

Management's Discussion and Analysis

**Jessy Ventures Corp.
(A Capital Pool Company)**

For the Year Ended April 30, 2021

Jessy Ventures Corp.

Management's Discussion and Analysis of Financial Results
For the year ended April 30, 2021

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 year ended April 30, 2021, in addition to the audited financial statements for the year ended April 30, 2020 and related notes thereto. 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 year ended April 30, 2021. 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 August 31, 2021.

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".

As required by the TSX-V for CPC's, the Company did not complete a qualifying transaction within 24 months of listing and the common shares were suspended from trading until such time that the Company has acquired an interest in a material asset or business or until the Company adopts the new rules and the TSX-V's revised CPC program.

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

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SELECTED QUARTERLY FINANCIAL 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.

	April 30, 2021	January 31, 2021	October 31, 2020	July 31, 2020
	\$	\$	\$	\$
General and administrative expenses	20,498	6,783	4,636	3,793
Net loss and comprehensive loss	(20,498)	(6,783)	(4,636)	(3,793)
Net loss per share – Basic & fully diluted	-	-	-	-
Totals assets	137,791	150,579	154,243	166,732
Total liabilities	10,829	Nil	Nil	7,853
Cash dividends declared per share	Nil	Nil	Nil	Nil

	April 30, 2020	January 31, 2020	October 31, 2019	July 31, 2019
	\$	\$	\$	\$
General and administrative expenses	22,189	6,325	51,635	35,355
Net loss and comprehensive loss	(22,189)	(6,325)	(51,635)	(35,355)
Net loss per share – Basic & fully diluted	-	-	-	-
Totals assets	171,808	197,186	201,936	67,193
Total liabilities	9,136	6,825	5,250	9,390
Cash dividends declared per share	Nil	Nil	Nil	Nil

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SELECTED ANNUAL FINANCIAL INFORMATION

	For the year ended April 30, 2021	For the year ended April 30, 2020	November 21, 2018 (date of incorporation) to April 30, 2019
			\$
Total assets	137,791	171,808	99,158
Total non-current liabilities		-	-
Total expenses	35,710	115,504	6,842
Less interest income	-	-	-
Loss and comprehensive loss	(35,710)	(115,504)	(6,842)
Basic & diluted loss per share	(0.02)	(0.10)	(0.00)
Weighted average number of common shares outstanding	2,000,000	1,120,219	-

RESULTS OF OPERATIONS

For the three and twelve months ended April 30, 2021

Net loss and comprehensive loss for the three and twelve months ended April 30, 2021 was \$20,498 and \$35,710, respectively compared to \$22,189 and \$115,504 net loss for the comparable periods. The decrease in overall net loss in the twelve months period is due to prior year filing fees in support of the Initial Public Offering in addition to increased professional fees. During the fourth quarter, overall expenses were relatively unchanged except for slightly increased regulatory and filing expenses in the prior fourth quarter. The Initial Public Offering is a non-recurring event, and lower operating costs were expected in the current period.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional financial information is available in the Company's audited financial statements for the fiscal year ended April 30, 2021. These statements are available on SEDAR at www.sedar.com.

The following addresses the specific disclosure requirements for venture issues without significant revenues:

- (a) Capitalized or expensed exploration and development costs – Not applicable
- (b) Expensed research and development costs – Not applicable
- (c) Deferred development costs – Not applicable
- (d) General administrative expenses – the financial information is presented in the Statement of Loss and Comprehensive Loss in the financial statements.
- (e) Any material costs, whether capitalized, deferred or expensed, not referred to in (a) through (d) – None.

Profits

At this time, the Company is not anticipating profit or revenue from operations. The Company will report an annual deficit and quarterly deficit and will rely on its ability to obtain equity financing to fund its search for a QT. For information concerning the business of the Company, please see "Company Overview".

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LIQUIDITY AND CAPITAL RESOURCES

As at April 30, 2021, the Company had working capital of \$126,962 (April 30, 2020 - working capital of \$162,672).

As at April 30, 2021, the shareholders' equity of \$126,962 (April 30, 2020 - \$162,672) consisted of share capital of \$245,118 (April 30, 2020 - \$245,118) a deficit of \$158,056 (April 30, 2020 - \$122,346) and reserves of \$39,900 (April 30, 2020 - \$39,900).

OUTSTANDING SHARE DATA

- a) Authorized Share Capital: unlimited common shares without par value.
- b) Issued and Outstanding as at the date of this document: 6,718,332 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.

On October 8, 2019, the Company completed its IPO of 2,000,000 common shares at a price of \$0.10 per share for total proceeds of \$200,000. Share issuance costs for the IPO totaled \$54,882 comprising agent's cash commission of \$20,000, and other related cash fees totaling \$24,482. 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.

Subsequent to April 30, 2021, the Company closed a non-brokered private placement of 2,718,332 common shares issued at a price of \$0.09 per common share for gross proceeds of \$244,650. Of the shares issued, 1,500,000 were escrow shares and 1,218,332 were non-escrowed shares.

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TRANSACTIONS WITH RELATED PARTIES

Related parties are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. 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 April 30, 2021, the Company incurred \$7,950 in professional fees from Ryan Cheung, the CFO of the Company, (April 30, 2020 - \$4,650). There was \$2,625 owing to Ryan Cheung for services rendered at April 30, 2021 (April 30, 2020 - \$1,500 owing).

During the year ended April 30, 2020, the Company incurred \$5,250 in professional fees from a company, of which a former director is a partner of.

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 April 30, 2021, 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 April 30, 2021 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.

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.

The significant accounting judgments and estimates made in the April 30, 2021 and 2020 financial statements were as follows:

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Judgments

- i) The measurement of deferred income tax assets and liabilities.
- ii) The evaluation of the Company's ability to continue as a going concern.

Estimations

- i) The fair value of share-based compensation.
- ii) The fair value of warrant compensation

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.

Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligation resulting in financial loss to the Company. Credit risk is primarily related to the Company's cash. To minimize this risk, cash has been placed with a major Canadian financial institution.

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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. As at April 30, 2021, the Company had accounts payable and accrued liabilities of \$10,829 (2020 - \$9,136) due within 12 months and had cash of \$137,791 (2020 - \$171,808) to meet its current obligations. As a result, the Company has minimal liquidity risk.

Market risk

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

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.