

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

*The following Management's Discussion and Analysis ("MD&A") provides a review of the financial condition and results of operations of Gencan Capital Inc. ("GCC" or the "Company") for the fiscal year ended September 30, 2023. This MD&A should be read in conjunction with the Company's audited financial statements and notes thereto for the fiscal year ended September 30, 2023, included elsewhere herein.*

*In this document and in the Company's audited financial statements, unless otherwise noted, all financial data is prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts, unless specifically identified as otherwise, both in the audited financial statements and this MD&A, are expressed in Canadian dollars.*

*MD&A contains forward-looking statements, including statements concerning possible or assumed future results of operations of the Company. Forward-looking statements typically involve words or phrases such as "believes", "expects", "anticipates", "intends", "foresees", "estimates" or similar expressions. Forward-looking statements involve risks, uncertainties and assumptions, as described from time to time in the Company's reports and filed with securities commissions in Canada, which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. In addition, the Company expressly disclaims any obligation to publicly update or alter its previously issued forward-looking statements.*

The discussion and analysis in this MD&A is based on information available to management as of January 29, 2024.

## **THE COMPANY**

Gencan Capital Inc. ("the Company") is a Canadian company and up until July 4, 2018 was the holder of a Solar Energy Feed-In Tariff Program Contract with an interest in solar energy generation equipment located in Ontario, Canada. The Company was incorporated on October 31, 2013 and has its registered office address at 87 Scollard Street, Suite 100, Toronto, Ontario, M5R 1G4.

On October 30, 2015, pursuant to a Plan of Arrangement between the Company and Genterra Capital Inc. ("GCI"), the Company was spun-off as a public company and its shares were listed on the Canadian Securities Exchange under the symbol "GCA". GCI retained a 78% controlling interest in the Company. On November 30, 2021, GCI sold its controlling interest in the Company to un-related third parties.

The Company has received notice from the CSE that it does not currently meet the CSE's Continued Listing Requirements and that if these requirements are not met within nine months effective July 8, 2020, the CSE will either suspend the Company pending delisting 90 days thereafter, assign the Company a different industry classification, or designate the Company as inactive. Management is evaluating potential alternatives in order for the Company to meet the CSE requirements. On December 1, 2021, the CSE determined that the Company does not meet the continued listing requirements of the exchange. As a result, the Company was deemed to be an inactive issuer and its CSE trading symbol was changed to GCA.X.

## **OUTLOOK**

The Board and senior management regularly assess the Company's operating performance and opportunities with a view to providing shareholders with the opportunity to maximize the value of their common shares. The Board concluded that in order to increase shareholder value, it would explore potential change of business opportunities for the Company. To that end, in 2018 the Company completed the shareholder approved sale of the Company's solar energy generation equipment. Subsequent to the sale management has continued to evaluate potential new prospects for the Company. The Company has received notice from the CSE that it does not currently meet the CSE's Continued Listing Requirements and that if these requirements are not met, the CSE will either suspend

the Company pending delisting 90 days thereafter, assign the Company a different industry classification, or designate the Company as inactive. Management, in consultation with the CSE, is evaluating potential alternatives in order for the Company to meet the CSE requirements. On December 2, 2021, the CSE determined that the Company does not meet the continued listing requirements of the exchange. As a result, the Company was deemed to be an inactive issuer and its CSE trading symbol was changed to GCA.X.

## RESULTS OF OPERATIONS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

### Summary of Quarterly Results

	2023				2022			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47	\$ 97
Net Loss	(40,714)	(11,021)	(19,739)	(4,419)	(27,570)	(80,737)	(50,100)	(75,311)
Loss per Share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.00)

“Q1” refers to the three months ended December 31; “Q2” refers to the three months ended March 31; “Q3” refers to the three months ended June 30; “Q4” refers to the three months ended September 30; “2023” and “2022” refer to the twelve month fiscal years ending September 30, 2023 and 2022.

### Selected Annual Information

	Fiscal Years Ended September 30	
	2023	2022
Revenue	\$ -	\$ 144
Net loss	(75,893)	(233,718)
Distributions per share:		
Common shares	\$ -	\$ -
	September 30	September 30
	2023	2022
Assets	\$ 104,563	\$ 199,172
Non-current financial liabilities	-	-

## RESULTS FOR THE THREE MONTHS AND FISCAL YEARS ENDED SEPTEMBER 30, 2023 AND SEPTEMBER 30, 2022

	Three Months Ended September 30			Year Ended September 30		
	2023	2022	Change	2023	2022	Change
Revenue						
Interest income	\$ -	\$ -	\$ -	\$ -	\$ 144	\$ -144
	-	-	-	-	144	-144
Expenses						
Administrative and general	40,714	27,570	+13,144	75,893	233,862	-157,969
Loss before income taxes	(40,714)	(27,570)	-13,144	(75,893)	(233,718)	+157,825
Income tax recovery	-	-	-	-	-	-
Net loss	\$ (40,714)	\$ (27,570)	\$ -13,144	\$ (75,893)	\$ (233,718)	\$ +157,825

## Review of Results for the Three Months and Fiscal Years ended September 30, 2023 and 2022

### Administrative and General Expenses

Administrative and general expenses include audit fees, legal and professional fees, consulting fees, liability insurance and shareholder related costs such as transfer agent fees, listing fees, printing and meeting costs.

The decrease in administrative and general expenses during the twelve-month period ended September 30, 2023 compared to 2022 was mainly due to a decrease in professional and consulting fees relating to exploring a potential new business opportunity in the prior fiscal year.

	Three Months Ended September 30			Year Ended September 30		
	2023	2022	Change	2023	2022	Change
Administrative and general	\$ 40,714	\$ 27,570	\$ +13,144	\$ 75,893	\$ 233,862	\$ -157,969

### Income Tax Provision

The Company's effective tax rate for the three and twelve months ended September 30, 2023 of nil% and nil% respectively are lower than the Company's statutory tax rate of 26.5% due to unrecognized tax assets and non-tax deductible expenses. The Company's effective tax rate for the three and twelve months ended September 30, 2022 of nil% and nil% respectively are lower than the Company's statutory tax rate of 26.5% due to non-tax deductible expenses.

	Three Months Ended September 30			Year Ended September 30		
	2023	2022	Change	2023	2022	Change
Loss before income taxes	\$ (40,714)	\$ (27,570)	\$ -13,144	\$ (75,893)	\$ (233,718)	\$ +157,825
Income tax recovery	-	-	-	-	-	-
Effective tax rate	0.0%	0.0%		0.0%	0.0%	

### Net Loss

Net loss for the three months ended September 30, 2023 was \$40,714 compared to \$27,570 for the three months ended September 30, 2022. Net loss for the twelve months ended September 30, 2023 was \$75,893 compared to \$233,718 for the twelve months ended September 30, 2022.

	Three Months Ended September 30			Year Ended September 30		
	2023	2022	Change	2023	2022	Change
Net loss	\$ (40,714)	\$ (27,570)	\$ -13,144	\$ (75,893)	\$ (233,718)	\$ +157,825

### Inflation

Inflation has not had a material impact on the results of the Company's operations in its last quarter or fiscal period and is not anticipated to materially impact on the Company's operations during its next fiscal year.

## LIQUIDITY AND CAPITAL RESOURCES

The Company's principal sources of liquidity are cash and cash equivalents on hand and cash flow from operations.

	September 30		
	2023	2022	Change
Working Capital			
Current assets	\$ 104,563	\$ 199,172	\$ -94,609
Current liabilities	38,557	57,273	-18,716
	66,006	141,899	-75,893
Ratio of current assets to current liabilities	2.7	3.5	
Cash and cash equivalents	\$ 8,914	\$ 110,194	\$ -101,280

Working capital is primarily represented by cash and cash equivalents, receivables, due from shareholders and income taxes recoverable offset by outstanding accounts payable.

The Company's working capital decreased by \$75,893 to \$66,006 as at September 30, 2023 compared to \$141,899 as at September 30, 2022 mainly due to a decrease in cash and cash equivalents.

During the twelve months ended September 30, 2023 the Company's cash and cash equivalents position decreased by \$101,280 to \$8,914 from \$110,194 as at September 30, 2022. The net decrease was due to the following:

- Operating Activities decreased cash by \$101,280. This was a result of \$75,893 of cash used in operations and an increase of \$25,387 from changes in non-cash components of working capital;
- Financing Activities did not impact cash;
- Investing Activities did not impact cash.

The Company anticipates that it will require approximately \$70,000 in order to meet its ongoing expected costs for the next twelve months. These costs include audit fees, legal fees, listing fees, and shareholder related costs. The Company expects to utilize cash and cash equivalents on hand, in addition to receivables, along with equity financings, in order to service these expenditures.

## RELATED PARTY TRANSACTIONS

Included in due from shareholders are expenses paid for by the Company on behalf of the shareholders related to the acquisition of the Company, which included Directors and Officers of the Company.

The Company does not currently pay any Management or Director's fees.

## SHARE DATA

The following table sets forth the Outstanding Share Data for the Company as at January 29, 2023:

	Authorized	Issued
Common Shares	Unlimited	17,406,570

## **RISKS AND UNCERTAINTIES**

The Company is subject to a number of broad risks and uncertainties including general economic conditions. In addition to these broad business risks, the Company has specific risks that it faces, the most significant of which are outlined below. **The risks and uncertainties discussed herein highlight the more important factors that could significantly affect the Company's operations and profitability. They do not represent an exhaustive list of all potential issues that could affect the financial results of the Company and are not presented in any particular order of relevance.**

### **Cash Deposits Held At Banks May Exceed The Amounts Of Insurance Provided On Such Deposits And Any Loss Arising Therefrom Could Have A Material Adverse Effect On The Company's Financial Condition And Results Of Operations**

Deposits held with banks may exceed the amount of insurance provided on such deposits. If the Company were to suffer a loss as a result of a failure of one of these Banks and the insurance provided thereon was insufficient to cover the amount of the deposit, results of operations may suffer. This could adversely affect financial condition and cash flow.

### **The Need To Maintain Liquidity And The Company's Financial Condition Could Be Adversely Affected By Market And Economic Conditions**

A liquidity risk arises from the Company's management of working capital to avoid difficulty in meeting its financial obligations as they become due. Liquidity is essential to the Company and may be impaired by circumstances that management may be unable to control, such as general market disruption or an operational problem which in turn could affect the Company's financial condition.

### **It May Be Difficult To Sell Shares Of The Company Due To Limited Trading Volume**

The securities of the Company were listed on the Canadian Securities Exchange on October 30, 2015 and have since experienced very limited trading volume. As a result there may be less coverage by security analysts, the trading price may be lower, and it may be more difficult for shareholders to dispose of the Company's securities.

### **The Company Does Not Currently Meet the Canadian Securities Exchange Continued Listing Requirements Which Could Make It Difficult To Sell Shares Of The Company If It Is Delisted**

The Company received notice from the CSE that it does not currently meet the CSE's Continued Listing Requirements and that if these requirements are not met the CSE will either suspend the Company pending delisting 90 days thereafter, assign the Company a different industry classification or designate the Company as inactive. While management is evaluating potential alternatives, there is no guarantee that this will be completed which could make it difficult for shareholders to dispose of the Company's securities. As the impacts of COVID-19 in Canada and on the global economy continue, there could be further challenges to management in finding a new business which would allow it to regain compliance with the CSE's Continued Listing Requirements. On December 2, 2021, the CSE determined that the Company does not meet the continued listing requirements, as a result the Company was deemed to be inactive issuer and its CSE trading symbol was changed to GCA.X.

## **CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

The Company's discussion and analysis of its results of operations and financial condition are based upon its financial statements that have been prepared in accordance with IFRS. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. Estimates and assumptions are evaluated on an ongoing basis and are based on historical and other factors believed to be

reasonable under the circumstances. The results of these estimates may form the basis of the carrying value of certain assets and liabilities and may not be readily apparent from other sources. Actual results, under conditions and circumstances different from those assumed, may differ from estimates.

Notes 2 and 3 of the Company's audited financial statements for the year ended September 30, 2023 provide a detailed discussion of the Company's significant accounting policies and application of critical accounting estimates and judgements.

## **FINANCIAL INSTRUMENTS, FINANCIAL RISK MANAGEMENT AND OTHER INSTRUMENTS**

The Company does not utilize financial instruments such as hedging instruments to manage financial risks.

For cash and cash equivalents, accounts receivable, trade and other payables and loans and borrowings with a maturity of less than one year, fair value is not materially different from the carrying amount due to the effect of the time value of money. See Note 7 of the Company's audited financial statements for the year ended September 30, 2023 for a more detailed discussion and additional fair value disclosures.

### **Proposed Transactions**

Management periodically enters into informal discussions with prospective business partners in the normal course of operations. However, management does not believe that any of these discussions constitute a proposed transaction for the purpose of this report.

### **Subsequent Events**

On January 24, 2024, the Company's Board of Directors has forgiven the outstanding amount due from shareholders related to the acquisition of the Company.

On January 26, 2024, the Company closed on a non-brokered private placement issuing 1,314,286 units at a price of \$0.07 per Unit for gross proceeds of \$92,000. Each Unit consisted of one common share of the Company and one Common Share purchase warrant. Each full warrant entitles the holder to acquire one additional Common Share for a period of 36-months expiring on January 26, 2027 at an exercise price of \$0.10. No Finder's fees or commissions were paid as part of this offering. All securities issued under the Private Placement are subject to a four month hold period in accordance with applicable securities laws.

### **Off-Balance Sheet Arrangements**

The Company had no off balance sheet arrangements as of September 30, 2023 and 2022.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company, including the Company's annual report, audited year-end financial results and unaudited quarterly financial results, can be accessed on SEDAR ([www.sedar.com](http://www.sedar.com)). For further information shareholders may also contact the Company by email at [cday@thoughtlaunch.ca](mailto:cday@thoughtlaunch.ca)