options granted to directors, officers and non-employees prior to the completion of a qualifying transaction must also be deposited in escrow until the Final Exchange Bulletin is issued. In addition, all common shares of the Company acquired in the secondary market prior to the completion of a qualifying transaction by any person or company who becomes a control person are required to be deposited in escrow. Subject to certain exemptions permitted by the Exchange, all securities of the Company held by principals of the resulting issuer will also be escrowed.

TRANSACTIONS WITH RELATED PARTIES

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

During the period ended October 31, 2019, a private Company, whom a director is a partner of, charged \$5,250 in professional fees; this fee remain unpaid as at October 31, 2019.

LOSS PER SHARE

In accordance with the Company's accounting policy, weighted average number of shares outstanding excludes shares held in escrow. The Company's shares outstanding as at October 31, 2019, includes 2,000,000 shares held in escrow and which, pursuant to Policy 2.4 of the Exchange, are contingently cancellable pending the completion of a Qualifying Transaction. As a result, these shares have been excluded from the calculations of basic and diluted loss per share.

OFF BALANCE SHEET TRANSACTIONS

The Company does not have any off-balance sheet arrangements as at October 31, 2019 or as of the date of this report.

CRITICAL JUDGMENTS AND ESTIMATES

The preparation of the Financial Statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments and the recoverability and measurement of deferred tax assets.

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Significant Judgments

The preparation of the Financial Statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

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

The Company includes share capital in the definition of capital.

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

Cash Restrictions

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the Exchange Policy 2.4.

FINANCIAL INSTRUMENTS

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

As at October 31, 2019, the Company had accounts payable and accrued liabilities of \$5,250 (April 30, 2019 - \$6,000) due within 12 months and had cash of \$199,137 (April 30, 2019 - \$99,158) to meet its current obligations. As a result, the Company has minimal liquidity risk.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company ensures that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash. The Company's cash is held in corporate bank accounts available on demand. Liquidity risk has been assessed as being high.

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RISKS & UNCERTAINTIES

The Company currently has no source of recurring income, has not commenced commercial operations, has no significant assets other than cash, has no history of earnings and does not intend to pay dividends. In addition, there can be no assurance that the Company will be able to obtain additional financing in the future on terms acceptable to the Company or at all. The Company's success depends to a certain degree upon key members of the management. It is expected that these individuals will be a significant factor in our growth and success. The loss of the service of members of the management team or certain key employees could have a material adverse effect on the Company.