

E36 CAPITAL CORP.

Management's Discussion and Analysis

For the Year ended June 30, 2020 and the Period from Incorporation on March 6, 2019 to June 30, 2019

Dated: June 30, 2020

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

This management's discussion and analysis ("MD&A") reports on the operating results and financial condition of E36 Capital Corp. (the "Company") for the year ended June 30, 2020, and for the period from incorporation on March 6, 2019 to June 30, 2019 and is prepared as at March 30, 2020. This MD&A should be read in conjunction with the audited financial statements for the year ended June 30, 2020 and the period from incorporation on March 6, 2019 to June 30, 2019, which were prepared in accordance with International Financial Reporting Standards (the "Financial Statements"). Other information contained in these documents has also been prepared by management and is consistent with the data contained in the Financial Statements. All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of the Company's management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein.

Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. 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. These forward-looking statements include but are not limited to statements concerning:

- The Company's ability to identify, successfully negotiate and/or finance an acquisition of a new business opportunity;
 - The Company's success at completing future financings;
 - The Company's strategies and objectives;
 - General business and economic conditions;
 - The Company's ability to meet its financial obligations as they become due;
 - The positive cash flows and financial viability of new business opportunities;
 - The Company's ability to manage growth with respect to a new business opportunity;
- and

E36 CAPITAL CORP.

Management's Discussion and Analysis

For the Year ended June 30, 2020 and the Period from Incorporation on March 6, 2019 to June 30, 2019

- The Company's tax position, anticipated tax refunds and the tax rates applicable to the Company.

Readers are cautioned that the preceding list of risks, uncertainties, assumptions and other factors are not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in or implied by these forward-looking statements. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, investors in securities of the Company should not place undue reliance on these forward-looking statements.

CORPORATE OVERVIEW AND OUTLOOK

The Company was incorporated on March 6, 2019 under the laws of British Columbia and is classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The Company completed its Initial Public Offering ("IPO") on February 28, 2020 from purchasers in Alberta and British Columbia. The principal business of the Company is the identification and evaluation of assets or a business and, once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities. The Company's head office and the records and registered office is located at 2500 – 666 Burrard Street, British Columbia, V6C 2X8.

As a CPC, the Company's business objective is to identify and evaluate assets or businesses with a view to potential acquisition or participation and completing a qualifying transaction ("Qualifying Transaction"), as defined in Exchange Policy 2.4 subject, in certain cases, to shareholder approval and acceptance by the TSX-V. The Company has an accumulated deficit of \$95,115 as at June 30, 2020. The Company's continued operations are dependent upon its ability to identify, evaluate and successfully negotiate an agreement to acquire an interest in a sustainable/viable business operation within 24 months of listing on the TSX-V. There is no assurance that the Company will complete a Qualifying Transaction within twenty- four months from the date the Company's shares were listed on the TSX-V, at which time the TSX-V may suspend or de-list the Company's shares from trading.

The Company has been closely following developments relating to the recent novel coronavirus (COVID-19) pandemic which has now evolved into a global crisis. The quarantines and related work and travel restrictions implemented in countries around the globe to contain the outbreak have and will continue to affect the global economy and market conditions in the fourth quarter of 2019 and the first half of 2020. The Company expects the economic disruptions and current market conditions to continue beyond the first half of 2020. Beyond then, the impact of the coronavirus pandemic on the business of the Company is unclear. The balance of these effects in this case will likely be driven by how long the economic disruptions and market conditions last once the pandemic is contained, the timing of which is currently uncertain.

While this situation remains fluid and subject to daily changes, the Company is generally seeing existing merger and acquisition processes continue forward on both the buy side and the sell side. That being said, in certain jurisdictions and in industries particularly affected by the coronavirus pandemic, some deals are on pause as the parties evaluate the effects of the pandemic. This is likely to lead to price renegotiations and, in some cases, termination of

E36 CAPITAL CORP.

Management's Discussion and Analysis

For the Year ended June 30, 2020 and the Period from Incorporation on March 6, 2019 to June 30, 2019

negotiations if buyers are unsure whether they are overpaying for an asset under current circumstances. Buyers and sellers can expect last-minute halts where parties re-evaluate and potentially renegotiate material terms (including prices and valuations). If the coronavirus pandemic continues to expand and the related market volatility persists, the Company expects an increasing number of sellers to reconsider if and when to launch new processes.

As a result of these and other factors, the Company's ability to identify a business or asset that warrants acquisition or participation and/or the ability of the Company to obtain the financing necessary to support a new business acquisition could be severely impacted over this period and potentially beyond such period as the global economy recovers from a pandemic that is unprecedented in modern times. There can be no assurance that we will be able to increase revenues in future periods or be able to sustain the level of revenue or rate of revenue growth on a quarterly or annual basis that we have sustained in the past. Due to the foregoing factors, there is no assurance that the Company will identify a business or asset that warrants acquisition or participation, and/or will be able to obtain the financing necessary to support a new business acquisition.

On February 28, 2020, the Company closed its distribution and initial public offering ("IPO") by issuing 3,500,000 common shares at a price of \$0.10 per share (the "Offering") and engaged Haywood Securities Corp. as its agent (the "Agent") in connection with the Offering. The Company paid the Agent a commission equal to 8% of the gross funds raised from the Offering in the amount of \$28,000 and a non-refundable corporate finance fee of \$8,400. The Company also reimbursed the Agent for its legal fees and expenses incurred in connection with the Offering in the amount of \$17,000. The Company issued to the Agent 280,000 agent's warrants (the "Agent's warrants") to purchase an aggregate of 280,000 common shares of the Company at an exercise price of \$0.10 per share. The Agent's warrants expire on February 28, 2022.

Following the IPO, the Company has 6,075,000 common shares outstanding of which 2,275,000 are held in escrow and will be released over a 36-month period following the completion of a Qualifying Transaction. In addition, the Company has reserved 600,000 common shares with respect to incentive stock options the Company intends to grant to its directors and officers, which, (when issued), will be exercisable for a period of two years from the date of grant.

SELECTED ANNUAL INFORMATION

The following selected financial data, prepared in accordance with IFRS, has been derived from the Company's audited financial statements for the year ended June 30, 2020, and for the period from incorporation on March 6, 2019 to June 30, 2019:

E36 CAPITAL CORP.

Management's Discussion and Analysis

For the Year ended June 30, 2020 and the Period from Incorporation on March 6, 2019 to June 30, 2019

	For the year ended June 30, 2020	For the period from Incorporation on March 6, 2019 to June 30, 2019
	\$	\$
(a) Revenue	Nil	Nil
(b) Loss for the period	90,040	5,075
(c) Loss per share	(0.06)	(0.04)

SUMMARY OF QUARTERLY RESULTS¹

Three months ended	Jun-20	Mar-20	Dec-19	Sept-19	Period from March 6, 2019 to June 2019
	\$	\$	\$	\$	\$
(a) Revenue	Nil	Nil	Nil	Nil	Nil
(b) Loss for the period	14,966	61,725	2,206	11,143	5,075
(c) Loss per share	(0.00)	(0.00)	(0.01)	(0.04)	(0.04)

¹ Financial information prepared in accordance with IFRS.**RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JUNE 30, 2019, FOR THE YEAR ENDED JUNE 30, 2020, AND FOR THE PERIOD FROM INCORPORATION ON MARCH 6, 2019 TO JUNE 30, 2019**

The Company currently has no sources of revenue.

Professional fees for the three months ended June 30, 2020 were \$6,000 (2019 – \$5,000), and for the year ended June 30, 2020 fees were \$7,500 (period from incorporation on March 6, 2019 to June 30, 2019 – \$5,000). Fees incurred in 2020 were higher than in 2019 as they represent accounting fees incurred for the preparation for a full year of the Company's operations.

Listing fees for the three months ended June 30, 2020 were \$nil (2019 – \$75) and for the year ended June 30, 2020 fees were \$24,512 (period from incorporation on March 6, 2019 to June 30, 2019 – \$75). These charges are incurred in relation to being listed publicly on the TSX Venture Exchange.

Share based compensation for the three months ended June 30, 2020 were \$nil (2019 – \$nil), and for the year ended June 30, 2020 the fees were \$53,669 (period from incorporation on March 6, 2019 to June 30, 2019 – \$nil). These costs are related to the stock option vesting upon the initial public offering of the Company's shares.

E36 CAPITAL CORP.

Management's Discussion and Analysis

For the Year ended June 30, 2020 and the Period from Incorporation on March 6, 2019 to June 30, 2019

Loss and comprehensive loss for the period

As a result of the activities discussed above, the Company experienced a loss and comprehensive loss of \$90,040 for the year ended June 30, 2020 (period from incorporation on March 6, 2019 to June 30, 2019 – \$5,075).

SHARE CAPITAL

Authorized

Unlimited number of common shares without par value.

Issued and outstanding

As at June 30, 2020 and the date of this MD&A, the Company had 6,075,000 common shares issued and outstanding.

LIQUIDITY AND CAPITAL RESOURCES

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

E36 CAPITAL CORP.

Management's Discussion and Analysis

For the Year ended June 30, 2020 and the Period from Incorporation on March 6, 2019 to June 30, 2019

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that no more than the lesser of 30% of the gross proceeds from the issuance of common shares or \$350,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the Exchange Policy 2.4.

A summary of the Company's cash flows during the year ended June 30, 2020 and during the period from incorporation on March 6, 2019 to June 30, 2019 is as follows:

	For the year ended June 30, 2020		For the period from incorporation on March 6, 2019 to June 30, 2019	
Cash flows used in operating activities	\$	(53,555)	\$	(10,075)
Cash flows used in investing activities		-		-
Cash flows provided by financing activities		296,600		147,500
(Decrease) Increase in cash for the period	\$	243,045	\$	137,425
Cash, beginning of the period		137,425		-
Cash, end of the period	\$	380,470	\$	137,425

Cash flows used in operating activities were \$53,555 for the year ended June 30, 2020 (period from incorporation on March 6, 2019 to June 30, 2019 – \$10,075). The cash was used to maintain the administrative and reporting needs of the Company as well as pay for certain legal costs related to evaluating potential qualifying transactions.

Cash flows provided by financing activities were \$296,600 for the year ended June 30, 2020 (period from incorporation on March 6, 2019 to June 30, 2019 – \$147,500 provided by financing activities).

As a result of the above activities, at June 30, 2020, the Company has \$380,470 of cash to settle current liabilities of \$6,000. As such, management feels the Company has sufficient cash to fund corporate overhead costs. The Company's exposure to liquidity risk is currently negligible.

Until the Company has either acquired or developed a business that generates revenues, the Company will remain dependent upon the financial support of its shareholders. Therefore, in order to fund future operating costs and/or settle its obligations with debt holders, the Company may seek to raise debt financing, or issue shares of its common stock to settle any debt, or issue shares of its common stock to raise capital. There is no assurance that the Company will be able to issue shares or raise debt financing. Should the Company issue common shares to settle its debt or raise capital it would significantly dilute the existing shareholders. If the Company is unable to continue to finance itself through these means, it is possible that the Company will be unable to continue as a going concern.

E36 CAPITAL CORP.

Management's Discussion and Analysis

For the Year ended June 30, 2020 and the Period from Incorporation on March 6, 2019 to June 30, 2019

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

As of June 30, 2020, \$nil was due to related parties.

The Company has identified its directors and officers as its key management personnel.

During the year ended June 30, 2020, \$nil (period from incorporation on March 6, 2019 to June 30, 2019 – \$nil) was recorded as compensation costs for key management personnel and companies related to them.

RISKS AND UNCERTAINTIES

Strategic Risk

There is no guarantee that the Company will be able to complete the acquisition of or participation in a new business opportunity. If an acquisition of or the participation in corporations, properties, assets or businesses is identified, the Company may find that even if the terms of an acquisition or participation are economic, it may not be able to finance such acquisition or participation and additional funds will be required to enable the Company to pursue such an initiative. There is no guarantee that additional financing will be available or that it will be available on terms acceptable to management of the Company. The Company will be competing with other companies, many of which will have far greater resources and experience than the Company. No assurance can be given that the Company will be successful in raising the funds required for an acquisition.

Market Conditions Risk

In addition to the Strategic Risk described above, the Company's ability to identify a business or asset that warrants acquisition or participation and/or the ability of the Company to obtain the financing necessary to support a new business acquisition could also be severely impacted by the recent novel coronavirus (COVID-19) pandemic which has now evolved into a global crisis.

Quarantines and related work and travel restrictions implemented by countries around the globe to contain the outbreak have and will continue to affect the global economy and market conditions in the fourth quarter of 2019 and the first half of 2020. The Company expects the economic disruptions and current market conditions to continue beyond the first half of 2020. At this time the impact of the coronavirus pandemic on the business of the Company is uncertain. The balance of the impact to the Company, if any, will likely be driven by how long the economic disruptions and market conditions last once the pandemic is contained, the timing of which is currently unclear.

E36 CAPITAL CORP.

Management's Discussion and Analysis

For the Year ended June 30, 2020 and the Period from Incorporation on March 6, 2019 to June 30, 2019

If the coronavirus pandemic continues to expand and the related global market volatility persists, however, the Company expects an increasing number of sellers to reconsider if and when to launch new processes.

As a result of the risks associated with the COVID-19 pandemic and other unknown related factors, there could be a material impact to the Company's ability to identify a business or asset or the ability of the Company to obtain the necessary financing to support a new business acquisition.

Lack of Dividend Policy

The Company does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends received from the Company will remain subject to the discretion of the Company's Board of Directors and will depend on results of operations, cash requirements and future prospects of the Company and other factors.

Possible Dilution to Present and Prospective Shareholders

The Company's plan of operation, in part, contemplates the accomplishment of business negotiations by the issuance of cash, securities of the Company, or a combination of the two, and possibly, incurring debt. Any transaction involving the issuance of previously authorized but unissued common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

Dependence of Key Personnel

The Company strongly depends on the business and technical expertise of its management and key personnel. There is little possibility that this dependence will decrease in the near term. As the Company's operations expand, additional general management resources may be required.

FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Fair value of financial instruments

The Company's financial instruments consist of cash and cash equivalents, interest receivable, and accounts payable and accrued liabilities. Each of the financial instruments has a carrying value that approximates fair value due to the short term to maturity of these financial instruments.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents, and interest receivable are exposed to credit risk, with their carrying value being the Company's maximum exposure. The Company's cash and cash equivalents consists of funds held at a Canadian Schedule 1 Chartered Bank. The interest receivable is due from a Canadian

E36 CAPITAL CORP.

Management's Discussion and Analysis

For the Year ended June 30, 2020 and the Period from Incorporation on March 6, 2019 to June 30, 2019

Schedule 1 Chartered Bank. Management believes the Company's exposure to credit risk is minimal.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as the cash and cash equivalent balances are earning interest at nominal rates as of June 30, 2020. The Company had no interest rate swaps or financial contracts in place as at or during the year ended June 30, 2020.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's liabilities are all current and due within 90 days of the statement of financial position date. The Company seeks to ensure that it has sufficient capital to meet short term financial obligations after taking into account its operating obligations and cash on hand.

Fair Value Measurements

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
- Level 3 – Inputs that are not based on observable market data. The fair value of cash is determined based on Level 1 inputs, which consist of quoted prices in active markets for identical assets.

As at June 30, 2020, the Company's financial instruments consist of cash and cash equivalents, and interest receivables and accounts payable and accrued liabilities. Cash and cash equivalents, and interest receivables are valued at amortized cost. Accounts payable and accrued liabilities are valued at amortized cost. The fair values of these financial instruments approximate their carrying values due to the short-term nature of these instruments.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

E36 CAPITAL CORP.

Management's Discussion and Analysis

For the Year ended June 30, 2020 and the Period from Incorporation on March 6, 2019 to June 30, 2019

At June 30, 2020, the Company has not identified any key sources of estimation or judgments.

OFF-BALANCE SHEET ARRANGEMENTS

The Company currently has no off-balance sheet arrangements.