

HOPE WELL CAPITAL CORP.*

(A CAPITAL POOL COMPANY)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED OCTOBER 31, 2020

(EXPRESSED IN CANADIAN DOLLARS)

December 30, 2020

* Hope Well Capital Corp. is in no way affiliated with or related to Hopewell Capital Corporation, a separate pre-existing business purportedly engaged in the field of venture capital across Canada, or the Hopewell Group of Companies' multi-faceted real estate and logistics group

Introduction

This Management's Discussion and Analysis ("**MD&A**") is dated December 30, 2020 unless otherwise indicated and should be read in conjunction with the interim unaudited condensed consolidated financial statements of Hope Well Capital Corp. ("**HWCC**" or the "**Corporation**") for the three and nine months ended October 31, 2020 and the related notes thereto. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results presented for the three and nine months ended October 31, 2020, are not necessarily indicative of the results that may be expected for any future period.

The unaudited interim condensed consolidated financial statements for the three and nine months ended October 31, 2020, have been 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 unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS.

Further information about the Corporation and its operations can be obtained from the offices of the Corporation or from www.sedar.com.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Corporation's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the potential of the Corporation to complete a Qualifying Transaction (defined below); the ability of the Corporation to successfully merge its business with a potential Qualifying Transaction target company or asset, the Corporation's ability to meet its working capital needs at the current level for the next twelve-month period; management's outlook regarding future trends; sensitivity analysis on financial instruments, which may vary from amounts disclosed; and general business and economic conditions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Corporation's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Corporation undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Corporation does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Overview

The Corporation was incorporated under the *Business Corporations Act* (Ontario) on December 1, 2016 with the intent of being classified as a Capital Pool Company ("**CPC**") as defined in Policy 2.4 of the TSX Venture Exchange (the "**Exchange**"). The Corporation has no assets other than cash. The Corporation proposes to identify and evaluate potential acquisitions of businesses (for a "**Qualifying Transaction**"), and once identified and evaluated, to negotiate an acquisition or participation. The registered office of the Corporation is located at Suite 3000, 77 King Street West, Toronto, Ontario, M5K 1G8. The Corporation's financial year ends on January 31.

The Corporation's continuing operations are dependent upon its ability to evaluate and negotiate an agreement to acquire an interest in a material asset or business within twenty-four months of listing on the Exchange. Where an acquisition or participation is warranted, additional funding may be required. The ability of the Corporation to fund its potential future operations and commitments is dependent upon its ability to obtain additional financing. There is no assurance that the Corporation will be able to complete a Qualifying Transaction within twenty-four months of being listed or that it will be able to secure the necessary financing to complete a Qualifying Transaction. The Exchange may suspend or de-list the Corporation's common shares from trading should it not meet these requirements.

The Corporation has not commenced commercial operations and has no assets other than cash. The Corporation will not carry on any business other than the identification and evaluation of

assets or businesses with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange.

There is no assurance that the Corporation will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or delist the Corporation's shares from trading.

Until Completion of the Qualifying Transaction (as such term is defined in Policy 2.4), the Corporation will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a Qualifying Transaction. Except as described in the Corporation's prospectus dated March 24, 2017 in connection with the IPO, funds raised pursuant to the issuance of shares by the Corporation will be utilized only for the identification and evaluation of potential Qualifying Transactions and, to the extent permitted by Policy 2.4, for general and administrative expenses.

Initial Public Offering

On May 3, 2017, the Corporation completed its initial public offering (the “**IPO**”) through its agent, Mackie Research Capital Corporation (“**Mackie**”), pursuant to a prospectus dated March 24, 2017 by issuing 6,249,999 common shares of the Corporation at a price of \$0.20 per common share for total gross proceeds of \$1,250,000. The Corporation became classified as a Capital Pool Company pursuant to Policy 2.4 — Capital Pool Companies (“**Policy 2.4**”) of the Exchange and commenced trading on the Exchange under the symbol HOPE.P on May 9, 2017. The Corporation's principal business is the identification and evaluation of assets or businesses for the purpose of completing a Qualifying Transaction (as such term is defined in Policy 2.4).

As consideration for its role as agent, the Corporation granted to Mackie a non-transferable option (the “**Agent’s Option**”) to purchase up to 625,000 common shares of the Corporation at a price of \$0.20 per common share for a period of 24 months until May 3, 2019. In addition, Mackie received a cash commission in an amount equal to 10% of the gross proceeds of the initial public offering, a work fee of \$15,000 and reimbursement of certain expenses.

Upon closing of the IPO, the Corporation also granted 772,500 incentive stock options to its directors and officers which are exercisable for a period of five years at an exercise price of \$0.20 per share. On June 29, 2017, the Corporation received the resignation from a director, and the 270,375 options granted to him expired on September 29, 2017 in accordance with the terms of the stock option plan. On November 6, 2017, the Corporation granted a total of 270,374 options to two directors, exercisable at a price of C\$0.21 per share until November 6, 2022.

Escrow shares

All common shares issued prior to the offering and all common shares that may be acquired from treasury of the Corporation by non-arm's length parties, as defined in the policies of the Exchange, of the Corporation prior to the completion of the Qualifying Transaction will be deposited with the trustee under the escrow agreement. Under the Discount Seed 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 which are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. This release schedule may be accelerated if the Corporation is listed as a Tier 1 Issuer.

All common shares acquired upon exercise of stock options prior to the completion of a Qualifying Transaction must also be deposited in escrow until the final exchange bulletin is issued, following which the common shares will be released from escrow in accordance with the terms of the escrow agreement.

All common shares of the Corporation acquired in the secondary market prior to the completion of a Qualifying Transaction by a control person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer following the Qualifying Transaction will also be escrowed. As at October 31, 2020, 1,475,000 common shares were in escrow.

Terminated Proposed Qualifying Transaction with Payfare

On November 17, 2017, the Corporation entered into a letter of intent for a business combination (the "**Payfare Transaction**") with Payfare Inc. ("**Payfare**"), that would have resulted in a reverse take-over of HWCC on the Exchange. If completed, the Payfare Transaction was intended to constitute the "Qualifying Transaction" of the Corporation under Policy 2.4 - Capital Pool Companies (the "**CPC Policy**") of the Exchange. Subsequently, the Corporation and its wholly owned subsidiary, 2644246 Ontario Limited entered into an amalgamation agreement with Payfare on July 27, 2018, which was amended and restated on September 27, 2018, further amended on November 20, 2018 and further amended and restated on March 4, 2019 (the "**Amalgamation Agreement**").

On March 6, 2019 the Exchange conditionally approved the listing of the resulting issuer on closing of the Payfare Transaction between the Corporation and Payfare.

On March 15, 2019, the Corporation received an email notice from Payfare with a copy of a non-binding letter of intent from an unidentified party to purportedly acquire all outstanding securities of Payfare for a cash and stock transaction (the "**Alternative Offer**"). Payfare claimed that the Alternative Offer was a "Superior Merger Proposal" under the Amalgamation Agreement and terminated the Payfare Transaction with the Corporation on March 27, 2019.

The Corporation disputed Payfare's claims and commenced a legal action against Payfare with respect to Payfare's non-compliance with the Amalgamation Agreement claiming, among other things, breach of contract, seeking damages including expenses incurred by the Corporation in connection with the Payfare Transaction.

The Corporation's shares resumed trading on the Exchange on April 9, 2019. On May 10, 2019 the Exchange suspended trading of the Corporation's shares in accordance with the Exchange policy as the Corporation did not complete a qualifying transaction by May 9, 2019, which was two years from listing on the Exchange. The trading of the Corporation's shares on the Exchange

will remain suspended until the Corporation completes a qualifying transaction, or the applicable Exchange policy has been amended.

On June 12, 2019, the Corporation entered into a settlement agreement with full and final mutual releases with Payfare in connection with claims made by the Corporation against Payfare and counterclaims made by Payfare against the Corporation in a court action regarding the disputes on Payfare's termination of the proposed Payfare Transaction. The parties settled the disputes without admission of liability. Settlement fee of \$300,000 was received together with remaining balance of retainer for \$90,577.58, which was deposited into GIC account with one-year term and annual interest rate of 1.27% maturing on June 19, 2020.

Termination of Proposed Qualifying Transaction with Loc8

On February 6, 2020, the Corporation entered into a letter of intent, as amended as of March 11, 2020 (the "**Loc8 LOI**") for a business combination (the "**Loc8 Transaction**") with Loc8 Corp. ("**Loc8**"), a corporation existing under the laws of Ontario that would have resulted in a reverse take-over of HWCC on the Exchange.

Prior to, and as a condition of closing of the Loc8 Transaction and subject to TSXV approval, HWCC would consolidate its outstanding shares (the "**Consolidation**") on the basis of 1.20 pre-Consolidation common shares for one post-Consolidation common share (a "**Post-Consolidation Share**"). The Corporation also expected to change its name to "Deepsatial AI Corp." or such other similar name approved by the directors of HWCC and Loc8 and acceptable to the applicable regulatory authorities.

In conjunction with the Loc8 Transaction, Loc8 and HWCC entered into an engagement letter with Mackie Research Capital Corporation on February 11, 2020 to conduct a brokered private placement (the "**Loc8 Financing**") led by Mackie Research Capital Corporation to raise gross proceeds of a minimum of \$2,000,000 and a maximum of \$3,000,000 through the issuance of subscription receipts of Loc8.

Pursuant to the terms of the LOI, completion of the Loc8 Transaction would be subject to a number of conditions, including completion of a minimum raise of \$2,000,000 in the Loc8 Financing, receipt of all required regulatory approvals, including the approval of the Exchange of the Loc8 Transaction, completion of all due diligence reviews, satisfaction of the minimum listing requirements of the Exchange and all requirements under the Exchange rules relating to completion of a qualifying transaction, and the execution of a definitive agreement.

On June 17, 2020, Loc8 and the Corporation terminated the Loc8 LOI and the LOC8 Transaction, primarily due to the delay of the completion of the audit of Loc8's financial statements.

The Corporation will seek out other potential targets for its qualifying transaction. Trading in the common shares of the Corporation has been halted since May 10, 2019. Trading will remain halted until, among other things, the Corporation completes a qualifying transaction in accordance with the policies of the Exchange.

Impact of COVID 19

During the period, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Corporation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Operations Highlights

The Corporation's net loss totaled \$22,270 for the three months ended October 31, 2020 (October 31, 2019 - net loss of \$12,775), with basic loss per share of \$0.004 (October 31, 2019 - basic loss per share \$0.002), and diluted loss per share of \$0.004 (October 31, 2019 - diluted earning per share \$0.002). Activities for the three months ended October 31, 2020 principally involved professional fees, disbursements and HST of \$18,180, and Exchange fees and others of \$4,090 (October 31, 2019 – interest income accrued of \$1,250, professional fees reimbursement of \$9,218, and Exchange fees and others of \$4,807).

The Corporation's net loss totaled \$78,843 for the nine months ended October 31, 2020 (October 31, 2019 - net profit of \$105,275), with basic loss per share of \$0.013 (October 31, 2019 - basic earning per share of \$0.014), and diluted loss per share of \$0.013 (October 31, 2019 - basic earning per share of \$0.014). Activities for the nine months ended October 31, 2020 principally involved interest income of \$1,892, professional fees disbursements and HST of \$53,929, and Exchange fees and others of \$26,806 (October 31, 2019 – professional fees disbursements and HST of \$174,441, Exchange fees and others of \$22,118, settlement fee received from Payfare of \$300,000 and interest income accrued of \$1,834).

Financial Highlights

Financial Performance

The Corporation's total assets at October 31, 2020 were \$776,321 (January 31, 2020 - \$854,997) against total liabilities of \$19,180 (January 31, 2020 - \$19,013). The decrease in total assets of \$78,676 resulted from expenditures on professional services and Exchange filing fees. The Corporation has sufficient current assets to pay its existing liabilities of \$19,180 at October 31, 2020 and meet its objective of completing a Qualifying Transaction.

Cash Flow

At October 31, 2020, the Corporation had working capital of \$757,141, compared to working capital of \$851,675 at October 31, 2019. The Corporation had cash of \$776,321 at October 31,

2020 compared to \$923,205 at October 31, 2019. The decrease in working capital and in cash is primarily due to expenditures on professional services and Exchange filing fees.

Liquidity and Financial Position

At October 31, 2020, the Corporation had working capital of \$757,141. The Corporation manages its capital structure and makes adjustments to it, based on available funds to the Corporation. Capital levels for Capital Pool Companies are regulated pursuant to guidelines issued by the Exchange. These guidelines state that until Completion of the Qualifying Transaction, and except as otherwise provided in the Policy 2.4, a maximum of the lesser of 30% of the gross proceeds from the sale of all securities issued by the Corporation and \$210,000 may be used for purposes other than evaluating businesses or assets, subject to the obtaining of a waiver of the Exchange. These restrictions apply until Completion of the Qualifying Transaction by the Corporation. Management believes the Corporation's working capital is sufficient for the Corporation to meet its ongoing obligations and meet its objective of completing a Qualifying Transaction. As at October 31, 2020, these restrictions had been met other than expenses incurred with respect to the action against Payfare for which the Corporation has received from the Exchange a waiver.

Off-Balance Sheet Arrangements

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

Contractual Obligations

There are no significant contractual obligations.

Related Party Transactions

During the three and nine months period ended October 31, 2020, the Corporation paid legal fees, disbursements and applicable HST of nil and \$32,006.29 respectively provided by a legal professional corporation whose principal lawyer became a director of the Corporation on August 6, 2019.

There was no other transaction with related parties and no remuneration was paid to key management personnel during the three and nine months period ended October 31, 2020.

All transactions with related parties occurred in the normal course of operations.

Risk Factors

An investment in the securities of the Corporation 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 Corporation and its financial position. For details of such risk factors, please see the Corporation's annual management discussion and analysis dated May 20, 2020 with respect to the fiscal year ended January 31, 2020.

Financial Instruments Fair Values

At October 31, 2020, the Corporation's financial instruments consisted of cash, accounts payable and accrued liabilities. The fair value of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Corporation to concentrations of credit risks consist principally of cash. To minimize the credit risk the Corporation places these instruments with a high credit quality financial institution.

Interest Rate Risk

The Corporation is not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation currently settles its financial obligations out of cash. The ability to do this relies on the Corporation raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs and to meet the Corporation's liabilities.

Capital Management and Risk Management

The Corporation'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 Corporation includes equity, comprised of issued common shares, in the definition of capital. The Corporation'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 Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

Outlook

The financial results for the three and nine months ended October 31, 2020 are indicative of a Capital Pool Company that has not yet commenced business operations. At period end the Corporation had no commercial assets other than cash. Until the completion and approval of the Qualifying Transaction the Corporation will not carry on any business other than the identification and evaluation of assets or businesses to be developed by the Corporation.

Share Capital

As of October 31, 2020, the Corporation had 7,724,999 issued and outstanding common shares, and it also had 772,499 incentive stock options outstanding granted its directors and officers, with 502,125 stock options expiring on May 3, 2022 exercisable at \$0.20 per share, and 270,374 stock options expiring on November 6, 2022 exercisable at a price of \$0.21 per share. In addition, the Corporation had a non-transferable Agent's Option to purchase up to 625,000 common shares of the Corporation at a price of \$0.20 per common share for a period of 24 months until May 3, 2019 which expired on May 3, 2019, and as of October 31, 2020, no Agent's Option was outstanding.

The Corporation obtained shareholder approval at the shareholders' meeting held on August 6, 2019 for cancelling 1,075,000 founder shares of the Corporation issued to insiders prior to the Corporation's initial public offering. The Corporation has yet to apply to the Exchange to cancel these founder shares pending the outcome of the regulatory approval for certain amendments to the Exchange's CPC Policy.