

POCML 5 INC.

(a Capital Pool Corporation)

Management's Discussion and Analysis

For the Period Ended: September 30, 2020

Date of Report: November 27, 2020

The following Management's Discussion & Analysis ("MD&A") of POCML 5 Inc. ("POCML 5" or the "Company") for the nine months ended September 30, 2020 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management's discussion & analysis, being the Management's Discussion & Analysis ("MD&A") for the for the fiscal year ended December 31, 2019. This Interim MD&A does not provide a general update to the MD&A, or reflect any non-material events since date of the MD&A.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's MD&A, audited annual financial statements for the year ended December 31, 2019 and December 31, 2018, together with the notes thereto, and unaudited condensed interim financial statements for the nine months ended September 30, 2020, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of August 28, 2020, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Information about the Company and its operations can be obtained from the offices of the Company.

Caution Regarding Forward-Looking Information:

Certain information contained in this MD&A constitutes forward-looking information, which is information regarding possible events, conditions or results of operations of the Company that is based upon assumptions about future economic conditions and courses of action and which is inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is 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 or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information contained in this MD&A includes, without limitation, our expectations regarding anticipated investment

activities and results and financing activities, the impact of changes in accounting policies and other factors on our operating results, and the performance of global capital markets and interest rates.

Forward-looking information involves 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 information. The Company believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. The forward-looking information contained in this MD&A is provided as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

Selected forward-looking statements, assumptions, and risk factors are as follows:

Forward-looking statements	Assumptions	Risk factors
The Company proposes to work towards completing a Qualifying transaction.	The Company expects to identify an asset or business to acquire and close a Qualifying Transaction, on terms favourable to the Company.	The Company's inability to find a target, the inability to satisfy all of the conditions precedent (due diligence, shareholder and regulatory approval, financing) to complete a Qualifying Transaction, resulting in the Company remaining as a public shell.
The Company's ability to meet its working capital needs at the current level for the twelve-month period ending September 30, 2021.	The operating activities of the Company for the twelve-month period ending September 30, 2021, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; regulatory compliance and changes in regulatory compliance and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions; ongoing uncertainties relating to the COVID-19 virus.

Nature of the Business:

POCML was incorporated under the *Business Corporation Act* (Ontario) on February 21, 2018 and is classified as a Capital Pool Company, as defined in the Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The Company's continuing operations, as intended, are dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval.

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition or business, or an interest therein. Such an acquisition will be subject to the approval

of the regulatory authorities concerned and, in the case of a non-arm's-length transaction, of the majority of the minority shareholders.

The Company is domiciled in the province of Ontario, Canada and the head office and the registered head office of the Company is located at 130 King Street West, Suite 2210, Toronto, Ontario M5X 1E4.

The Company currently has one employee, David D'Onofrio, who is the Chief Executive Officer, Chief Financial Officer, Secretary and a Director of the Company.

Operational Highlights

The Company has no revenues, so its ability to ensure continuing operations is dependent on it completing a Qualifying Transaction. At September 30, 2020, the Company had a net working capital of \$481,719 (December 31, 2019 –\$489,596). The Company has cash of \$489,272 (December 31, 2019 - \$495,485). Working capital and cash and cash equivalents decreased during the nine months September 30, 2020 due to cash used in operating activities.

The Company has sufficient capital to meet its ongoing operating expenses and continue to meet its obligations on its current projects for the twelve-month period ending September 30, 2021. Management may increase or decrease budgeted expenditures depending on exploration results and ongoing volatility in the economic environment. See "Liquidity and Capital Resources" below.

Trends

The Company plans to continue to search for suitable assets or businesses to acquire or merge with in order to maximize value for shareholders. Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Strong equity markets are favourable conditions for completing a public merger or acquisition transaction.

Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labour availability and supply lines;
- Availability of government supplies, such as water and electricity;
- The ability to complete a RTO;
- Purchasing power of the Canadian dollar; and
- Ability to obtain funding.

At the date of this MD&A, the Canadian federal government and the provincial government of Ontario have not introduced measures that have directly impeded the operational activities of the Company. Management believes the business will continue and accordingly, the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Apart from these and the risk factors noted under the heading "Risk Factors", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Results of Operations – Three months ended September 30, 2020 compared with three months ended September 30, 2019

The Company recorded a net gain and comprehensive gain of \$3,299 during the three months ended September 30, 2020 compared to a net loss of \$593 for the three months ended September 30, 2019. The increase was mainly due to recovery of cost from prior quarters.

The net gain for the three months ended September 30, 2020 is represented by the following expenses incurred in the period:

Operating, general and administrative	\$ (2,997)
Professional fees	-
Interest income	(302)
Total comprehensive loss (gain)	<u>\$ (3,299)</u>

The Company, during the three month period ended September 30, 2020 incurred expenses related to ongoing administration.

Results of Operations – Nine months ended September 30, 2020 compared with nine months ended September 30, 2019

The Company recorded a net loss and comprehensive loss of \$7,877 during the nine months ended September 30, 2020 compared to a net loss of \$6,150 for the nine months ended September 30, 2019. The decrease was mainly due to an increase in public reporting and listing costs.

The net loss for the nine months ended September 30, 2020 is represented by the following expenses incurred in the period:

Operating, general and administrative	\$ 9,206
Professional fees	885
Interest income	(2,214)
	<u>\$ 7,877</u>

The Company, during the nine month period ended September 30, 2020 , incurred expenses related to ongoing administration.

Liquidity and capital resources

As at September 30, 2020 the Company had cash of \$489,272, and as of December 31, 2019, the Company had cash of \$495,485. The decrease in cash from the previous period was primarily due to cash used in operating activities.

As of September 30, 2020 the Company had total liabilities of \$7,553, and as at December 31, 2019 had total liabilities of \$5,889. The increase in liabilities was primary due to an increase in accounts payable & accrued liabilities.

Shareholder equity decreased to \$481,719 as at September 30, 2020 (December 31, 2019 - \$489,596).

Quarterly Financial Results

Quarter Ended	Revenue	Income / (Loss)	Income/ (Loss) per share
September 30, 2020	-	3,299	(0.00)
June 30, 2020	-	(5,939)	(0.00)
March 31, 2020	-	(5,237)	(0.00)
December 31, 2019	-	(5,058)	(0.00)
September 30, 2019	-	(593)	(0.00)
June 30, 2019	-	(2,802)	(0.00)
March 31, 2019	-	(2,756)	(0.00)
December 31, 2018	-	(111,549)	(0.56)

Segmented Information

The Company has a single reportable geographic segment – Canada – and all of the Company's assets are located in Canada.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Investor Relations

During nine months ended September 30, 2020, the Company's management handled the Company's investor relations activities.

Outstanding Share Capital as at September 30, 2020

- (a) Authorized
 - Unlimited number of common shares
 - Unlimited number of special shares

- (b) Issued
 - 10,000,000 common shares \$600,000

On December 10, 2018, the Company completed an initial public offering of 2,000,000 common shares at \$0.10 per share for gross proceeds of \$200,000 pursuant to a prospectus dated October 26, 2018. The Company paid cash commission and other expenses of \$16,576 and also issued 140,000 agent options to the registered agent. Each agent option entitles the holders to purchase the common shares at a price of \$0.10 per common share until December 10, 2020.

Under the agency agreement, the Company granted to the agent the option to purchase 140,000 common shares at a price of \$0.10 per common share until December 10, 2020. In addition, the Company paid a commission of \$14,000, representing 7% of the aggregate gross

proceeds of the offering to the agent as compensation for acting as agent, and a corporate finance fee of \$10,000.

The cash raised from its initial public offering will be primarily used to pursue a qualifying transaction.

(c) Escrowed shares:

On August 30, 2018 the Company issued 8,000,000 common shares at \$0.05 per share for total proceeds of \$400,000.

The issued and outstanding common shares will be held in escrow pursuant to the requirements of the Exchange to be released as to 10% thereof on the completion of the Company's Qualifying Transaction, as defined in the policies of the Exchange, and as to 15% thereof on each of the 6th, 12th, 18th, 24th, 30th and 36th months following the initial release.

All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a Qualifying Transaction, must also be deposited in escrow until the final exchange bulletin is issued.

All common shares of the Company acquired in the secondary market prior to the completion of a Qualifying Transaction by a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Company held by principals of the resulting issuer will also be escrowed.

Transactions with Related Parties

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

There was no related party transactions for the nine months ended September 30, 2020.

Financial Instruments

The carrying values of cash, amounts receivable, and accounts payable and accrued liabilities approximate fair value due to the relatively short term maturities of these instruments.

Management of Capital

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes equity, comprised of issued common shares and deficit, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

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 not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 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.

Contingency

There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Company's shares from trading.

Risk Disclosures and Fair Value

The Company's financial instruments, consisting of cash, amounts receivable and accounts payable and accrued liabilities approximates fair value due to the relatively short term maturities of the instrument. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Outlook

Management believes the Company is well positioned to seek and complete a qualifying transaction. The Company believes that it has sufficient cash and capital resources.

Subsequent Events

Subsequent to September 30, 2020 the Company issued 109,200 common shares on the exercise of compensation warrants for proceeds of \$10,920.