

AADIRECTION CAPITAL CORP.
(the “Company”)

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
For the Three and Nine Months Ended September 30, 2021

The following management discussion and analysis (“MD&A”) has been prepared by management of the Company as of November 18, 2021 and should be read in conjunction with the unaudited interim financial statements and related notes of the Company for the three and nine months ended September 30, 2021, and the audited financial statements of the Company and related notes for the period ended December 31, 2020. The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). All amounts are stated in Canadian dollars, the functional currency of the Company, unless otherwise indicated.

FORWARD LOOKING STATEMENTS

The statements made in this MD&A that are not historical facts contain forward-looking information that involves risks and uncertainties. All statements, other than statements of historical facts, which address the Company’s expectations, should be considered forward-looking statements. Such statements are based on management’s exercise of business judgment as well as assumptions made by and information currently available to management. When used in this document, the words “may”, “will”, “anticipate”, “believe”, “estimate”, “expect”, “intend” and words of similar import, are intended to identify any forward-looking statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, which give rise to the possibility that predictions, forecasts, projections and other forward-looking statements will not be achieved. Certain material factors or assumptions are applied in making forward-looking statements and actual results, performance or achievements may differ materially from those expressed or implied in such statements. You should not place undue reliance on forward-looking statements as a number of important factors, many of which are beyond our control, could cause actual results, performance or achievements to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements. These factors that relate to our company include, but are not limited to: execution of the business plan; expansion plans; dependence on key personnel; key relationships; dependence on key customers; dependence on key suppliers; competition; market factors and volatility of commodity prices; operating risks; proprietary rights; infrastructure; future capital requirements; technical substitution; exchange rate fluctuations; insurance; weather conditions and natural disasters; control by management; seasonality; dividends; conflicts of interest; global financial conditions; change of law; government sector intervention; foreign investment; repatriation of profit and currency conversion; tax; shareholders’ rights and enforcement judgments; protection of intellectual property rights; permits and business licenses; appropriation. Should one or more of these factors materialize, or should the Company’s estimates or underlying assumptions prove incorrect, actual results, performance or achievements may vary materially from those described in forward-looking statements.

The Company cannot assure readers that actual results, performance and achievements will be consistent with these forward-looking statements, and the differences may be material. The Company undertakes no obligation to update any forward-looking statements except as required by law.

BUSINESS OVERVIEW

AADirection Capital Corp. (the "Company") was incorporated under the Business Corporations Act of British Columbia on December 1, 2020 and is a capital pool company as defined by TSX Venture Exchange ("TSXV") Policy 2.4 (the "Policy"). The Company's principal business is to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction ("QT") as defined in the Policy. The Company is listed on the TSX Venture Exchange under the symbol "AAD.P".

In December 2020, the Company issued 2,000,000 Common Shares at a price of \$0.05 per share for gross proceeds of \$100,000. On July 8, 2021, the Company completed its Initial Public Offering ("IPO"), and commenced trading as a capital pool company on August 17, 2021 with TSXV. The Company issued a total of 4,000,000 common shares at a price of \$0.10 per share for gross proceeds of \$400,000. In connection with this IPO, the Company paid cash commissions of \$55,000 and issued 400,000 broker warrants with a fair value of \$34,018. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.10 until August 17, 2026. In addition to the above costs, the Company paid legal fees and expenses of \$35,060.

On August 17, 2021, the Company granted 600,000 incentive stock options to directors and officers of the Company. These options vest immediately and are exercisable at \$0.10 per share for a period of five years, expiring August 17, 2026. During the period ended September 30, 2021, the Company recognized \$51,027 in share-based compensation relating to these grants.

Until the completion of a QT, the proceeds raised from the issuance of share capital may only be used for the identification and evaluation of a QT with the exception that not exceeding \$3,000 per month may be used for reasonable general and administrative expenses of the Company as defined under the Policy.

To date, the Company has not entered into any letter of intent or agreement for a possible QT. The Company has limited funds to identify and complete a QT; and therefore, there can be no assurance that the Company will be able to complete a QT within the time period permitted.

SELECTED FINANCIAL INFORMATION

	3 Months ended Sep 30, 2021 \$	3 Months ended June 30, 2021 \$	3 Months ended Mar 31, 2021 \$
Total revenue	Nil	Nil	Nil
Loss for the period	(33,634)	(19,375)	(36,726)
Net loss per share, basic and diluted	(0.01)	(0.01)	(0.01)
Total assets	370,745	61,703	84,222
Total liabilities	1,066	19,357	22,501
Total shareholders' equity	369,679	42,346	61,721

RESULTS OF OPERATIONS

The selected financial information is derived from the financial statements of the Company prepared within acceptable limits of materiality and is in accordance with International Financial Reporting Standards. As the Company was incorporated on December 1, 2020, it has no comparative information prior to the fiscal year 2021.

Nine Months Ended September 30, 2021

Significant items in the nine months ended September 30, 2021 include:

- Listing and filing fees of \$26,001 in relation to ongoing regulatory activities and the initial listing on the TSXV;
- Share-based compensation of \$51,027 related to stock options granted to directors and officers;
- Accounting and audit fees of \$3,792 and legal fees of \$5,650 both related to ongoing regulatory activities.

LIQUIDITY AND CAPITAL RESOURCES

From inception on December 1, 2020 to September 30, 2021, the Company's capital resources were raised by issuance of common shares to the directors of the Company pursuant to seed subscription agreements and the initial public offering. As of September 30, 2021, the Company had raised net cash proceeds of \$409,940, and had working capital of \$369,679. The Company has no liquid assets other than cash deposits and has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. Management believes the Company has sufficient working capital at this time to meet its current financial obligations.

Under the Policy, until the completion of a QT, the proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for the purpose of completing a QT, with the exception that no more than the lesser of 30% of the gross proceeds from the sale of the Company's securities or \$210,000, may be used for purposes other than evaluating businesses or assets.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2021, the Company incurred professional fees of \$20,160 plus related taxes to a sole practitioner law firm of which, Michael Woods, a director, is the sole practitioner. As of September 30, 2021, the Company has advanced \$25 to the law firm in respect of expenses, which is included in prepaid expenses.

The Company incurred stock-based compensation expense related to directors and officers valued at \$51,027 for the nine months ended September 30, 2021.

SUMMARY OF OUTSTANDING SHARE DATA

The Company's issued and outstanding share capital as at the date of this report is as follows:

	Authorized	Outstanding
Voting or equity securities issued and outstanding	Unlimited Common Shares	6,000,000
Securities convertible or exercisable into voting or equity securities		
- warrants exercisable at \$0.10		400,000
- options exercisable at \$0.10		600,000

CRITICAL ACCOUNTING ESTIMATES

In the application of the Company's accounting policies, which are described in note 4 to the audited financial statements for the period ended December 31, 2020, management is required to make judgments, apart from those requiring estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include:

- the determination that the Company will continue as a going concern for the next year; and
- the determination that there have been no events or changes in circumstances that indicate the carrying amount of exploration and evaluations assets may not be recoverable.

The preparation of 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.

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. 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. Significant areas requiring the use of management estimates include:

- i) The determination of the fair value of stock options using stock option pricing models, require the input of highly subjective assumptions, including the expected share price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate.
- ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

FINANCIAL INSTRUMENTS

The Company classifies its financial instruments as follows: cash and cash equivalents as fair value through profit or loss and measured at fair value; and trade and other payables as other financial liabilities and measured at amortized cost.

The carrying amount of cash and cash equivalents and accounts payable and accrued liabilities carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, foreign exchange risk and interest rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management monitors and manages these exposures to ensure appropriate measures are implemented on a timely basis and in an effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash and cash equivalents. The credit risk with respect to its cash and cash equivalents is minimal as they are held with high-credit quality financial institutions. Management does not expect these counterparties to fail to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. As at September 30, 2021, the Company had a balance in cash of \$370,720 to settle current liabilities of \$1,066. The Company's financial liabilities include accounts payable which have contractual maturities of 30 days or are due on demand.

At present, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company cash equivalents are exposed to interest rate risk as the Company invests cash equivalents at floating rates of interest in highly liquid instruments. Fluctuations in interest rates may impact the value of its cash equivalents.

Foreign exchange risk

As of September 30, 2021, the Company is not exposed to significant foreign exchange risk.

RISKS AND UNCERTAINTIES

The Company does not have an active business and is currently listed as a CPC on the TSXV. Management is actively pursuing a Qualifying Transaction that will qualify the Company, at a minimum, for listing on Tier 2 of the TSXV. When and what business acquisition will be made are uncertainty as well as whether the Company will need to carry out one or more future financings. As of the date of this MD&A, the Company has not entered into any letter of intent or agreement for possible merger or acquisition.

DISCLOSURE CONTROLS

In connection with Exemption Orders issued by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the audited annual and interim financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificates under National Instrument ("NI") 52-109 (Certification of Disclosure in an Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting as defined in NI 52-109.

There have been no changes in the Company's internal controls over financial reporting for the nine months ended September 30, 2021 that have materially affected, or are reasonably likely to materially affect, its controls over financial reporting.

ADDITIONAL INFORMATION

Additional information is available concerning the Company and its operations on SEDAR at www.sedar.com.