

Magen Ventures I Inc.
Management Discussion and Analysis
For the period from the date of incorporation (February 9, 2021) to September 30, 2021

November 29, 2021

The following management discussion and analysis (“MD&A”) of the results of the operations and financial position of Magen Ventures I Inc. (the “Corporation”) for the period from the date of incorporation (February 9, 2021) to September 30, 2021. All figures contained in this MD&A are presented in Canadian dollars.

Forward-Looking Statements

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Corporation’s future performance. All statements, other than statements of historical fact, may be forward-looking statements.

Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “propose”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation 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 and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. The Corporation’s actual results could differ materially from those anticipated in these forward-looking statements as a result of various risk factors.

The Corporation

The Corporation was incorporated under the *Business Corporations Act* (Ontario) on February 9, 2021 and is classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the “Exchange”) Corporate Finance Manual (the “Manual”). The head office and the registered head office of the Corporation is located at 77 King Street West, Suite 400, Toronto, ON M5K 0A1.

The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (“QT”) as such term is defined in the Manual. The Corporation has not commenced operations and has no assets other than cash held in

trust, short term investments and deferred offering costs. The Corporation's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition, or business, or an interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned and, in the case of a non-arm's length transaction, of the majority of the minority shareholders.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a QT.

On February 22, 2021, the Corporation issued 9,800,000 common shares in the capital of the Corporation ("Common Shares") at \$0.05 per share for gross proceeds of \$490,000.

On April 9, 2021, the Corporation issued a total of 10,200,000 Common Shares at \$0.05 per share for total proceeds of \$510,000.

Share issuance costs of \$17,503 were associated with these subscriptions.

On February 22, 2021, the Corporation granted 5,000,000 stock options to directors and officers, which are exercisable within five years from the date of grant at an exercise price of \$0.05 per share.

On June 17, 2021 the Corporation completed its Initial Public Offering ("IPO") of 40,000,000 Common Shares at \$0.10 per share (\$4,000,000). The Corporation paid a commission of 9% of the gross proceeds to Canaccord Genuity Corp. (the "Agent"), and granted the Agent warrants to purchase 3,200,000 Common Shares exercisable for a period ending sixty months from the closing of the IPO, exercisable at \$0.10 per share.

Concurrently with completion of the IPO, the Corporation granted an aggregate of 1,000,000 stock options to its officers and directors at an exercise price of \$0.10 per share for a period of five years from the date of grant.

On November 29, 2021, the Board of Directors approved the unaudited condensed interim financial statements for the three months ended September 30, 2021 and the period from the date of incorporation (February 9, 2021) to September 30, 2021.

Summary of Quarterly Results

	September 30, 2021	June 30, 2021	March 31, 2021
Total Assets	4,484,204	4,557,461	923,890

	September 30, 2021	June 30, 2021	March 31, 2021
Total Revenues	Nil	Nil	Nil
Total Expenses	\$80,179	\$113,222	\$189,753
Other Income	\$5,046	Nil	Nil
Net Loss	\$(75,133)	\$(113,222)	\$(189,753)
Basic and diluted net loss per share	\$(0.00)	\$(0.00)	\$(0.03)

Results of Operations

Three months ended September 30, 2021

The Corporation recorded a net loss of \$75,133 during three months ended September 30, 2021. The net loss for the three months ended September 30, 2021 is mainly due to professional fees and filing fee.

The Corporation also recorded other income of \$5,046 which comprises of interest income from short term investments and deposits during the quarter.

Period ended September 30, 2021

The Corporation recorded a net loss of \$378,108 during the date of incorporation (February 9, 2021) to September 30, 2021. The net loss for the period ended September 30, 2021 is mainly due to professional fees and stock based compensation.

The Corporation also recorded other income of \$5,046 which comprises of interest income from short term investments and deposits during the period.

Additional Disclosure for Venture Issuers without Significant Revenue

Since the Corporation has no revenue from operations, the following is a breakdown of the material costs incurred from the date of incorporation (February 9, 2021) to September 30, 2021:

Material costs	Period from date of incorporation (February 9, 2021) to September 30, 2021
Professional fees	\$104,770
Filing fees	\$19,728
Stock-based compensation	\$258,655

Liquidity and Capital Resources

As at September 30, 2021 the Corporation had cash held in trust of \$229,778 and short term investments deposits with banks totaling \$4,254,426. The Corporation had current liabilities of \$6,960 and working capital of \$4,477,244.

Outstanding Share Data

As at September 30, 2021, 60,000,000 Common Shares are issued and outstanding. Of these, 20,000,000 Common Shares are held in escrow in accordance with the Manual. In addition, there are: (a) 5,000,000 stock options outstanding, exercisable at \$0.05 per share and expiring on February 22, 2026; (b) 1,000,000 stock options outstanding, exercisable at \$0.10 per share and expiring on June 17, 2026; and (c) 3,200,000 warrants to purchase Common Shares outstanding, exercisable at \$0.10 per share and expiring on June 17, 2026.

Off-Balance Sheet Arrangements

The Corporation has not had any off-balance sheet arrangements from the date of its incorporation to the date of this MD&A.

Related Party Transactions

During the period from the date of incorporation (February 9, 2021) to September 30, 2021 the Corporation incurred stock-based compensation expense related to directors and officers valued at \$258,655.

Capital 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 share capital, shares to be issued and deficit 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.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Corporation. These restrictions

apply until completion of a QT by the Corporation.

Risks and Uncertainties

The following describes certain risks, events and uncertainties that could affect the Corporation and that each reader should carefully consider. Please refer to the Corporation's final prospectus dated May 17, 2021 for additional risks, events and uncertainties that could affect the Corporation.

External financing may be required to fund the Corporation's activities primarily through the issuance of Common Shares. There can be no assurance that the Corporation will be able to obtain adequate financing. The securities of the Corporation should be considered a highly speculative investment.

The Corporation has not generated significant revenues and does not expect to generate significant revenues in the near future. In the event that the Corporation generates significant revenues in the future, the Corporation intends to retain its earnings in order to finance further growth. Furthermore, the Corporation has not paid any dividends in the past and does not expect to pay any dividends in the foreseeable future.

The Corporation faces risks related to health epidemics, pandemics and other outbreaks of communicable diseases, which could significantly disrupt its ability to complete a QT on a timely basis, or at all, and adversely affect its financial conditions. The Corporation's business could be adversely impacted by the effects of the COVID-19 pandemic or other epidemics and/or pandemics. In December 2019, COVID-19 emerged in China and the virus has now spread with infections being reported globally. On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 to be a pandemic. The extent to which COVID-19 impacts the Corporation's ability to complete a QT on a timely basis, or at all, and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the pandemic and the actions taken to contain or treat the COVID-19 pandemic (including recommendations from public health officials). In addition, the COVID-19 pandemic represents a widespread global health crisis that could adversely affect global economies and financial markets resulting in an economic downturn that could have an adverse effect on the Corporation and its ability to complete a QT in a timely manner, or at all.

Risk Disclosures and Fair Values

The Corporation's financial instruments, consisting of cash held in trust, investment and accrued liabilities approximate fair value due to the relatively short-term maturity of the instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Critical Accounting Estimates

The Corporation's significant accounting policies are summarized in Note 2 of the audited financial statements for the period ended February 28, 2021.

Additional Information

For further detail, see the Corporation's unaudited condensed interim financial statements for the period ended September 30, 2021. Additional information about the Corporation can also be found on SEDAR.