

AADIRECTION CAPITAL CORP.
(the "Company")

MANAGEMENT DISCUSSION AND ANALYSIS
For the year ended December 31, 2021

The following management discussion and analysis ("MD&A") has been prepared by management of the Company as of April 14, 2022 and should be read in conjunction with the audited annual financial statements and related notes of the Company for the year ended December 31, 2021 and the period from the incorporation on January 1, 2020 to December 31, 2020. Except where otherwise indicated, the financial information contained in this MD&A was prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures contained in this MD&A are presented in Canadian dollars.

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. 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. 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 \$40,000 and corporate finance fee of \$15,000, 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. The Company recognized \$51,027 in share-based compensation relating to these grants in the quarter ended September 30, 2021.

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.

Summary of Quarterly Results (Unaudited)

In Canadian dollars (\$)	Quarter ended				
	Dec. 31, 2021	Sep. 30, 2021	Jun. 30, 2021	Mar. 2021	Dec. 31, 2020
Revenues	Nil	Nil	Nil	Nil	Nil
Net loss	(5,263)	(33,634)	(19,375)	(36,726)	(1,553)
Net loss per share (Basic and Diluted)	(0.00)	(0.01)	(0.01)	(0.02)	(0.00)
Total assets	369,311	370,745	61,703	84,222	100,000
Total shareholders' equity	364,416	369,679	42,346	61,721	98,447

Result of Operations

The Company had a net loss of \$ 94,998 for the year ended December 31, 2021, as compared to a net loss of \$1,553 during the date of Incorporation (December 1, 2020) to December 31, 2020. The loss was mainly due to professional fees, listing and filing fees, and share-based compensation.

- Listing and filing fees of \$26,915 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;
- Professional fees of \$12,724, including legal fees of \$7,255 and auditing & accounting fee of \$5,469, both related to ongoing regulatory activities.

Liquidity and Capital Management

Cash outflow of \$40,629 was used in operating activities for the year ended December 31, 2021, which was primarily due to expenditures relating to listing and filing fees and professional fees, while net cash inflow of \$309,940 was from the issuance of common shares with issuance cost deducted.

The Company's primary objective with respect to its capital management is to maintain its ability to continue as a going concern and 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.

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.

Outstanding Share Data

The Company is authorized to issue an unlimited number of common shares. As of April 14, 2022, there were 6,000,000 common shares issued and outstanding. As of April 14, 2022, the Company also had issued 600,000 unexercised options and 400,000 unexercised warrants to purchase 1,000,000 common shares.

Results of the Fourth Quarter (unaudited)

For the quarter ended December 31, 2021, the Company incurred a loss of \$5,263, including professional fees, filing fees and transfer agent fees, while a loss of \$1,553 incurred in the same quarter of the prior year.

Off-Balance Sheet Arrangements

The Company has not had any off-balance sheet arrangements for the year ended December 31, 2021 and period from the incorporation to December 31, 2020.

Related Party Transactions

The Company incurred legal fees of \$21,815 for the year ended December 31, 2021 (2020 - \$1,170) to a sole practitioner law firm run by a director of the Company, and incurred accounting fees of \$700 for the year ended December 31, 2021 (2020 – Nil) to a consulting firm controlled by a director and an officer of the Company. As at December 31, 2021, \$4,616 recorded in accounts payable and accruals is due to the companies controlled by an officer and a director for the services rendered to the Company.

The Company incurred stock-based compensation expense related to directors valued at \$51,027 during the year ended December 31, 2021.

These related party transactions are in the normal course of business.

Critical Accounting Estimates

The Company's significant accounting policies and estimates are summarized in Note 2&3 of the audited consolidated financial statements for the year ended December 31, 2021 and the period from incorporation on December 1, 2020 to December 31, 2020.

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 account payables and accruals as financial liabilities and measured at amortized cost.

As at December 31, 2021, the Company's financial instruments consisted of cash and accounts payable. The carrying value of cash and accounts payable approximates their fair value due to the immediate or short-term maturity of these instruments.

Risks and Uncertainties

The Company has not generated revenues and cash flows from operations 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 year ended December 31, 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.