

ICARUS CAPITAL CORP.
(a Capital Pool Company)

MANAGEMENT’S DISCUSSION AND ANALYSIS

For the year ended December 31, 2022

This Management Discussion and Analysis (“MD&A”) of Icarus Capital Corp. (the “Company”) dated as of April 18, 2023 provides analysis of the Company’s financial results for the year ended December 31, 2022. The following information should be read in conjunction with the unaudited condensed interim financial statements and the notes thereto, for the year ended December 31, 2022, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”). These documents along with others published by the Company are available on SEDAR at www.sedar.com.

COMPANY DESCRIPTION

Icarus Capital Corp. (the “Company”) is incorporated and domiciled in Canada under the Business Corporations Act (British Columbia). The Company’s registered place of business is located at 2352 Marine Drive, West Vancouver, BC V7V 1K8.

As a Capital Pool Company, the principal business of the Company is to identify and evaluate opportunities for the acquisition of an interest in assets or businesses and once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder approval and acceptance for filing by the Exchange. Until the completion of such a Qualifying Transaction (“QT”), as defined under Exchange Listing Policy 2.4, the Company will not carry on business other than identification and evaluation of assets or businesses in this connection. The Company does not have business operations or assets other than cash and has no written or oral agreements for the acquisition of an asset or business at this time.

On March 14, 2022, the Company closed the IPO of 2,000,000 of its common shares at a price of \$0.10 per share for \$200,000 in gross proceeds.

Leede Jones Gable Inc. (the “Agent”) acted as Agent for the Offering. The Company paid a commission of 10% of gross proceeds to the Agent and granted the Agent stock options to acquire 10% of the common shares issued in the offering exercisable for a period ending 60 months from the date the Company’s common shares are listed on the TSX Venture Exchange exercisable at \$0.10 per share.

At the closing of the Offering, the Company also granted stock options (the “Options”) to directors and officers of the Company to acquire up to an aggregate of 400,000 Common Shares. The Options are exercisable within ten years from the date of grant at an exercise price of \$0.10 per share.

The Common Shares commenced trading on the TSX-V under the stock symbol “ICRS.P” on March 14, 2022.

FORWARD LOOKING STATEMENTS

This MD&A may contain “forward-looking statements” which reflect expectations regarding future results of operations, performance and achievements of the Company. All statements, other than a statement of historical fact, may be forward-looking statements. The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as “anticipate,” “believe,” “estimate,” “expect” and similar expressions. The statements reflect the current beliefs of the management of the Company and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements. The risks include those outlined under the “Risk Factors” section of this MD&A and elsewhere in the Company's public disclosure documents. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct. Readers are cautioned not to place undue reliance on these forward- looking statements. All forward-looking statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

FINANCIAL CONDITION

Liquidity

For the year ended December 31, 2022, the Company used cash from operations of \$28,702 and had received cash of \$200,000 from financing activities related to the closing of its IPO issuing 2,000,000 common shares and incurred \$156,715 in IPO finance costs. The Company had working capital at December 31, 2022 amounting to \$16,937.

Management believes the Company has sufficient working capital at this time to meet its ongoing financial obligations. However, there is no revenue generated from operations, and any additional working capital would require raising additional debt and/or equity capital. There is no assurance that the Company will ultimately achieve profitable operations, become cash flow positive, or raise sufficient funds through the issuance of additional debt and/or equity in the current volatile capital markets.

Financing activities and capital expenditures

On March 14, 2022 the Company completed its IPO issuing 2,000,000 common shares for gross proceeds of \$200,000 (net proceeds of \$43,285).

Operations

The Company recorded a loss of \$156,841 (\$0.08 per share) for the year ended December 31, 2022. The Company's general and administrative expenses amounted to \$156,841, which include: (a) share based compensation (\$38,970), (b) professional services (\$97,845), (c) filing fees (\$10,500), and (d) other general and admin expenses (\$9,526).

The following table is a summary of the Company's financial results as at December 31, 2022:

	Revenue \$	Net Loss \$	Total Assets \$	Loss Per Share \$
December 31, 2022	-	156,841	49,070	0.08
December 31, 2021	-	8,477	93,023	-

Capital Management

The Company's policy is to attain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risks characteristic of the underlying resource assets.

The Company has not paid or declared any dividends since the date of its incorporation, nor are any dividends contemplated in the foreseeable future.

The Company does not have any externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the period.

OFF BALANCE SHEET ARRANGEMENTS

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

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include directors, the chief executive officer ("CEO") and chief financial officer ("CFO") of the Company. During the year ended December 31, 2022, there was no compensation amounts paid to the Company's related parties.

OUTSTANDING SHARE DATA

Authorized

Unlimited common shares

Issued

Type of Security	Balance as of December 31, 2022	Balance as of the date of this MDA	Exercise Price	Expiry Date
Common shares	4,000,000	4,000,000	NA	NA
Agent's warrants	200,000	200,000	\$0.10	March 13, 2027
Director's options	400,000	400,000	\$0.10	March 11, 2032
Total	4,600,000	4,600,000		

COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

As of the date of the MD&A, the Company does not have any commitments, expected or unexpected, or uncertainties.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash, and accrued liabilities. Management does not believe these financial instruments expose the Company to any significant interest, currency or credit risks. Financial assets are required to be initially measured at fair value and subsequently classified at amortized costs or fair value on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial liabilities are initially measured at fair value and subsequently classified as amortized cost.

POTENTIAL QUALIFYING TRANSACTION

On September 8, 2022, the Company entered into a non-binding letter of intent (the "LOI") with 1401935 Alberta Ltd. ("1401935"), doing business as "Yuk Yuk's Comedy Club", outlining the general terms and conditions of a proposed business combination that would constitute the Company's Qualifying Transaction.

The Company and 1401935 will negotiate and enter into a definitive agreement (the "Definitive Agreement") incorporating the principal terms of the transaction as described in the LOI. The terms and conditions outlined in the LOI are non-binding on the parties, and the LOI is expected to be superseded by the Definitive Agreement. Pursuant to the terms of the transaction, it is expected to be a purchase of 100% of the shares of 1401935 for total consideration (the "Consideration") of CAD \$324,750. The Consideration will be paid with a \$200,000 bank loan, \$100,000 in vendor financing and the issuance of 225,000 shares of the Company. There can be no assurance that a Definitive Agreement will be successfully negotiated or entered into.

As part of the qualifying transaction the Company is completing a convertible debenture financing between \$125,000 and \$200,000 as well as a distribution financing between \$75,000 and \$100,000. In addition, the CEO will also be purchasing common shares of the Company for proceeds of \$30,000.

In a concurrent transaction, Icarus will execute a trademark license agreement (the "TLA") with Yuk Yuk's Inc. ("Yuk Yuk's") and be granted the exclusive rights to use Yuk Yuk's trademarks worldwide, as outlined in the TLA. This is expected to include Yuk Yuk's branded social media accounts, the right to use

existing content and the right to produce additional digital audio and video content. In addition, Icarus will acquire the right to exploit, and host Yuk Yuk's branded shows.

RISK FACTORS

In our prospectus filed on SEDAR on December 15, 2021, in connection with our initial public offering, we have set our discussion of the risk factors which we believe are the most significant risks faced by the Company. An adverse development in any risk factor or a combination of risk factors could result in material adverse outcomes to the Company's undertakings and to the interests of stakeholders in the Company including its investors. Readers are cautioned to take into account the risk factors to which the Company and its operations are exposed.

No Operating History

The Company was incorporated on February 2, 2021, has not commenced commercial operations, and has no assets other than cash. The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to produce earnings or pay dividend in the immediate or foreseeable future. Until completion of the QT, the Company is not permitted to carry on any business other than identification and evaluation of potential QTs. The Company has only limited funds with which to identify and evaluate potential QTs and there is no assurance that the Company will be able to identify a suitable QT. Even if the proposed QT is identified, there can be no assurance that the Company will be able to successfully complete the transaction.

Liquidity Risk

The Company currently has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it to enable it to meet its obligations as they become due. Although the Company has been successful in the past in financing its activities, there can be no assurance that it will be able to do so in the future.

Halt of Trading

Upon public announcement of a potential QT, trading in the Class "A" Common voting shares of the Company will be halted and will remain halted until completion of the QT, or sooner pursuant to Policy 2.4 – Capital Pool Companies. Neither the Exchange nor any security regulatory authority passes upon the merits of the potential QT.

Exchange May Not Approve a Qualifying Transaction

Completion of a QT is subject to several conditions including acceptance by the Exchange and in the case of a Non-Arm's Length QT, Majority and Minority Approval as such terms defined in Policy 2.4 – Capital Pool Companies. Notwithstanding that a transaction may meet the definition of a QT, the exchange may not approve a QT.

Dilution

If the Company issues treasury shares to finance acquisition or participation opportunities, control of the Company may change, and subscribers may suffer dilution of their investment.

Directors and Officers

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company but will be devoting such time as required to effectively manage the Company.

Additionally, directors and officers of the Company may also serve as directors and/or officers of other reporting issuers from time to time.

The Company has not purchased “key-man” insurance, nor has it entered into non-competition disclosure agreements with management and has no current plans to do so.

Reliance on Management

The Company is relying solely on the past business success of its directors and officers to identify a QT of merit. The success of the Company is dependent upon the efforts and abilities of its directors and officers. The loss of any directors or officers could have material adverse effect upon the business and prospects of the Company.

Volatile Financial Markets

The volatility occurring in the financial markets is a significant risk for the Company. As a result of the market turmoil, investors are moving away from assets they perceive as risky to those perceive as less so. Issuers like the Company are considered risk assets and as mentioned above are highly speculative. The volatility in the markets and investors sentiment may make it difficult for the Company to access the capital markets in order to raise capital it will need to fund its current level of expenditures and identify, evaluate and close a QT.

COVID-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as “COVID- 19”, was declared a global pandemic by the World Health Organization and governments worldwide have enacted emergency measures to combat the spread of the virus. These measures, which include public health measures to limit the time individuals spend in large crowds and crowded spaces, the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company.