

JUSTIFY CAPITAL CORP.
INTERIM MD&A – QUARTERLY HIGHLIGHTS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2020

Background

This Management Discussion and Analysis – Quarterly Highlights (“Quarterly Highlights”) of for Justify Capital Corp. (“Justify” or the “Company”) is prepared as at December 2, 2020 and should be read in conjunction with the Company’s unaudited condensed interim financial statements for the three months ended October 31, 2020.

The unaudited condensed interim financial statements for the three months ended October 31, 2020 have been prepared in accordance with International Financial Reporting Standard (“IFRS”) and with International Accounting Standard 34, “Interim Financial Reporting”, as issued by the International Accounting Standards Board (“IASB”).

All dollar figures included therein and in the following Quarterly Highlights are quoted in Canadian dollars. Additional information relevant to the Company’s activities can be found on SEDAR at www.sedar.com.

The Company was incorporated on July 28, 2020 with 2,010,000 common shares being issued at a price of \$0.075 per share for total proceeds of \$150,750 (the “Seed Shares”). On October 15, 2020, the Company completed its initial public offering (the “IPO”) issuing an additional 1,350,000 common shares at a price of \$0.15 per share for total gross proceeds of \$202,500. Share issuance costs for the IPO were \$104,431, which includes \$9,362 for the fair value of 100,000 agent’s warrants (the “Agent’s Warrants”). Each Agent’s Warrant is exercisable to purchase an additional common share in the Company at a price of \$0.15 for a 24-month period following the completion of the IPO.

On October 15, 2020, the Company granted stock options to purchase 300,000 common shares to directors of the Company exercisable at a price of \$0.15 for a five-year period following their grant. The fair value of these stock options at the date of grant was \$37,761.

Upon completion of the IPO, the Company became a Capital Pool Corporation (a “CPC”), defined by Policy 2.4 of the TSX-Venture Exchange (“TSX-V”). As a CPC, the Company’s immediate objective will be to identify and acquire either operating assets or a business, subject to shareholders’ approval, that meet the criteria of a Qualifying Transaction, as defined by the TSX-V (“Qualifying Transaction”). Until such time that a Qualifying Transaction is completed, the Company will have no significant revenue and will incur expenses primarily for Qualifying Transaction investigation, TSX-V listing and filing requirements, professional services and office facilities and administration, subject to certain restrictions under Policy 2.4.

As a CPC, the Seed Shares are held in escrow and will be released ratably over an 18 to 36-month period following the completion of a Qualifying Transaction. Should a Qualifying Transaction not be completed within two years, then one-half of the Seed Shares may be subject to cancellation in accordance with policies of the TSX-V.

Forward-Looking Statements

Certain statements contained in the following Quarterly Highlights constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks include, but are not limited to, the Company completing a Qualifying Transaction, and its ability to raise sufficient capital for short-term operations and to fund a Qualifying Transaction. Readers are cautioned not to place undue reliance on these forward-looking statements.

Analysis of the Company's Financial Performance and Condition

The Company reported a \$41,170 net loss for the three months ended October 31, 2020, primarily the result of a \$37,761 share-based compensation expense recognized on the grant of stock options in the period. Additionally, the Company recognized expenses of \$1,575 for administrative and corporate services, \$919 for legal and accounting fees, \$573 for transfer agent, shareholder communication, listing and filing fees, and \$342 for sundry office costs.

As at October 31, 2020, the Company had a cash balance of \$279,300 which the Company's management believes is sufficient to pay for \$29,625 in liabilities then outstanding, maintain operations for the next 12 months and to pursue a limited number of potential Qualifying Transactions. However, additional funding may be required to meet long-term requirements following a Qualifying Transaction or should no such transaction be completed.

Liquidity and Changes to Expense Structure

As a CPC, the Company's routine expenses are limited to general administrative costs such as TSX-V listing and filing fees, audit fees and accounting fees. When the Company has identified a potential Qualifying Transaction, additional legal or other transaction-related costs may be incurred, regardless of whether the transaction is ultimately completed.

It is uncertain as to when a Qualifying Transaction can be completed, but the Company's current cash balance is sufficient to pay its existing accounts payable and accrued liabilities, to maintain routine on-going operations and to investigate potential Qualifying Transactions for the next 12 months.

Related Party Transactions

The Company is party to a corporate services agreement with Earlston Management Corp. ("Earlston"), whereby Earlston provides various administrative, management and corporate services to the Company for a fee of \$500 per month plus tax and out-of-pocket costs. Earlston is related to the Company by virtue of providing key management services and having certain directors and officers in common. The Company's expense for administrative and corporate services for the three months ended October 31, 2020 includes \$1,575 in such costs incurred with Earlston of which \$525 is included in accounts payable and accrued liabilities as at October 31, 2020.