

**EAGLE I CAPITAL CORPORATION**

**INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE NINE MONTHS ENDED**

**FEBRUARY 28, 2021**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Nine-Month Period Ended February 28, 2021

**Introduction**

The following interim Management's Discussion and Analysis (the "**MD&A**") of the consolidated financial position and results from operations of Eagle I Capital Corporation (the "**Company**"), is for the nine-month period ended February 28, 2021. This MD&A should be read in conjunction with the Company's consolidated financial statements for its fiscal years ended May 31, 2020 and 2019 along with accompanying notes to the statements for the years then ended, and unaudited interim financial statements for the nine months ended February 28, 2021, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's 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 interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of April 28, 2021, unless otherwise indicated.

For the purposes of preparing this Interim 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.

The registered office and the head office of the Corporation is located at 1049 Chico Street West, Suite 405, Vancouver, British Columbia, V6G 2R7.

This MD&A is dated as of April 28, 2021.

**Additional Information**

Additional information relating to the Company is on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at [www.sedar.com](http://www.sedar.com).

## Business Overview and Corporate Update

### Description of the Business

The Company is focused on identifying suitable assets or businesses to acquire or merge with, with a view to maximizing value for shareholders. The Company was previously engaged in the food snacks business, but the business failed. The Company is incorporated under the laws of the Province of British Columbia.

### Corporate Update and Outlook

Eagle I was incorporated on October 23, 2007 as a capital pool company (“**CPC**”).

In May 2008 the amount of \$450,000 was invested into the Company as a seed capital.

In January 2009, the Company successfully completed its initial public offering (“**IPO**”) of 1,500,000 common shares in capital of the Company at a price of \$0.20 per common share for gross proceeds of \$300,000 (see Financing Activities). The Company used the net proceeds of the IPO to identify and evaluate potential Qualifying Transactions under the CPC policies of the Exchange.

The Company began trading its shares on the Exchange on January 14, 2009 under the trading symbol “EIC.P”. The symbol was changed to “EIC” on September 30, 2010 after completion of the qualifying transaction, as described below.

### Qualifying Transaction

On June 5, 2009 the Company incorporated a wholly-owned subsidiary Eagle Acquisition, Inc., (“**Eagle Subco**”) a Delaware corporation.

On March 26, 2010, the Company entered into a definitive asset purchase agreement (“**APA**”) with WWS Holdings, LLC, New Jersey limited liability company (the “**Vendor**”) and Dean Lynch (“**Lynch**”) for the arm’s length purchase of certain of the assets of Miguel’s, excluding any and all deposits, deposit accounts and cash proceeds, upon acquisition of the Miguel’s operating assets by the Vendor from TZ Business Lenders Inc. and Lynch (the “**Secured Party**”).

In September 2010 the Company re-negotiated the APA with the Vendor and Lynch to acquire the operating assets of Miguel’s held by the Vendor, consisting of trademarks, trade names, recipes, formula and related intellectual property (“**Miguel’s Operating Assets**”). The Company, the Vendor and Lynch restructured the transactions contemplated in the APA and entered into a one (1) year trademark and intellectual property licence agreement as of September 1, 2010 (the “**Licence Agreement**”) pursuant to which the Vendor granted to Eagle Subco an exclusive, non-transferable licence to use the Miguel’s Operating Assets (the “**License**”). At any time during the term of the License Agreement, the Company had the option to purchase the Miguel’s Operating Assets for consideration consisting of the following: (i)

a promissory note to WWS in the amount of \$500,000; (ii) a promissory note to Lynch in the amount of \$100,000; (iii) 1,500,000 common shares of the Company to WWS; and (iv) 100,000 common shares of the Company to Lynch. The share consideration was valued at \$400,000, \$0.25/share, after an arms-length negotiation between the parties. The promissory notes are secured by the assets of Eagle Subco and property and by the assets produced by the use of the Miguel's Operating Assets.

On September 30, 2010 Eagle I exercised the option and acquired through Eagle Subco the Miguel's Operating Assets, pursuant to the terms and conditions of the Licence Agreement. Eagle I issued 1,500,000 common shares in the name of the assignee of the Vendor and 100,000 shares to Lynch. The 1,600,000 common shares of Eagle I issued are subject to escrow provision required by the Exchange and are to be released over a three-year period.

To satisfy additional Exchange requirements for the qualifying transaction, the Company closed a private placement of 3,215,500 units (the "**Unit**") for aggregate gross proceeds of \$803,875 (the "**2010 Private Placement**") on September 30, 2010. Each Unit consisted of one common share and one-half of common share purchase warrant. Warrant exercise price is \$0.35 and the exercise period expires March 29, 2012. Pursuant to Securities Rules and Regulations, all securities issued pursuant to the 2010 Private Placement are subject to a four months and one day hold period from the date of issuance.

The net proceeds of the 2010 Private Placement were used to fund product development and for general working capital. At that time, the Company's business was the marketing of snack products through Eagle Subco. All of the Company's revenues were earned in the United States.

The business failed and these interests were placed into care and maintenance. Subsequently the Company liquidated the subsidiary and in 2012 realized a complete loss on the investment.

On June 22, 2011, the Company received a delinquent filer notice from the British Columbia Securities Commission for failure to file its quarterly financial results. The Company did not remedy the delinquency and on August 19, 2011, the Executive Director of the British Columbia Securities Commission (the "**BCSC**") issued a cease trade order pursuant to section 164 of the Securities Act (British Columbia) (the "**BC Act**"), directing that all trading in the securities of Eagle I cease until the order is revoked by the Executive Director (the "**BC Cease Trade Order**"). The Alberta Securities Commission (the "**ASC**") issued a cease trade order dated November 17, 2011 directing that all trading in the securities of Eagle I cease until the order is revoked or varied by the ASC (the "**AB Cease Trade Order**"; together with the BC Cease Trade Order, the "**CTOs**"). On October 20, 2020 the ASC and BCSC issued a partial revocation of the CTO's to allow the Company to complete a private placement of up to 58,000,000 common shares for gross proceeds of \$145,000 (the "**Private Placement**"). On November 11, 2020, the Company closed the Private Placement for gross proceeds of \$100,000 through the issuance of 40,000,000 common shares.

The Company's business is managed by the directors and officers and augmented by independent professionals retained to advise the Company on its business.

## Changes to Board of Directors and Management

On September 4, 2020, the Company announced that Barry Atkins resigned as the President, Chief Executive Officer and Director of the Company. The Company has appointed Michael Lerner, Harvey McKenzie and Emily Lerner to the board of directors in order to fill the vacancies created by the foregoing resignation. In addition, Michael Lerner has been appointed as Chief Executive Officer and Chief Financial Officer.

On December 23, 2020, the Company appointed Neil Novak to the board of directors.

## Financial Performance

### Selected Annual Financial Information

The table below summarizes key operating data for the last three fiscal years.

	Year Ended May 31, 2020	Year Ended May 31, 2019	Year Ended May 31, 2018
	\$	\$	\$
Total assets	Nil	Nil	Nil
Total liabilities	309,384	300,884	300,884
Revenue	Nil	Nil	Nil
Net loss and comprehensive loss	(8,500)	Nil	Nil
Net loss and comprehensive loss per share	(0.00)	0.00	0.00
Weighted average shares outstanding	9,965,500	9,965,500	9,965,500

### Selected Quarterly Financial Information

The following quarterly results for the eight most recent quarters have been prepared in accordance with IFRS as listed below.

Three Months Ended	Assets	Total Liabilities	Net Loss and Comprehensive Loss	Net Loss and Comprehensive Loss Per Share	Weighted Average Shares Outstanding
February 28, 2021	\$ 92,000	\$ 347,403	\$ (22,269)	\$ (0.00)	49,965,000
November 30, 2020	Nil	329,134	(21,500)	(0.00)	18,225,870
August 31, 2020	Nil	311,634	(2,250)	(0.00)	9,965,500
May 31, 2020	Nil	309,384	(8,500)	(0.00)	9,965,500
February 29, 2020	Nil	300,884	-	0.00	9,965,500
November 30, 2019	Nil	300,884	-	0.00	9,965,500
August 31, 2019	Nil	300,884	-	0.00	9,965,500
May 31, 2019	Nil	300,884	-	0.00	9,965,500

### **Three-month period ended February 28, 2021 compared to the three-month period ended February 29, 2020**

The Company reported a loss of \$22,269 in the three-month period ended February 28, 2021. Professional fees related to efforts to rehabilitate the listing and an accrual for audit and financial statement preparation costs, comprised most the February 2021 period expenses. The Company was dormant from February 2011 until the May 2020 quarter.

### **Nine-month period ended February 28, 2021 compared to the nine-month period ended February 29, 2020**

The Company reported a loss of \$46,019 in the nine-month period ended February 28, 2021. Professional fees related to efforts to rehabilitate the listing and an accrual for audit and financial statement preparation costs, comprised most the February 2021 period expenses. The Company incurred costs related to public company files of \$3,250 and General and Administrative expenses of \$750 in the November 2020 quarter. The Company was dormant from February 2011 until the May 2020 quarter.

### **Related Party Transactions**

Related parties include directors, officers, close family members, certain consultants and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

During the nine months ended February 28, 2021, the Company paid one director a fee of \$750. The Company did not report any other remuneration of directors and key management personnel for the nine-month periods ended February 28, 2021 or February 29, 2020.

The Company entered into the following transactions with related parties:

- a) Included in statute barred liabilities at February 28, 2021 is \$26,392 (May 31, 2020 - \$26,392) due to former directors and officers of the Company.
- b) As at February 28, 2021, \$151,193 (May 31, 2020 - \$151,193) was due from a company controlled by a former director of the Company. The Company has fully provided against receipt of this balance in prior years, when the business failed and a loss on investment was realized.

These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties. The

amounts payable to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

## **Financial Condition**

### **Cash Flow**

At February 28, 2021, the Company held cash of \$91,800. Cash of \$100,000 was raised via a private placement of 40,000,000 common shares on November 11, 2020. Cash was used to pay operating expenses, mostly related to working with regulators to solve deficiencies in the Company's public listing.

The proceeds will be applied to payment of outstanding payables and for general working capital. Cash has been applied as follows:

	<b>Plan</b>	<b>Spent to Date</b>
Payables and accruals	\$ 8,500	\$ 2,500
HST receivable	5,000	200
Regulatory fees	25,000	3,250
Operating costs	61,500	2,250
	<hr/> 100,000	<hr/> 8,200
Cash on hand	-	91,800
	<hr/> \$100,000	<hr/> \$100,000

The working capital changes during the February 28, 2021 period reflected the accrual for legal expenses required to solve deficiencies in the Company's public listing and to prepare and audit the financial statements.

### **Critical Accounting Estimates and Changes in Accounting Policies**

All significant critical accounting estimates are fully disclosed in Note 2 of the interim financial statements for the nine-month periods ended February 28, 2021 and February 29, 2020.

### **Liquidity and Capital Resources**

The Company had working capital of as of February 28, 2021 of \$45,481 (May 31, 2020 – negative \$8,500). The Company held cash of \$91,800 as at February 28, 2021 (May 31, 2020 - \$Nil).

Management is currently reviewing alternative sources of capital to meet its obligations and short-term working capital requirements. While the Company plans to continue to monitor closely its spending, conditions in the capital markets continue to make it difficult for companies without viable businesses to raise additional capital. The Company may require substantial additional capital to fund any new project. Historically, the Company has used the net proceeds from issuances of its securities to provide sufficient funds for it to meet its operational plans and other contractual obligations when due. However, given the

current market conditions affecting the small capitalization sector, the current trading price of the Company's common shares and other uncertainties discussed herein, there can be no assurance that the Company will be able to obtain sufficient additional funds on favorable terms, or at all, in order to carry out its objectives. As mentioned elsewhere in this MD&A, the Company is evaluating various strategic alternatives and, if it decides to pursue any such alternative, it may also require additional funds to carry out its strategic plans in amounts that cannot be determined as of the date hereof, which funds may also be unavailable to the Company on favorable terms or at all.

### **Financial Instruments and Financial Risk Factors**

International financial reporting standards require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the statement of financial position date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. At February 28, 2021 the Company carried cash of \$91,800 at fair value, being Level 1 assets. At May 31, 2020, the Company carried cash of \$Nil at fair value, being Level 1 assets. The Company had no other financial instruments carried at fair value to classify in the fair value hierarchy.

As at February 28, 2021 and May 31, 2020, carrying amounts of cash approximate fair market value instruments. Amounts receivable, accounts payable and accrued liabilities on the statement of financial position are recorded at their amortized cost.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from previous periods.

#### **(a) Credit Risk**

The Company's credit risk is primarily attributable to cash and cash equivalents. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to cash and cash equivalents, and financial instruments included in amounts receivable is remote.

#### **(b) Liquidity Risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet its obligations when due. At February 28, 2021, the Company had cash of \$91,800 (May 31, 2020 - \$Nil)



available to settle current liabilities of \$46,519 (May 31, 2020 - \$8,500). The Company's accounts payable are subject to normal trade terms.

(c) Market Risk

The Company is exposed to the following market risks:

(i) Interest Rate Risk

The Company has no cash and cash equivalents balances and no variable interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(ii) Foreign Exchange Risk

While the Company's functional currency is the Canadian dollar, major purchases could be transacted in Canadian dollars or United States dollars. As at February 28, 2021, the Company does not hold foreign currency balances.

**Off-Balance Sheet Arrangements**

At February 28, 2021, there were no off-balance sheet arrangements.

**Outstanding Share Data**

The Company issued 40,000,000 common shares on November 11, 2020. As at February 28, 2021, and at the date of this MD&A, the Company had 49,965,500 common shares issued and outstanding. The Company had no warrants and no stock options outstanding at February 28, 2021 or at the date of this MD&A.

**Risk Factors**

Until a business combination is completed, the Company's risk factors are those related to a successful corporate transaction. The ability of the Company to continue operations is dependent upon its ability to find and close a corporate transaction. Other risk exposures and the impact on the Company's financial instruments are summarized below.

The risks, objectives, policies and procedures from previous years have been adjusted to reflect the pursuit of a corporate transaction. Other risk exposures and the impact on the Company's financial instruments are summarized below.

## **Current Global Financial Conditions and Trends**

Securities of small capitalization companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments globally, and market perceptions of the attractiveness of particular industries. The price of the securities of companies is also significantly affected by short-term changes in the economic and political environments in the countries in which the Company does business. As of February 28, 2021, the global economy continues to be in a period of significant economic volatility, in large part due to US, European, and Middle East economic and political concerns which have impacted global economic growth.

## **COVID-19**

The outbreak of the novel strain of coronavirus, specifically identified as ‘COVID-19’, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposing quarantine period and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown currently, as is the efficacy of the government and central bank interventions. 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.

## **Dependence on Key Individuals**

The Company’s business and operations are dependent on retaining the services of a small number of key individuals. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these individuals. The loss of one or more of these individuals could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key individuals.

## **Capital Management**

The Company considers its capital to consist of shareholders’ equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board does not establish quantitative return on capital criteria for Management, but rather relies on the expertise of the Company’s Management to sustain future development of the business.

The Company currently is dependent on external financing to fund its activities. In order to carry out future activities and pay on-going administrative costs, the Company will raise additional amounts as needed.

The Company will continue to assess new business opportunities if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no significant changes in the Company's approach to capital management in the year ended May 31, 2020. On September 4, 2020, Barry Atkins has resigned as President, Chief Executive Officer and Director of the Company. Michael Lerner was appointed as Chief Executive Officer, Chief Financial Officer, and a director of the Company to fill the vacancy created by the foregoing resignation. Emily Lerner and Harvey McKenzie were also appointed as directors of the Company to fill the vacancies left by previous resignations. On December 23, 2020, the Company appointed Neil Novak to the board of directors.

The Company and its subsidiary are not currently subject to externally imposed capital requirements.

### **Corporate Transactions**

The Company could pursue corporate transactions with the ultimate goal to effect a business combination. There is no assurance that a such a transaction could be reached or, even if a transaction is entered into, the transaction will close on the disclosed terms or at all.

### **Cautionary Note Regarding Forward-Looking Statements**

This MD&A contains certain "forward-looking information" as defined in applicable securities laws (collectively referred to herein as "**forward-looking statements**"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "budgeted", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statements.

Forward-looking statements are based upon certain assumptions and other important factors regarding present and future business strategies and the environment in which the Company will operate in the future, which could prove to be significantly incorrect. Forward-looking statements are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company and/or its subsidiary to be materially different from those expressed or implied by such forward-looking statements.

The Company is pursuing a course of action to pursue a corporate transaction. This course of action may require additional capital. There is no guarantee that the Company will be successful in finding a corporate transaction, or if such transaction is found, that the transaction can be successfully completed. There is

no guarantee that, should additional funds be required, such funds would be available to the Company or that if such funds were available the terms would not be onerous.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary note. Accordingly, readers should not place undue reliance on forward looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.