

CARCETTI CAPITAL CORP.

(FORMERLY CUB ENERGY INC.)

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED MARCH 31, 2024

Introduction

The following management discussion and analysis ("MD&A") is a review of operations, current financial position and outlook for Carcetti Capital Corp. (the "Company") and should be read in conjunction with the audited consolidated financials for the years ended December 31, 2023 and 2022 and the unaudited condensed interim consolidated financials for the three months ended March 31, 2024 and 2023. Amounts are reported in Canadian dollars unless otherwise stated, based upon the financial statements prepared in accordance with IFRS Accounting Standards Financial Reporting Standards ("IFRS"). This MD&A is dated as of May 29, 2024.

This MD&A provides management's view of the financial condition of the Company and the results of its operations for the reporting periods indicated. Additional information related to the Company is available on the Canadian Securities Administrators' website at www.sedar.com. The Company is currently listed on the NEX board of TSX Venture Exchange under the symbol CART.H and seeking a new business opportunity.

During the quarter ended March 31, 2024, the Company changed its presentation currency from US dollars to Canadian dollars. In accordance with IAS21, this change has been applied retrospectively, and all comparative figures are presented in Canadian dollars.

Corporate Overview and Reorganization of Capital

The Company was an international energy company with multiple investments in Ukraine. In 2021, the Company decided to pursue and explore new directions and began liquidating all of its Ukraine investments, which were completed disposed of as December 31, 2022. The Company continues to explore new directions.

On May 16, 2023, the Company closed a private placement financing of 4,166,667 units at a price of \$0.12 per share for gross proceeds of 476,000). One unit consists of one common share of the Company and one-half share purchase warrant. Each warrant shall entitle the holder to purchase an additional common share of the Company at a price of \$0.18 for a period of one year. Of the 4,166,667 shares issued, the Company issued 200,000 common shares for gross proceeds of \$nil in connection with the severance payment of a former director, to settle \$24,000 of debt.

In May 2024, the Company issued 455,000 common shares of the Company in connection with the exercise of 455,000 warrants at an exercise price of \$0.18 per share for gross proceeds of \$81,900.

Forward Looking Information

This MD&A contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and are based on assumptions. They involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, risks of the industry; political instability; or mergers and acquisitions. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results, except as may be required by applicable securities laws.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Summary of Quarterly Results

Historical quarterly financial information derived from the Company's eight most recently completed quarters is as follows:

Quarter Ended	Mar 31, 2024	Dec 31, 2023	Sept 30, 2023	Jun 30, 2023
Revenue from gas sales	-	-	-	-
Net income (loss)	(18,137)	(24,654)	(31,242)	(231,445)
Income (loss) per share	(0.00)	(0.00)	(0.01)	(0.07)

Quarter Ended	Mar 31, 2023	Dec 31, 2022	Sept 30, 2022	Jun 30, 2022
Revenue from gas sales	-	-	161,894	559,238
Net income (loss)	(77,276)	888,001	782,054	(282,172)
Income (loss) per share	(0.07)	0.85	0.74	(0.27)

Material Variations in Quarterly Results

During the quarter ended June 30, 2023, the Company incurred consulting expenses related to the reorganization of the Company which was finalized during the quarter ended March 31, 2023. As a result of the reorganization, the Company saw its net loss decreased materially as it reduced its overhead while it seeks a new business opportunity. During the quarters in fiscal 2022, the Company's revenues and income were materially impacted by the sale of KUB Holdings which was the primary contributor to the financial performance of the Company historically. During the quarter ended December 31, 2022, the Company issued a Special Distribution to shareholders of approximately \$9,426,461 which reduced the Company's working capital. During the three months ended September 30, 2022, the Company recorded a reversal of impairment of \$510,490 for the sale of 3P International and its subsidiary, Tysagaz.

The Company produced gas from the RK field in western Ukraine resulting in revenue in the quarters ended September 30, 2022 and June 30, 2022. In August 2022, the Company sold its interest in the RK field and no longer earned any revenue from gas sales.

Selling and General Administrative Expenses

Selling and general administrative expenses were \$15,516 during the three months ended March 31, 2024 (March 31, 2023 - \$117,070). Items contained within selling and general administrative expenses are as follow:

	Three months ended March 31,	
	2024	2023
	\$	\$
Consulting fees	-	31,868
Management fees	3,126	-
Office and general	5,147	57,265
Professional fees	7,243	18,770
Salaries	-	9,167
	15,516	117,070

The Company incurred consulting and professional fees in the prior periods largely related to asset divestures and continuous disclosure obligations. The Company transitioned several employees to consulting roles during 2022 to reduce costs and provide more flexibility.

Net Profit/Loss

During the three months ended March 31, 2024, the Company recorded a net loss of \$18,137 or \$0.00 per share as compared to a net loss of \$77,276 or \$0.07 per share in the comparative 2023 period. The loss during the three months ended March 31, 2023, can primarily be attributable to changes in foreign exchange and consulting fees.

Liquidity, Capital Resources and Financings

At March 31, 2024, the Company had a cash balance of \$299,140 (December 31, 2023 - \$337,067) and working capital of \$294,797 (December 31, 2023 – \$308,845). The working capital decreased due to the cash used in funding operations.

During the three months ended March 31, 2024, the Company used \$37,927 to fund operating activities. During the three months ended March 31, 2023, the Company paid the preferred share redemption of \$9,426,461.

Issued and outstanding as at the date of this MD&A:

<u>Type</u>	<u>Number</u>
Common Shares	5,669,050
Stock Options	102,333

Off Balance Sheet Arrangements

The Company has no off balance sheet arrangements as at March 31, 2024.

Transactions with Related Parties

Transactions with related parties are incurred in the normal course of business. Key management personnel include executive officers and non-executive directors. Executive officers are compensated and may participate in the Company's stock option plan. Non-executive directors also may participate in the Company's stock option plan.

During the three months ended March 31, 2024, the Company entered into the following transactions with key management personnel:

	Three months ended March 31,	
	2024	2023
	\$	\$
Management fees	3,000	9,167
Consulting fees	-	32,868
Share-based compensation	2,210	-
	5,210	42,035

During the three months ended March 31, 2024, the Company entered into the following transactions with related parties not disclosed elsewhere in the Financial Statements:

- i. Paid or incurred directors fees of \$3,000 (March 31, 2023 - \$nil) to Glenn Kumoi, CEO CFO and director of the company. As at March 31, 2023, \$958 (December 31, 2023 - \$nil) was included in trade and other payables as owing to Glenn Kumoi.

Critical Accounting Estimates

Management makes a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these consolidated financial statements in conformity with IFRS. Actual results could differ from those estimates. Significant estimates include:

- Assessment of the going concern assumption.

Financial Instruments Risk Management

The Company's financial instruments consist of cash, trade and other receivables (excluding sales tax), trade and other payables, and preferred share redemption payable. The fair values of financial instruments other than cash approximate their carrying values. Trade and other receivables, trade and other payables, and preferred share redemption payable, approximate fair value due to the short-term nature of the accounts.

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, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(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. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company has deposited its cash with a large Canadian financial institution. Management believes the risk of loss is low.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient working capital to meet liabilities when due. As at March 31, 2024, the Company had a cash balance of \$299,140 to settle accounts payable and accrued liabilities of \$13,364. Liquidity risk is assessed as low.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.

Other MD&A Requirements

Additional information relating to the Company may be found on SEDAR+ at [www.sedarplus.ca] including, but not limited to:

- the Company's unaudited condensed interim consolidated financial statements for the three months ended March 31, 2024 and 2023.
- the Company's audited consolidated financial statements for the years ended December 31, 2023 and 2022.

This MD&A has been approved by the Board on May 29, 2024.