

ORLETTO CAPITAL II Inc.
Management's Discussion and Analysis
For the three- and nine-month period ended September 30, 2020

ORLETTO CAPITAL II Inc.
(A Capital Pool Company)
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FORM 51-102F1

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The following management's discussion and analysis ("MD&A") should be read in conjunction with the Company's financial statements and notes thereto for the three months ended September 30th, 2020. Additional information relating to the Company is available on SEDAR at www.sedar.com.

This MD&A was prepared by management of Orletto Capital II Inc. ("the Company") and was approved by the Board of Directors on November 27, 2020. All amounts are in Canadian dollars unless otherwise stated. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

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 Company's management, are intended to identify forward-looking statements. Such statements reflect the Company's forecasts, estimates and expectations, as they relate to the Company'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 Company'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. The Company 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 Company was incorporated on February 27, 2018 under the Canada Business Corporations Act to become a Capital Pool Company listed on the TSX Venture Exchange Inc. (Exchange), according to the provisions of Policy 2.4 of the TSX Venture Exchange Corporate Finance Manuel.

The address of the Company's registered office is 70, Dalhousie Street, Suite 300, Québec, (QC), Canada.

The principal business of the Company is the identification and evaluation of assets or business with a view to completing a Qualifying Transaction under policies of the Exchange. The Company must complete a Qualifying Transaction, which is subject to the approval of the Exchange within the next 24 months of incorporation.

Initial Public Offering (“IPO”)

On August 15, 2018, the Company completed its IPO of (i) 4,000,000 common shares of the capital stock of the Corporation (the “Common Shares”), at a price of \$0.10 per Common Share (the "Offering"), for gross proceeds of \$400,000, (ii) the grant of non-transferable options to the agent (Haywood Securities), entitling the holder to acquire 400,000 Common Shares at a price of \$0.10 per Common Shares, up to August 14, 2020 and (iii) the grant of 680,000 stock options to the directors and officers of the Corporation to purchase an aggregate number of 680,000 Common Shares, at a price of \$0.10 per Common Share, during a period of 5 years from the date of grant.

At the same time, the Corporation announced the listing of its Common Shares on the TSX Venture Exchange under the ticker abbreviation “OLT.P”.

The purpose of this Offering was to provide the Company with a minimum amount of funds with which to identify and evaluate potential acquisitions or businesses, and once identified and evaluated, to negotiate an acquisition.

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Selected Financial Information

The Company was incorporated under the provision of the Business Corporation Act (Quebec) on February 27, 2018 and December 31 is the date of its fiscal year end.

The following selected financial data is derived from the financial statements of the Company prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standard. The Company's expenditures mainly include costs to maintain its public company status in good standing and expenses to identify and evaluate acquisitions of companies, businesses, assets, or properties.

Selected Quarterly Information

December 31, Year End	For the Period Ended	
	September 30, 2020 Q3 – unaudited	December 31, 2019 ¹ audited
Cash	\$ 187,853	\$ 292,361
Pre-paid expenses	\$ 1,495	\$ -
Total assets	\$ 189,348	\$ 292,361
Total liabilities	\$ 8,093	\$ 11,695
Total shareholders' equity	\$ 181,255	\$280,666

¹ On August 15, 2018, the Company completed its IPO.

Selected Quarterly Information

	Q2 ended June 30, 2018	Q3 ended September 30, 2018	Q4 ended December 31, 2018	Q1 ended March 31, 2019	Q2 ended June 30, 2019	Q3 ended September 30, 2019	Q4 Ended December 31, 2019	Q1 ended March 31, 2020	Q2 ended June 30, 2020	Q3 ended September 30, 2020
Expenses	\$5,892	\$13,201	\$17,847	\$26,041	\$16,714	\$17,834	\$18,755	\$54,445	\$31,044	\$13,923
Stock-based compensation	\$ -	\$49,782	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net loss for the period	\$5,892	\$62,983	\$17,847	\$26,041	\$16,714	\$17,834	\$18,755	\$54,445	\$31,044	\$13,923
Basic loss per share	\$0.002	\$0.013	\$0.004	\$0.004	\$0.002	\$0.003	\$0.003	\$0.008	\$0.005	\$0.002
Average Number of shares outstanding ²	2,800	4,843	4,779	6,800	6,800	6,800	6,800	6,800	6,800	6,800

² Share count in thousand 000.

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

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Selected Statement of Operations Data

	For the period of			
	Nine months ended September 30, 2020	Nine months ended September 30, 2019	Three months ended September 30, 2020	Three months ended September 30, 2019
Operating Expenses				
Listing & maintenance fees	\$ 8,456	\$ 8,436	\$ 1,495	\$ 1,495
Professional fees	\$ 90,955	\$ 52,152	\$ 12,428	\$ 16,339
Net loss for the period	\$ 99,411	\$ 60,588	\$ 13,923	\$ 17,834
Basic loss per share	\$0.015	\$0.009	\$0,002	\$0.003
Average Number of shares outstanding ¹	6,800,000	6,800,000	6,800,000	6,800,000

¹ On August 15, 2018, the Company completed its IPO with the total amount of share outstanding now amounting to a total of 6,800,000.

Expenses during the first quarter ended March 31, 2020 were principally composed of professional fees from our lawyers and accountants totalling \$48,978 and listing and maintenance expenses of \$5,467.

Expenses during the second quarter ended June 30, 2020 were principally composed of professional fees from our lawyers and accountants totalling \$29,549 and listing and maintenance expenses of \$1,495.

Expenses during the third quarter ended September 30, 2020 were principally composed of professional fees from our lawyers and accountants totalling \$12,428 and listing and maintenance expenses of \$1,495.

Liquidity, Capital Resources and Outlook

The Company's ability to meet its obligations and its ability to finance its operations depends on being able to complete the Company's Qualifying Transaction and to obtain additional funding in the future. We expect to generate negative cash flow from operating activities in the future until at least our Qualifying Transaction is completed and we commence revenue generation.

Management intends to ensure that the operational and administrative costs are minimal prior to the completion of a Qualifying Transaction to preserve the Company's working capital.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as of September 30, 2020.

Critical Accounting Estimates and Policies

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reported years. Actual results could differ from those estimates.

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Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information related to critical judgments in applying accounting policies and estimates that have the most significant impact on the financial statements relates to deferred income taxes and fair value of stocks options.

Financial Instruments and Other Instruments

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

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 Company:

	Authorized	Outstanding
Voting or equity issued and outstanding	Unlimited Common Shares	6,800,000 Common Shares ¹
Securities convertible or exercisable into voting or equity securities – stock options and warrants	Directors' and officers' stock options to acquire up to 10% of the issued and outstanding common shares	680,000 ¹
	Agent's warrants to acquire up to 10% of the common shares issued in connection with the initial public offering	400,000 ¹
Voting or equity securities issuable on conversion or exchange of outstanding securities	as above	as above

¹ On August 15, 2018, the Company completed its IPO with the total amount of share outstanding now amounting to a total of 6,800,000 of which 2,800,000 shares are held in escrow. As of August 15, 2018, a total 680,000 stock options were granted to directors and officers of the Corporation for a period of 5 years and 400,000 non-transferable options were granted to the agent for a period up to August 14, 2020, entitling the holders to acquire 680,000 and 400,000 Common Shares respectively at \$0.10 per Common Share.

Material Event

TERMINATION OF AN AGREEMENT IN PRINCIPALE WITH RESPECT TO A QUALIFYING TRANSACTION BETWEEN ORLETTO CAPITAL II INC. AND MIMEDIA INC.

TERMINATION OF THE AGREEMENT IN PRINCIPLE WITH RESPECT TO A QUALIFYING TRANSACTION BETWEEN ORLETTO CAPITAL II INC. AND MIMEDIA INC. Québec, Québec, July 17, 2020 – Benoit Chotard, President and CEO of Orletto Capital II Inc. (“Orletto”) (TSX-V “OLT.P”), a Capital Pool Company, announces the termination of the agreement in principle (the “Agreement”) concluded with MiMedia Inc. (“MiMedia”) for the realization of a qualifying transaction, as per Policy 2.4 of the TSX Venture Exchange Corporate Finance Manual, as previously announced on July 30, 2019.

On January 28, 2020, Orletto announced that the final date upon which Orletto and MiMedia had initially agreed to achieve certain milestones pursuant to the Agreement had been extended to take place on or prior to June 30, 2020.

However, the terms and conditions contained in the Agreement were not executed by June 30, 2020. Consequently, it has been decided, by common agreement, not to proceed with the qualifying transaction between Orletto and MiMedia.

Orletto’s principal business to identify and evaluate assets or business for the purpose of announcing a qualifying transaction, as per Policy 2.4 of the TSX Venture Exchange Corporate Finance Manual, is ongoing.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

Risks and Uncertainties

The Company 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 Company will be able to obtain adequate financing to continue. The securities of the Company should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's securities:

- a) until completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;
- b) the Company has had no business activity and has not acquired any material assets since its incorporation other than cash;
- c) the Company does not have a history of earnings, nor has paid any dividends and will not generate or pay dividends until at least after the completion of the Qualifying Transaction;
- d) the Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company 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 Company will be able to successfully complete the transaction;
- f) the Qualifying Transaction may be financed in all or in part by the issuance of additional securities by the Company 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 Company;
- 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 Company fails to complete a Qualifying Transaction within 24 months of listing, the TSX Venture Exchange could suspend or delist the common shares of the Company and an interim cease trade order may be issued against the Company'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 Company 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 Company.

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 Company. Additional information about the Company is available on SEDAR at www.sedar.com.

CORPORATE DIRECTORY

Trading Symbol – OLT.P
Exchange – TSX-V

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