

CAIRO RESOURCES INC.
Management Discussion and Analysis (“MD&A”)
for the six months ended August 31, 2019

The following discussion and analysis of the operations, results, and financial position of Cairo Resources Inc. (“Cairo” or “the Company”) for the six months ended August 31, 2019 should be read in conjunction with the Company’s unaudited condensed interim financial statements and related notes for the six months ended August 31, 2019 and the audited financial statements for the year ended February 28, 2019. The effective date of this report is October 2, 2019. All figures are presented in Canadian dollars, unless otherwise indicated.

COMPANY OVERVIEW

Cairo is a Capital Pool Company (“CPC”) as defined in TSX Venture Exchange (the “TSX-V”) Policy 2.4. The principal business of the Company is the identification and evaluation of assets or businesses and once identified or evaluated, to negotiate an acquisition of or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities with a view to completing a Qualifying Transaction. The Company has not commenced commercial operations and has no significant assets other than cash. Until such time that the Company completes a Qualifying Transaction (as such term is defined in TSX-V Policy 2.4), corporate expenditures will continue to be restricted to costs of raising equity financing, administrative costs to maintain the Company in good standing and costs to identify and evaluate potential business opportunities for the purposes of completing a Qualifying Transaction.

On December 22, 2017, the Company entered into a Letter of Intent with Sino Blockchain Holdings Inc. (“Sino”), a private British Columbia corporation, whereby Cairo will acquire all of the outstanding shares of Sino in exchange for common shares of Cairo.

On February 28, 2018, the Company announced that it and Sino have mutually agreed to terminate their Letter of Intent.

On November 7, 2018, the Company completed a non-brokered private placement of 300,000 common shares at a price of \$0.27 per common share for gross proceeds of \$81,000. The proceeds of the offering are being used by the Company towards general working capital purposes.

PROPOSED TRANSACTION

On September 30, 2019, the Company entered into arm’s length amalgamation agreement (the “Definitive Agreement”) in respect of a proposed business combination (the “Proposed Transaction”) that would result in the reverse takeover of Cairo by Swarmio Inc. (“Swarmio”). It is anticipated that the Proposed Transaction will constitute the Cairo’s “Qualifying Transaction” pursuant to Policy 2.4 of the TSX Venture Exchange (the “Exchange”). Following the completion of the Proposed Transaction, the resulting entity (the “Resulting Issuer”) will hold all of the assets and continue the business of Swarmio.

Pursuant to the Definitive Agreement, Cairo and Swarmio will complete a three-cornered amalgamation under the federal laws of Canada whereby a newly formed wholly-owned Canadian federal subsidiary of Cairo will amalgamate with Swarmio (the “Amalgamation”) and the shareholders of Swarmio will receive common shares of Cairo (the “Cairo Shares”) in exchange for their Swarmio Shares, resulting in a reverse takeover of Cairo by Swarmio.

It is anticipated that the Resulting Issuer will continue the business of Swarmio under the name “Swarmio Media Inc.” (the “Name Change”).

Swarmio intends to undertake a private placement of subscription receipts (the “Subscription Receipts”) for anticipated gross proceeds of \$4.0 million (the “Concurrent Financing”) to close on or before completion of the Proposed Transaction. Upon satisfaction or waiver of all conditions precedent to the

Proposed Transaction, the principal amount of the Subscription Receipts will automatically convert into Swarmio Shares at a conversion price of \$0.40 per Swarmio Share, and such Swarmio Shares will then be exchanged for Cairo Shares pursuant to the Proposed Transaction. The proceeds of the Concurrent Financing will be held in escrow until conversion of the Subscription Receipts. In the event that the Proposed Transaction is terminated, 100% of the proceeds of the Concurrent Financing will be returned to the investors.

The Proposed Transaction is subject to, among other things, the completion of the Concurrent Financing for gross proceeds of a minimum of \$4 million respectively, receipt of Swarmio and Cairo board approval of Proposed Transaction, receipt of Swarmio shareholder approval for the Proposed Transaction, receipt of Cairo shareholder approval of the Continuation, the Name Change, Cairo and Swarmio obtaining all necessary consents, orders and regulatory approvals, including the conditional approval of the Exchange, and other standard closing conditions.

SUMMARY OF QUARTERLY RESULTS

The following selected financial data is prepared in accordance with IFRS:				
	3 months ended August 31, 2019	3 months ended May 31, 2019	3 months ended February 28, 2019	3 months ended November 30, 2018
Total revenue	\$0	\$0	\$0	\$0
Loss before other items	\$14,524	\$7,904	\$40,653	\$7,490
Net loss	\$14,524	\$7,904	\$40,653	\$7,490
Loss per common share, basic and diluted	\$0.01	\$0.00	\$0.03	\$0.01
Total assets	\$31,296	\$40,993	\$45,941	\$54,516

The following selected financial data is prepared in accordance with IFRS:				
	3 months ended August 31, 2018	3 months ended May 31, 2018	3 months ended February 28, 2018	3 months ended November 30, 2017
Total revenue	\$0	\$0	\$0	\$0
Loss before other items	\$10,501	\$7,324	\$15,039	\$9,059
Net loss	\$10,501	\$7,324	\$15,039	\$9,059
Loss per common share, basic and diluted	\$0.01	\$0.01	\$0.01	\$0.01
Total assets	\$6,624	\$6,715	\$16,169	\$18,108

SELECTED ANNUAL FINANCIAL INFORMATION

The following selected financial data is derived from the financial statements prepared in accordance with IFRS:			
	Year ended February 28, 2019	Year ended February 28, 2018	Year ended February 28, 2017
Total revenue	\$0	\$0	\$0
Income (loss) before other items	(\$65,968)	(\$35,778)	(\$62,650)
Net income (loss)	(\$65,968)	(\$35,778)	(\$62,650)
Income (loss) per common share, basic and diluted	(\$0.05)	(\$0.03)	(\$0.06)
Total assets	\$45,941	\$16,169	\$44,582
Long term debt	\$0	\$0	\$0
Dividends paid/payable	\$0	\$0	\$0

DISCLOSURE OF OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had 1,881,473 issued and outstanding common shares, of which 299,999 common shares are held in escrow which are subject to an TSX-V mandated CPC Escrow Agreement and may not be transferred, assigned or otherwise dealt without the consent of the regulatory authorities or in accordance with the CPC Escrow Agreement following the Company's completion of a Qualifying Transaction.

As at August 31, 2019 and as at the date of this report, there are no outstanding options and warrants.

RESULTS OF OPERATIONS

The Company does not have any operations and will not conduct any business other than the identification and evaluation of businesses and assets for potential acquisition. During the six months ended August 31, 2019 the Company recorded a net loss of \$22,428 compared to a net loss of \$17,825 in the six months ended August 31, 2018.

The Company's net loss for the six months ended August 31, 2019 can be attributed to incurring filing fees of \$4,279, general and administrative costs of \$6,334, professional fees of \$3,840, and transaction costs of \$7,975. The Company's net loss for the six months ended August 31, 2018 can be attributed to incurring filing fees of \$4,279, general and administrative costs of \$12,646, and professional fees of \$900.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements.

As at August 31, 2019 the Company had working capital deficit of \$9,348 compared to working capital of \$13,080 as at February 28, 2019.

As at August 31, 2019, the Company had cash of \$28,879 (February 28, 2019 - \$45,095) available to meet short-term business requirements and liabilities of \$40,664 (February 28, 2019 - \$32,861). The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company has no long-term debt.

At present, the Company has not completed its Qualifying Transaction and consequently has no current operating income or cash flows. During the year end ended February 28, 2019, the Company received proceeds from the non-brokered private placements for identifying and completing a qualifying transaction and working capital purposes. However, without additional financing, the Company will be unable to fund its ongoing operations for the next twelve months. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. These uncertainties cast significant doubt on the Company's ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations.

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements.

CONTRACTUAL COMMITMENTS

There are no contractual commitments.

TRANSACTIONS WITH RELATED PARTIES

The Company's related party and key management personnel consist of a company owned by the executive officer and directors as follows:

	Relationship	Nature of Transactions
CDM Capital Partners Inc.	Partially owned the President, CEO, CFO and a director of the Company	Rent

During the period ended August 31, 2019, the Company paid \$4,500 (2018 - \$4,500) for rent to CDM Capital Partners Inc. and owed them \$788 (February 28, 2019 - \$Nil) as at August 31, 2019.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in accordance 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 date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include accrued liabilities, and the recoverability of deferred tax assets.

The 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 if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Information about critical judgments in applying accounting policies that have the most significant effect of amounts recognized in the financial statements is included going concern assessment.

FINANCIAL INSTRUMENTS

The Company accounts for its financial instruments as follows:

Cash	FVTPL
Accounts payable and accrued liabilities	Financial liabilities measured at amortized cost

The classification of the financial instruments as well as their carrying values is shown in the table below:

Cash	\$ 28,879
Other financial liabilities	\$ 40,644

The fair value of cash and accounts payable and accrued liabilities approximates their carrying value due to their short-term maturity.

The Company is exposed to potential loss from various risks including commodity price risk, exploration and development risk, environmental risk, credit risk, liquidity risk and interest rate risk. These risks are described in more details in Risk and Uncertainties section of this MD&A.

RISK AND UNCERTAINTIES

The Company's financial performance is likely to be subject to the following risks:

1. The Company has not commenced commercial operation, and has no assets other than cash, has no history of earnings and shall not generate earnings to pay dividends until at least after the completion of the Qualifying Transaction;
2. Until the completion of the Qualifying Transaction, the Company is not permitted to carry on any business other than the identification of and evaluation of potential Qualifying Transactions;
3. The Company only has 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 or complete a suitable Qualifying Transaction.

The following are risks related to the Company's financial instruments:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration of credit risk exists with respect to the Company's cash and short term investments as all amounts are held at a single major Canadian financial institution.

Credit risk is minimized by ensuring that these financial assets are placed with a major Canadian financial institution with a strong investment-grade rating by a primary ratings agency.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. At August 31, 2019, the Company had cash of \$28,879 available to meet short-term business requirements and current liabilities of \$40,644. The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. The Company is not exposed to significant market risk.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the financial statements is the responsibility of Management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the accompanying financial statements.

FORWARD-LOOKING STATEMENTS

Certain sections of this Management Discussion and Analysis may contain 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 actual future results. The risks, uncertainties and other factors that could influence actual results are described in the "Risks and Uncertainties" section of this report. The forward-looking statements contained herein are based on information available as of the date of this report.

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Paul Reynolds (Director)

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