

FIBRESOURCES CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JANUARY 31, 2020

In Canadian Dollars

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For the fiscal year ended January 31, 2020

Introduction

This Management's Discussion and Analysis ("MD&A") of Fibresources Corporation's ("Fibresources", or the "Company") performance, financial condition, and future prospects has been prepared as of May 26, 2020. This MD&A should be read in conjunction with the Company's audited financial statements and the notes thereto for the fiscal years ended January 31, 2020 and 2019 which have been prepared using International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars. The Company has prepared this MD&A following requirements of National Instrument 51-102, Continuous Disclosure Obligations.

Description and Overview of Business

Fibresources was incorporated under the *Business Corporations Act* (Alberta) on April 19, 1998 under the name of Cinemage Capital Corporation as a Junior Capital Pool Company. The Company began trading on the Canadian Venture Exchange (as it was then known – now the TSX Venture Exchange) under the symbol "CIG" on December 15, 1999, and completed its "major transaction" in 2001, acquiring Advanced Cultural Technologies Inc., a company which was incorporated under the *Business Corporations Act* (British Columbia).

On July 26, 2002, the Corporation received a Certificate of Continuance from the Director under the provisions of the *Canada Business Corporations Act* and discontinued from the jurisdiction of Alberta, while also changing its name to Cinemage Corporation. The Company subsequently changed its name to Fibresources Corporation on December 8, 2008, and continued trading on the TSX Venture Exchange under the symbol "FB". Subsequent to year-end, on February 11, 2020, the Company continued from under the *Canada Business Corporations Act* to under the *Business Corporations Act* (British Columbia).

On September 11, 2009 the BC Securities Commission issued a cease trade order ("CTO") against the Company as a result of the Company's failure to file its financial statements for the fiscal year ended January 31, 2009. On December 15, 2009 the Alberta Securities Commission also issued a Cease Trade Order against the Company. As a result of the CTOs: (i) trading of the Company's share on the TSX-V was suspended, and (ii) the Company was precluded from issuing or trading in any of its securities, or in undertaking any act in furtherance of a trade in its securities. On July 19, 2019 the Company received revocation orders from both the BCSC and ASC to the CTOs, having filed its audited financial statements for the years ended January 31, 2019 and 2018. As of the date of this MD&A, trading of the Company's share on the TSXV remains suspended.

Overall Performance

Fibresources has no active business or ongoing operations, and as a consequence the Company does not generate any operating income or positive cash flow. The Company has minimal assets and over \$1.9M of liabilities. It will need to raise capital to settle its outstanding liabilities, for general and administrative expenses, and to seek new business opportunities.

Selected Annual Information

The following is a summary of the Company's results for the three most recently completed fiscal years:

	Year Ended January 31, 2020	Year Ended January 31, 2019	Year Ended January 31, 2018
Revenues	\$nil	\$nil	\$nil
Net Income (Loss)	(\$152,403)	\$238,333	(\$116,464)
Income (loss) per share	(\$0.02)	\$0.03	(\$0.01)
Total Assets	\$500	\$250	\$278
Long-term Liabilities	\$nil	\$nil	\$nil
Dividends Paid	\$nil	\$nil	\$nil

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The Company incurred a net loss of \$152,403 in fiscal 2020, compared to \$238,333 of net income for fiscal 2019 (a loss of \$116,464 in fiscal 2018). As the Company had no revenues in fiscal 2020, the main components of the loss were interest on outstanding debt of (\$101,168) (comparable to \$102,474 in 2019), filing fees of \$12,058 (2019 - \$nil), and professional fees of \$29,730 (\$5,045 in 2019). The increased filing fees and professional fees were attributable to the costs incurred in obtaining revocation orders to the CTOs. The net income realized in fiscal 2019 is attributable to (i) reversal of \$35,000 of previously recorded stock-based compensation, and (ii) gain on recovery of debt of \$328,852.

It should be noted that the Company's financial statements for the fiscal year ended January 31, 2019 incorrectly stated that the Company had 8,254,826 common shares outstanding. The correct number is 7,549,302 common shares.

Discussion of Operations

Fibresources has no active business or ongoing operations, and as a consequence the Company does not generate any operating income or cash flow. The Company has minimal assets and over \$1.9M of liabilities.

Significant risks apply to the Company, including (i) it has a significant working capital deficiency, (ii) it has no source of revenue, and will be dependent on raising equity or debt financing in order to improve its working capital position and find new business opportunities, and there is no assurance any financing will be realized, (iii) the novel COVID-19 pandemic has created turmoil in the financial and capital markets which added greater uncertainty of the Company's ability to raise funds.

Summary of Quarterly Results

The following is a summary of the Company's results for the eight most recently completed quarters (C\$), all prepared and presented in accordance with IFRS:

	01/31/20	10/31/19	07/31/19	04/30/19	01/31/19	10/31/18	07/31/18	04/30/18
Net Income (Loss)	(134,637)	(8,258)	(8,258)	(1,250)	\$332,437	(31,368)	(31,368)	(31,368)
Per Share	(\$0.02)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Cash	nil	nil	nil	nil	nil	nil	nil	nil
Total Assets	500	437	375	312	250	250	250	250
Shareholders' Equity	(1,909,363)	(1,774,726)	(1,766,468)	(1,758,210)	(1,756,960)	(2,056,647)	(2,025,279)	(1,993,911)

Liquidity and Capital Resources

Fibresources has no operations that generate cash flows and the Company's future financial success depends on the continued services of management, the restructuring and settlement of existing liabilities, and new equity financings. Once all of that is in place, the Company will be able to seek new business opportunities.

The Company has no capital commitments. Nor does the Company have any ready capital resources or sources of new financing. The Company is seeking to settle its outstanding debts through the issuance of common shares, and to subsequently raise new equity financing, but nothing definitive has been arranged in that regard as of the date of this MD&A.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the financial performance or financial condition of the Company.

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Related Party Transactions

Related parties are parties that have the ability to control or to exercise significant influence over the Company. Related parties include members of the Board of Directors and officers, close family members of officers and directors and entities that are controlled by these individuals. During the year ended January 31, 2020, the Company accrued \$nil (2019 - \$18,000) of management fees to Edgar Froese, director, and a corporation controlled by him. As at January 31, 2020, demand loans of \$1,216,940 (2019 - \$1,209,654) remained payable to Mr. Froese and corporations controlled by him; \$nil (2019 - \$36,400) was payable to immediate family members of Edgar Froese; and \$nil (2019 - \$148,000) were payable to George Lai, a former director, and a corporation controlled by him. As at January 31, 2020, notes payable of \$nil (2019 - \$535) were payable to George Lai, a former director; and \$nil (2019 - \$13,377) were payable to an immediate family member of Edgar Froese.

Fourth Quarter

There were no events or items that affected the Company's financial condition, financial performance or cash flows in the fourth quarter of the fiscal year ended January 31, 2020.

Proposed Transaction

There are no proposed asset or business acquisitions or dispositions confirmed, probable or contemplated as of the date of this MD&A.

Changes in Accounting Policies

The Company did not adopt any new accounting policies during the fiscal year ended January 31, 2020, nor are there any material accounting policies that the Company expects to adopt subsequent to January 31, 2020, save and except that effective February 1, 2019, the Company adopted IFRS 16 - Leases. IFRS 16 was issued in January 2016 and applies to annual reporting periods beginning on or after January 1, 2019. The standard specifies how an IFRS reporter will recognize, measure, present, and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, IFRS 16's approach to lessor accounting remains substantially unchanged from its predecessor, IAS 17. Management has assessed the effect of IFRS 16 on the Company's accounting policies and financial statement presentation, and has found that no changes are required as the Company does not have any applicable leases.

Financial Instruments and Other Instruments

As at January 31, 2020, the Company's financial instruments consisted of accounts receivable, accounts payable and accrued liabilities, demand loans and notes payable. The recorded amount of accounts receivable accounts payable and accrued liabilities, and notes payable approximates their fair value due to their short term nature. Fair value of demand loans is nominal. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments.

Additional Disclosure for Venture Issuers without Significant Revenue

The material components of the Company's general and administrative expenses for the past two fiscal years are as follows:

Expense	2020	2019
Bank Charges, and Interest on Debt	\$101,168	\$102,474
Management Fees	\$nil	\$18,000
Filing Fees ¹	\$12,058	\$nil
Professional Fees	\$29,730	\$5,045

1. Fees paid to the BCSC and ASC, associated with obtaining revocation orders to the CTOs.
2. Accounting and legal fees incurred in connection with obtaining revocation orders to the CTOs.

Outstanding Share Data

Authorized Share capital: unlimited common shares without par value.

Share Data at the Reporting Period: Issued and outstanding shares 7,549,302

Caution Regarding Forward Looking Statements

Some of the statements contained in this MD&A are forward-looking statements, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur.

Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties.

Although the Company believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking information or statements in this MD&A include, but are not limited to, information or statements concerning the Company's expectations for: the Company's ability to obtain future financing, and the Company's ability to source and acquire a new business opportunity.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and other factors including: limitations caused by the COVID-19 pandemic; changes in general economic conditions and conditions in the financial markets; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological and operational difficulties encountered in connection with the Company's activities; and other matters discussed in this MD&A.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on the Company's forward-looking statements. Further information regarding these and other factors, which may cause results to differ materially from those projected in forward-looking statements, are included in the filings by the Company with securities regulatory authorities. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities law.