

FORM 51-102F1

The following management's discussion and analysis ("MD&A") should be read in conjunction with the Corporation's financial statements and notes thereto for the three months ended July 31, 2023. Additional information relating to the Corporation is available on SEDAR at www.sedar.com.

This MD&A was prepared by management of Toronto Cleantech Capital Inc. ("the Corporation"), and was approved by the Board of Directors on September 28, 2023. All amounts are in Canadian dollars unless otherwise stated.

Forward-Looking Statements

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", used by any of the Corporation's management, are intended to identify forward-looking statements. Such statements reflect the Corporation's forecasts, estimates and expectations, as they relate to the Corporation's current views based on their experience and expertise with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Corporation's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. There can be no assurance that it will be completed as proposed or at all. The Corporation does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments unless required by law.

Description of the Business

The Corporation was incorporated under the Business Corporations Act (Alberta) on April 14, 2021 with the intent to being classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange") corporate finance manual. The Corporation has no assets other than cash. The Corporation proposes to identify and evaluate potential acquisitions or businesses, and once identified and evaluated, to negotiate an acquisition or participation subject to regulatory and, if required, shareholders' approval.

The Corporation closed its initial public offering on June 30, 2021 raising gross proceeds of \$250,000.

The Corporation operates from its primary office in Toronto, Ontario, Canada. Its registered head office is located at 94 Riverwood Parkway, Toronto, Ontario, M8Y 4E9

Selected Financial Information

The Corporation was incorporated under the *Business Corporation Act* (Alberta) on April 14, 2021 and April 30 is the date of its fiscal year end.

The following selected financial data is derived from the financial statements of the Corporation prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards applicable to the preparation of interim financial statements, including IAS 34.

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Selected Statement of Financial Position Data

| | As at July 31, 2023 | As at July 31, 2022 |
|----------------------------|----------------------------|----------------------------|
| Net working capital | \$651,330 | \$701,901 |
| Total current assets | \$710,187 | \$711,276 |
| Total current liabilities | \$58,858 | \$9,375 |
| Total shareholders' equity | \$651,330 | \$701,901 |

Selected Statement of Operations Data

| | Three Months Ended July 31, 2023 | Three Months Ended July 31, 2022 |
|---------------------------|---|---|
| Expenses | \$67,169 | \$1,910 |
| Net profit for the period | \$(60,691) | \$295 |

The Corporation does not have any operations and will not conduct any business other than the identification and evaluation of business and assets for potential acquisition.

During the three months ended July 31, 2023, the Corporation recorded a net loss of \$60,691.

Liquidity, Capital Resources, and Outlook

As at July 31, 2023, the Corporation had working capital of \$651,330 and \$710,187 in cash. Management believes that it has sufficient cash to meet its ongoing obligations and its objective of completing a Qualifying Transaction. However, additional equity or debt financing may be required to complete a Qualifying Transaction.

There can be no assurance that the Corporation will be able to obtain adequate financing to complete a Qualifying Transaction.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as at July 31, 2023.

Financial Instruments and Other Instruments

The Corporation's financial instruments consist of cash and accounts payable and accruals. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair value of these financial instruments approximate their carrying values, as applicable.

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Disclosure of Outstanding Share Data

As at the date of this MD&A, the following is a description of the outstanding equity securities and convertible securities previously issued by the Corporation:

| | <u>Authorised</u> | <u>Outstanding</u> |
|--|---|---|
| Voting or equity securities issued and outstanding | Unlimited Common Shares | 11,700,000 Common Shares |
| Preferred Shares | Unlimited Preferred Shares | Nil |
| Securities convertible or exercisable into voting or equity securities – stock options | Directors' and officers' stock options to acquire up to 10% of the issued and outstanding common shares | Directors' and officers' stock options to acquire up to 900,000 common shares at an exercise price of \$0.10 per common share |
| Voting or equity securities issuable on conversion or exchange of outstanding securities | As above | As above |

Related party transactions

Key management compensation during the three months ended July 31, 2023 was \$nil.

During the three months ended July 31, 2023 the Company incurred \$55,998 for legal services in relation to the Qualifying Transaction and other general matters.

Transactions with related parties are incurred in the normal course of business.

Risks and Uncertainties

The Corporation has a limited history of existence. There can be no assurance that a Qualifying Transaction will be completed. Equity or debt financing may be required to complete a Qualifying Transaction. There can be no assurance that the Corporation will be able to obtain adequate financing to continue. The securities of the Corporation should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Corporation's securities:

- (a) until completion of a Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;
- (b) the Corporation has had no business activity and has not acquired any material assets since its incorporation other than cash;

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- (c) the Corporation does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the completion of the Qualifying Transaction;
- (d) the Corporation has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Corporation will be able to identify a suitable Qualifying Transaction;
- (e) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction;
- (f) the Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Corporation and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Corporation;
- (g) there can be no assurance that an active and liquid market for the common shares will develop and an investor may find it difficult to resell its common shares;
- (h) if the Corporation fails to complete a Qualifying Transaction within 24 months of listing, the TSX Venture Exchange could suspend or delist the common shares of the Corporation and an interim cease trade order may be issued against the Corporation's securities by an applicable securities commission if its common shares are suspended from trading on or delisted from the TSX Venture Exchange or otherwise; and
- (i) the Corporation competes with many Capital Pool Companies that are seeking suitable Qualifying Transactions. In addition, other Capital Pool Companies may have substantially greater financial and technical resources than the Corporation.

Other Information

The policies of the TSX Venture Exchange prohibit Capital Pool Companies from carrying on formal investor relations activities. Corporate communications and investor inquiries are handled by the Directors of the Corporation. Additional information about the Corporation is available on SEDAR at www.sedar.com.