VINERGY CAPITAL INC.

(the “Company”)

FORM 51-102F1

MANAGEMENT’S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED FEBRUARY 28, 2023

The following Management’s Discussion and Analysis, prepared as of June 29, 2023, should be read together with the audited financial statements for the year ended February 28, 2023 and the related notes attached thereto. These financial statements and MD&A include the results of operations and cash flows for the year ended February 28, 2023 and the reader must be aware that historical results are not necessarily indicative of the future performance. All amounts are reported in Canadian dollars.

The aforementioned documents and additional disclosures pertaining to the Company’s press releases and other information are also available on the SEDAR website www.sedar.com.

Certain statements contained in this interim management discussion and analysis may contain words such as "could", "should", "expect", "believe", "will" and similar expressions and statements relating to matters that are not historical facts but are forward-looking statements. Such forward-looking statements are subject to both known and unknown risks and uncertainties which may cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, the receipt of required regulatory approvals, the availability of sufficient capital, the estimated cost and availability of funding for the continued exploration and development of The Company’s prospects, political and economic conditions, commodity prices and other factors.

Description of Business

Vinergy Capital Inc. (the “Company” or “Vinergy”) was incorporated as Vanguard Investments Corp. on March 20, 2001 under the provisions of the Alberta Business Corporations Act. On May 10, 2011, the Company changed its name to Vinergy Resources Ltd. and continued the Company’s registered jurisdiction from Alberta to British Columbia. On July 9, 2019, the Company changed its name to Vinergy Cannabis Capital Inc. On March 9, 2021, the Company changed its name to Vinergy Capital Inc. The Company’s head office is located at Suite 1000, 409 Granville Street, Vancouver, BC, V6C 1T2 and its shares are listed on the Canadian Securities Exchange (“CSE”) under the symbol “VIN”. The Company is an investment issuer.

The Company’s business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, the outbreaks of the coronavirus (COVID-19) pandemic, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company’s business.

On February 22, 2021, the Company announced that it is updating and amending its current investment policy to broaden the spectrum of the types of investments it is focused on to include high-impact and high-growth opportunities in Bitcoin mining, Bitcoin derivatives, digital currencies, digital currency marketplaces and exchanges, and blockchain, amongst other.

Vinergy's portfolio management strategy was modified to take advantage of market opportunities to participate in emerging companies going to IPO or planning to IPO within twelve months. The Company also expanded into the emerging batter metals space such as graphite, copper and lithium and has invested in various public companies in the space as part of its portfolio strategy. The Board of Directors with the Management team has begun to use its network to seek and find opportunities for Vinergy.

On May 19, 2023, the Company completed 5 old shares for one new share consolidation. All references to common shares, options, and warrants and per common share amounts have been retroactively restated to reflect this share consolidation.

Investments are recorded at their estimated fair value at the end of each reporting period. The fair values of the common shares of the publicly traded companies have been directly referenced to published price quotations in an active market. The fair value of investments in private companies is referenced to the most recent equity financing completed by each private company. The fair value of share purchase warrants are valued using the Black-Scholes option pricing model.

Details of the Company's investments are as follows:

	Number of shares held	Cost $	Fair value as at February 28, 2023 $
Public companies:			
Bitcoin Well Inc.	2,000,000	500,000	70,000
Lithium One Metals Inc.	300,000	96,511	180,000
New Energy Metals Corp.	500,000	143,386	207,500
Netramark Holdings Inc. (formerly Nurosene Health Inc.	400,000	135,619	220,000
Skylight Health Group Inc.	400,000	356,780	44,000
SPOD Lithium Corp.	300,000	84,119	45,000
Ultra Lithium Inc.	500,000	49,244	45,000
Private companies:			
CWE European Holdings Inc.	1,250,000	150,000	150,000
First Person Ltd.	50,000	175,000	340,225
Share purchase warrants	–	–	172,130
Total	5,700,000	1,690,659	1,473,855

During the year ended February 28, 2023, the Company disposed of certain investments for total proceeds of $799,630 and recognized a realized gain of $99,387. During the year ended February 28, 2023, the Company had an unrealized loss on investments of $135,991.

	Number of shares held	Cost $	Fair value as at February 28, 2022 $
Public companies:			
Bitcoin Well Inc.	2,000,000	500,000	260,000
Nurosene Health Inc.	53,500	35,365	36,380
Private companies:			
CWE European Holdings Inc.	1,250,000	150,000	150,000
First Person Ltd.	500,000	175,000	316,925
Share purchase warrants	–	–	16,248
Total	3,803,500	860,365	779,553

During the year ended February 28, 2022, the Company disposed of certain investments for total proceeds of $1,152,786 and realized a gain of $397,606. During the year ended February 28, 2023, the Company had an unrealized loss on investments of $80,812.

CWE European Holdings Ltd.

During the year ended February 28, 2021, the Company advanced $150,000 and subscribed to 1,250,000 units of CWE European Holdings Ltd. Each unit consists of one common share and one share purchase warrant exercisable at $0.18 per common share expiring two years from the date of issuance.

First Person Ltd.

On May 31, 2021, the Company subscribed for 500,000 units of First Person Ltd. (formerly known as Leiio Wellness Ltd.). Each unit is to consist of one common share and one half of one share purchase warrant exercisable at $0.50 per share expiring two years from the date of issuance. On July 14, 2021, the units were issued, and the warrants have not been fair valued as there is no active market. On April 24, 2022, First Person Ltd. consolidated its shares on 10:1 basis, and after the share consolidation, Company currently owns 50,000 common shares and 25,000 share purchase warrants.

Selected Annual Information

The following table sets forth selected audited financial information of the Company from the last three completed financial years.

	2023 $	2022 $	2021 $
Total investment income	108,286	397,606	–
Net loss for the year	(430,221)	(1,205,251)	(718,838)
Basic and diluted loss per share	(0.02)	(0.06)	(0.06)
Total assets	1,647,056	2,095,787	299,179

The net loss for the year ended February 28, 2022, included $643,383 in share-based payments and consulting fees of $501,920 offset by a realized gain on disposition of marketable securities of $397,606. The net loss for the year ended February 28, 2021, included share-based payments of $375,816 and a loss on settlement of debt of $193,722 .

Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	February 28, 2023 $	November 30, 2022 $	August 31, 2022 $	May 31, 2022 $
Total investment income	(37,977)	145,275	988	–
Net income (loss) for the period	39,777	(116,923)	(165,388)	(187,687)
Basic and diluted (loss) income per share	–	(0.01)	(0.01)	(0.01)

	February 28, 2022 $	November 30, 2021 $	August 31, 2021 $	May 31, 2021 $
Total investment income (loss)	5,540	391,686	380	–
Net income (loss) for the period	(463,427)	(940,668)	444,937	(246,093)
Basic and diluted income (loss) per share	(0.02)	(0.04)	0.02	(0.01)

The net loss for the quarter ended May 31, 2021 includes share-based payments of $240,000. The net loss for the quarter ended November 30, 2021 includes share-based payments of $358,000. The other reason for the fluctuations in net income/loss from quarter to quarter is the unrealized/realized gain/loss on investments.

Results of Operations

There were no changes in operations for the year ended February 28, 2023. The Company recorded a net loss $430,221 as compared to $1,205,251 for the year ended February 28, 2022. Total expenses for the year ended February 28, 2023, amounted to $386,393 as compared to $1,471,238 for the year ended February 28, 2022 a decrease of approximately $1,085,000.

During the year ended February 28, 2023, there were no share-based payments recorded as compared to $643,383 for the comparable year. There were no stock options granted during the year ended February 28, 2023 as compared to 960,000 stock options granted in the comparable year.

Consulting fees decreased from $501,920 to $321,367 for the year ended February 28, 2023. During the current year the Company did not hire new consultants and paid $302,750 to directors and officers of the Company, see related party section for details.

Investor relations decreased from $165,991 to $nil for the year ended February 28, 2023. The decrease can be attributed to the discontinuation of the investor marketing program provided by Octagon Media Corp. in the comparable year.

During the year ended February 28, 2023, the Company recognized total investment income of $108,286 as compared to $397,606 for the comparable year. The decrease can be attributed to the Company realizing a smaller realized gain .

Fourth Quarter

During the fourth quarter the Company had net income of $39,777 compared to a net loss of $463,427 for the comparable fourth quarter. The Company recognized a total investment loss of $116,267 in the current quarter as compared to $229,695 gain for the comparable quarter. Total expenses for the current fourth quarter were $94,105 as compared to $217,272 for the comparable fourth quarter. The majority of the decrease in expenses can be attributed to no share-based payments in the current quarter as no stock options were granted and a decline in professional fees.

Liquidity and Capital Resources

As at February 28, 2023, the Company had cash of $17,874 and a working capital deficiency of $1,295,621 (2022 - $38,474).

The Company does not have sufficient current capital resources to pay overhead expenses for the next twelve months and will need to seek additional funding to fund its overhead expenses and its future investments. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company will not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the issuance of shares or the exercise of options and warrants and loans payable to fund ongoing operations and investment or liquidating its investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

Operating activities

During the year ended February 28, 2023 the Company's operating activities used cash of $1,278,223 as compared $1,210,725 for the year ended February 28, 2022.

Financing activities

During the year ended February 28, 2023, the Company's financing activities used cash of $nil as compared to $2,378,401 in February 28, 2022 which consisted of share issuances of $2,656,250 less share issuance cost of $31,849 and a loan repayment of $246,000.

Related Party Transactions

(a) As at February 28, 2023, the Company owed $nil (2022 - $21,000) to a company controlled by the Chief Financial Officer of the Company which is included in accounts payable and accrued liabilities. During the year ended February 28, 2023, the Company incurred $63,000 (2022 - $76,750) in consulting fees to a company controlled by the Chief Financial Officer of the Company.

(b) During the year ended February 28, 2023, the Company incurred $132,000 (2022 - $121,000) in consulting fees to the Chief Executive Officer ("CEO") of the Company.

(c) During the year ended February 28, 2023, the Company incurred $nil (2022 - $135,417) in consulting fees to the former CEO of the Company.

(d) During the year ended February 28, 2023, the Company incurred $92,000 (2022 - $55,500) in consulting fees to a director of the Company. As at February 28, 2023, the director owed $15,000 (2022 - $nil) to the Company which was repaid subsequent to year end.

(e) During the year ended February 28, 2023, the Company incurred $15,750 (2022 - $nil) in consulting fees to a director of the Company.

(f) During the year ended February 28, 2023, the Company granted nil (2022 – 400,000) stock options with a fair value of $nil (2022 - $80,285) to officers and directors of the Company.

Financial Instruments and Risk Management

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at February 28, 2023 as follows:

	Fair value measurements using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, February 28, 2023 $
Investments	811,500	172,130	490,225	1,473,855

The fair values of other financial instruments, which include cash and cash equivalents, accrued interest, due from related party, convertible debenture, accounts payable and accrued liabilities, and loans payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents, accrued interest receivable, and convertible debenture receivable. The Company limits its exposure to credit loss by placing its cash and cash equivalents with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to any significant foreign exchange rate risk.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of 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 it does not have any liabilities with variable rates.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(f) Price Risk

The Company is exposed to price risk with respect to its investments in common shares that trade in public markets.

Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and cash equivalents and equity comprised of issued share capital, share-based payment reserve, equity component of convertible debt, and share subscriptions received.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remained unchanged from the year ended February 28, 2022.

Disclosure by Venture Issuer Without Significant Revenue

An analysis of the material components of the Company's general and administrative expenses is disclosed in the financial statements for the year ended February 28, 2023 to which this MD&A relates.

Disclosure of Outstanding Share Data

Share Capital

As at the date of the MD&A, the Company has 40,484,663 shares issued and outstanding.

Stock Options

As at the date of the MD&A, the Company has 400,000 stock options outstanding.

Share Purchase Warrants

As at the date of the MD&A the Company has 19,500,000 share purchase warrants outstanding.