

METEORITE CAPITAL INC.

INTERIM MANAGEMENT'S DISCUSSION & ANALYSIS

November 27, 2020

The following management's discussion and analysis ("MD&A") of the operations, results, and financial position of Meteorite Capital Inc. ("Meteorite" or the "Company"), dated November 27, 2020, covers the three and nine-month periods ended September 30, 2020 and should be read in conjunction with the unaudited condensed interim financial statements of the Company and the notes thereto for the same period, which were prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") of International Financial Reporting Standards ("IFRS"). The MD&A supplements but does not form part of the condensed interim financial statements. Management is responsible for the preparation of the financial statements and the MD&A for the three and nine-month periods ended September 30, 2020. Additional information on the Company is also available on SEDAR at www.sedar.com.

Where we say "we", "us", "our", or the "Company" we mean Meteorite unless otherwise indicated. All amounts are presented in Canadian dollars unless otherwise indicated.

Description of Business:

The Company was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of Canada Business Corporations Act on April 27, 2018. The Company completed its initial public offering ("IPO") of 5,000,000 common shares for gross proceeds of \$750,000 on September 28, 2018. The Company's common shares were listed on the TSX Venture Exchange ("TSX-V" or the "Exchange") on October 12, 2018 and commenced trading on the TSX-V on the same day under the symbol "MTR.P".

The Company was listed as a Capital Pool Company ("CPC") as defined in TSX-V Policy 2.4. The principal business of the Company is the identification and evaluation of assets or a business with a view to completing a Qualifying Transaction as defined under TSX-V Policy 2.4.

Forward-looking statements

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company'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 Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that those 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.

With respect to forward-looking statements above and otherwise contained in this MD&A, the Company has made assumptions regarding, among other things:

- *the legislative and regulatory environment;*
- *the impact of increasing competition;*

- *ability to obtain regulatory and shareholder approvals; and*
- *the Company's ability to obtain additional financing on satisfactory terms.*

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below:

- *volatility in the market conditions;*
- *incorrect assessments of the value of acquisitions;*
- *due diligence reviews; and*
- *competition for suitable acquisitions.*

Overall Performance

Meteorite is classified as a CPC for the purposes of the policies of the Exchange. As a result, the Company's current business is to identify and evaluate businesses and assets with a view to completing a "Qualifying Transaction". Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a non-arm's length Qualifying Transaction is also subject to "majority of the minority approval" in accordance with Policy 2.4 of the Exchange. During the three and nine-month periods ended September 30, 2020, the Company had not conducted commercial operations other than to enter into an agreement to complete a transaction that will result in a reverse take-over of the Company by the shareholders of the target company.

On May 19, 2020, the Company announced that it has signed a binding letter agreement (the "Letter Agreement") with Sparkit Media Inc. ("Sparkit"), a privately held corporation existing under the laws of British Columbia and operating in the technology industry, which outlines the general terms and conditions pursuant to which the Company and Sparkit have agreed to complete a transaction that will result in a reverse take-over of the Company by the shareholders of Sparkit (the "Transaction"). The Letter Agreement was negotiated at arm's length and is effective as of May 18, 2020. The Transaction, subject to the approval of the Exchange, is expected to proceed by way of a three-cornered amalgamation to which Sparkit shall amalgamate with a wholly-owned subsidiary of the Company, and the Company will acquire all of the issued and outstanding common shares of Sparkit, in exchange for the Company's common shares on the basis of a predetermined exchange ratio.

On September 21, 2020, the Company filed the initial submission package relating to the Transaction with the Exchange for its review. Completion of the Transaction remains subject to obtaining Exchange approval and the completion of the concurrent Offering. As at the date of this MD&A, the Transaction had not yet been completed.

Results of Operations

As of September 30, 2020, the Company had no operations other than identifying a qualifying transaction.

For the three and nine-month periods ended September 30, 2020, Meteorite earned interest income of \$3,364 and \$15,688 respectively (\$Nil for the three and nine-month periods ended September 30, 2019 respectively), incurred net losses and comprehensive losses of \$19,576 and \$53,963 respectively (\$18,572 and \$39,388 for the three and nine-month periods ended September 30, 2019 respectively) and incurred operating expenses of \$22,940 and \$69,651 respectively (\$18,572 and \$39,388 for the three and nine-month periods ended September 30, 2019 respectively). These operating expenses are primarily related to professional fees, stock-based compensation, and listing fees.

Working capital at September 30, 2020 was \$465,678 (December 31, 2019 - \$602,347).

Selected Financial Information

A summary of selected financial information for the three and nine-months ended September 30, 2020 and 2019 is set out below;

	Three-months ended September 30, 2020	Nine-months ended September 30, 2020	Three-months ended September 30, 2019	Nine-months ended September 30, 2019
Net loss and comprehensive loss	\$(19,576)	\$(53,963)	\$(18,572)	\$(39,388)
Basic and fully diluted loss per share	(0.00)	(0.01)	(0.00)	(0.01)
Total expenses	22,940	69,651	18,572	39,388
Total assets	632,416	632,416	625,681	625,681
Cash (used in) provided by operations	N/A	(7,152)	N/A	(104,983)
Long-term financial liabilities	Nil	Nil	Nil	Nil

For the three and nine-month periods ended September 30, 2020 and 2019, the Company reported no discontinued operations and declared no cash dividends.

Summary of Quarterly Results

	3 Months Ended Sept 30 2020	3 Months Ended June 30 2020	3 Months Ended Mar 31 2020	3 Months Ended Dec 31 2019	3 Months Ended Sept 30 2019	3 Months Ended June 30 2019	3 Months Ended Mar 31 2019	3 Months Ended Dec 31 2018
Interest income	\$ 3,364	\$ 1,004	\$ 11,320	\$ -	\$ -	\$ -	\$ -	\$ -
Professional fees	5,384	21,218	5,000	19,959	18,535	8,274	6,534	39,641
Stock-based compensation	5,594	8,267	4,620	33,279	-	-	-	-
Listing fees	11,498	-	5,979	-	8	-	5,979	22,315
Investor relations	434	1,017	-	-	-	-	-	-
Transaction costs	-	575	-	-	-	-	-	-
Bank charges and interest	30	16	20	(39)	29	18	12	121
Net loss and comprehensive loss	(19,576)	(30,089)	(4,299)	(53,199)	(18,572)	(8,292)	(12,525)	(62,077)
Loss per share*	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)

*does not include escrowed shares as they are contingently returnable.

This summary of quarterly results should be read in conjunction with the condensed interim financial statements and the related notes for the three and nine-month periods ended September 30, 2020 and 2019.

Discussion of Operations for the three and nine-months ended September 30, 2020 and 2019

Loss and comprehensive loss for the three and nine-month periods ended September 30, 2020 were \$19,576 and \$53,963, compared to \$18,572 and \$39,388 for the same periods in 2019. The increases of \$1,004 and \$14,575 respectively were primarily due to increases in stock-based compensation and listing fees, offset by the interest income earned during the periods.

Transactions with Related Parties

Related parties include the Board of Directors, the president, the chief financial officer, close family members and enterprises which are controlled by these individuals as well as persons performing similar functions.

During the three and nine-month periods ended September 30, 2020, a law firm of which an officer, director and shareholder of the Company is a partner, provided legal services in the amount of \$28,489 and \$49,327 respectively, of which \$25,640 and \$43,640 relates to the anticipated brokered private placement offering and has been recorded within deferred share issue costs (September 30, 2019 - \$Nil). As at September 30, 2020, accounts payable and accrued liabilities include an amount of \$48,489 (December 31, 2019 - \$895) related to legal services.

Outstanding Share Data

At the date of this MD&A, the following is a description of the outstanding equity securities and exercisable securities previously issued by the Company:

	Authorized	Description of Securities
Voting or equity securities issued and outstanding	Unlimited common shares	7,065,000 common shares (2,065,000 deposited in escrow)
Options issuances and outstanding	Up to a maximum of 10% of common shares outstanding	565,500 options to acquire 565,500 common shares
Warrants issued and outstanding	Agent option to acquire 500,000 common shares	500,000 warrants to acquire 500,000 common shares

Financial Instruments and Risk Factors

The Company's financial instruments consist of cash, investment in short-term GIC, loan receivable and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments. It is management's opinion that the Company is not exposed to significant interest, currency, credit or liquidity risks arising from its financial instruments.

Liquidity and Capital Resources

As at September 30, 2020, Meteorite had net working capital of \$465,678 comprised of cash, an investment in a short-term GIC, and a loan receivable, offset by accounts payable and accrued liabilities. As a result, the Company is not exposed to the liquidity risk, and has sufficient funds to meet its ongoing obligations and to meet its objective of completing a Qualifying Transaction. Meteorite does not generate revenue from operations and any significant improvements in working capital would result from the issuance of share capital.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the potential Qualifying Transaction. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its working capital position and total shareholders' equity.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended June 30, 2020. In accordance with the TSX-V Policy 2.4 and until completion of a Qualifying Transaction, the Company will be subject to constraints related to the use of the funds obtained through the sale of its common shares.

Contractual Obligations

The Company has no long-term debt outstanding or contractual obligations.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Financial Risk Factors

The Company's risk exposures and the impact on the Company's condensed interim financial statements are summarized below.

Credit risk

Financial instruments that potentially subject the Company to credit risk consist primarily of cash, investment in short-term GIC and the loan receivable. The Company limits its exposure to credit loss by placing its cash with a major financial institution, by investing in low risk investments, and believes its exposure to credit risk on the loan receivable is not significant due to the anticipated amalgamation transaction that the Company intends to complete with the counterparty.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2020, the Company's current assets exceeded its current liabilities. In order to meet future obligations as they become due, the Company may need to access funding from the issuance of equity securities, the exercise of stock options or through other sources. The Company's access to financing is uncertain and there is no assurance of continued access to equity funding.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

a) Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institution is subject to a floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant. During the nine-month period ended September 30, 2020, the Company's short-term GIC matured and was re-invested in a new fixed rate short-term GIC. The loan receivable also carries interest at a fixed interest rate.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in a foreign currency. As at September 30, 2020, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

c) *Price risk*

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Significant and Subsequent Events

COVID-19 health crisis risk

During and subsequent to quarter end, the evolving response to the COVID-19 pandemic by the federal and provincial governments in Canada includes continuing and new emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused significant disruption to businesses in Canada and globally, resulting in an economic slowdown. Global capital markets have also 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 still 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, condition and business plans of the Company in future periods.

Qualifying Transaction and private placement offering

As previously described, the Company signed a binding Letter Agreement with Sparkit, effective as of May 18, 2020, pursuant to which the Company and Sparkit have agreed to complete a reverse take-over Transaction of the Company by the shareholders of Sparkit. The Transaction is expected to proceed by way of a three-cornered amalgamation to which Sparkit shall amalgamate with a wholly-owned subsidiary of the Company, and the Company will acquire all of the issued and outstanding common shares of Sparkit, in exchange for the Company's common shares on the basis of an exchange ratio of 0.0975 Meteorite Capital Inc. common shares for every one Sparkit share issued and outstanding, reflecting a deemed price of \$0.225 per Meteorite Capital Inc. common share or such other value that is acceptable to the Company, Sparkit and the Exchange, such that Sparkit will be a wholly-owned subsidiary of the Company as it exists following the completion of the Transaction.

Concurrently with the Transaction, the Company intends to conduct a brokered private placement offering (the "Offering") of common share units (the "Units") led by Leede Jones Gable (the "Agent") for gross proceeds to the Company of a minimum of \$1,755,000 and a maximum of \$2,250,000 (the "Offering"), in accordance with the policies of the Exchange. Each Unit shall be comprised of one common share and one-half common share purchase warrant, which will entitle its holder to purchase one common share at a price of \$0.35 for a period of 24 months following the completion of the Transaction. The Agents will receive a cash commission equal to 8% of the gross proceeds raised in the Offering and such number of broker warrants that is equal to 8% of the number of Units sold.

On August 10, 2020, the Company filed the initial submission package relating to the Transaction with the Exchange for its review. Completion of the Transaction remains subject to obtaining Exchange approval and the completion of the concurrent Offering. As at the date of this MD&A, the Transaction had not yet been completed.

Loan receivable amendment and GIC redemptions

On October 21, 2020, the Company advanced an additional amount of \$5,000 to Sparkit as part of the secured loan and also agreed to extend the repayment of the loan. The aggregate amount of \$225,000 will now mature

on the earlier of (i) the closing of the Transaction and (ii) November 30, 2020. The loan continues to bear interest at a rate of 6.5% per annum and is secured by a first charge on all of Sparkit's assets.

On October 29, 2020, the Company partially redeemed \$10,000 of the investment in short-term GIC.

Critical Accounting Policies and Estimates Updated

Critical accounting estimates are those estimates that have a high degree of uncertainty and for which changes in those estimates could materially impact the Company's results.

Management used the Black-Scholes model to estimate the fair value of stock options and warrants issued. The estimated life of the stock options and warrants at the grant date is based on the legal life of the equity instruments and the expected exercise pattern of the holders. The expected volatility used to calculate the grant date fair value is estimated taking into account the historical volatility of similar companies' share prices over the expected term of the stock options and warrants granted.

Actual results could differ from those estimates.

Additional Information

Additional information relating to the Company can be found on SEDAR at www.sedar.com.