

EXPRESS CAPITAL CORP.
MANAGEMENT DISCUSSION & ANALYSIS
For Six Months Ended January 31, 2021 and 2020

This Management Discussion and Analysis (“MD&A”) of Express Capital Corp. (“Express” or the “Company”) has been prepared by management as at April 13, 2021 and should be read together with the unaudited condensed interim financial statements and related notes for the period ended January 31, 2021 which are prepared in accordance with International Financial Reporting Standards (“IFRS”). Additional information regarding the Company can be found on SEDAR at www.sedar.com. All of the following amounts are expressed in Canadian dollars unless otherwise stated. The reader should also refer to the annual audited financial statements for the year ended July 31, 2020.

This MD&A may contain “forward-looking statements” which reflect the Company’s current expectations regarding the future results of operations, performance and achievements of the Company. The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as “anticipate,” “believe,” “estimate,” “expect” and similar expressions. The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

Overall Performance

Express Capital Corp. (the “Company”) was incorporated as a wholly-owned subsidiary of reporting issuer Pharmedix Investments Corp. (Formerly [UWO Consulting Ltd.](#)) (“UWO”) on November 11, 2014 under the laws of British Columbia, Canada. Pursuant to a plan of arrangement between the Company and UWO, the Company’s shares were distributed to the shareholders of UWO during the year ended July 31, 2018. The Company’s exploration and evaluation assets are located in Canada in the province of Quebec.

Selected Annual Information

The following table provides a summary of the Company’s financial operations in the past three years. For more detailed information, refer to the Financial Statements.

| | Year Ended July 31, 2020 | Year Ended July 31, 2019 | Year Ended July 31, 2018 |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| Total revenue | \$ Nil | \$ Nil | \$ Nil |
| General and administrative expenses | (55,359) | (57,907) | (71,757) |
| Loss and comprehensive loss for the year | (55,359) | (57,907) | (70,257) |
| Loss per share – basic and diluted | (0.01) | (0.01) | (0.03) |
| Total assets | 15,940 | 6,172 | 114,127 |
| Total liabilities | 58,963 | 14,836 | 64,884 |

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Summary of Quarterly Results

| | January 31, 2021 | October 31, 2020 | July 31, 2020 | April 30, 2020 |
|-------------------------|-----------------------------|-----------------------------|----------------------|-----------------------|
| Net Loss for the Period | \$ (32,593) | \$ (40,161) | \$ (35,306) | \$ (6,001) |
| Loss per Share | \$ (0.00) | \$ (0.00) | \$ (0.01) | \$ (0.00) |

| | January 31, 2020 | October 31, 2019 | July 31, 2019 | April 30, 2019 |
|-------------------------|-----------------------------|-----------------------------|----------------------|-----------------------|
| Net Loss for the Period | \$ (9,385) | \$ (4,667) | \$ (20,972) | \$ (3,743) |
| Loss per Share | \$ (0.00) | \$ (0.00) | \$ (0.03) | \$ 0.00 |

Results of Operations

Six Month Period Ended January 31, 2021

The Company had no revenue from operations for the six months ended January 31, 2021 and 2020. During the six months ended January 31, 2021, the Company incurred a net loss of \$72,754 (2020 - \$14,052) consisting of legal and accounting expenses of \$30,403 (2020 - \$6,755), transfer agent and filing fees expenses of \$9,244 (2020 - \$2,898), management fees of \$17,700 (2020 - \$nil), consulting fees of \$40,898 (2020 - \$2,625) and general and administrative expenses of \$8,396 (2020 - \$1,774) offset with the reversal of flow-through share liability of \$33,887 (2020 - \$nil).

Exploration and Evaluation Assets

For the six months ended January 31, 2021, the Company incurred a total of \$126,659 (2020 - \$nil) in exploration costs which includes acquisition costs of \$25,000 (2020 - \$nil), geological costs of \$25,307 (2020 - \$nil), consultant fees of \$412 (2020 - \$nil) and drilling costs of \$75,940 (2020 - \$nil).

Liquidity and Capital Resources

At January 31, 2021, the Company reported a working capital of \$528,597 (2020: deficit of \$43,023). At January 31, 2021 the Company had a cash balance of \$613,162 (July 31, 2020 - \$15,940) to settle current liabilities of \$97,853 (July 31, 2020 - \$58,963). The Company expects to fund the liabilities and its operational activities through the issuance of capital stock and through loans from related parties over the coming year.

As at January 31, 2021, the Company's cash increased by \$597,222 to \$613,162 from \$15,940. As at January 31, 2021, cash used in operating activities of \$134,671 (2020 - \$8,371), cash provided by financing activities of \$820,416 (2020 - \$2,809) and cash used in investing activities of \$88,523 (2020 - \$nil).

During the six months ended January 31, 2021, cash used in operating activities was \$134,671 (2020 - \$8,371). Cash used during the six months consists primarily of general and administrative expenditures of \$106,641 (2020 - \$14,052) net of change in non-cash operating working capital of \$50,606 (2020 - \$5,681).

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During the six months ended January 31, 2021, cash provided by financing activities of \$820,416 (2020 - \$2,809). Cash was used to repay related party loans of \$2,809 (2020 - provided by related party loans of \$2,809) and \$845,800 from the issuance of common shares (2020 - \$nil).

During the six months ended January 31, 2021, cash used in investing activities of \$88,523 (2020 - \$nil) for exploration and evaluation assets of \$88,523 (2020 - \$nil).

The Company may continue to have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

Related party Transactions

The Company entered into the following transactions with key management personnel, being those persons determined as having authority and responsibility for planning, directing and controlling the activities of the Company. Key management includes the Company's board of directors and executive officers. The transactions are included within the Consolidated Statements of Loss and Comprehensive Loss are management fees of \$17,700 (2020 - \$nil) and consulting fees of \$18,900 (2020 - \$12,075).

Related party balances

The amounts due to (from) related party are as follows:

| | January 31 2021 | July 31, 2020 |
|-------------------------|-----------------|-----------------------|
| | \$ | \$ |
| Due to a shareholder | 941 | 12,075 ⁽¹⁾ |
| Due to (from) director | (39) | 10,500 ⁽¹⁾ |
| Loan from a shareholder | - | 2,809 ⁽²⁾ |
| | (39) | 25,384 |

⁽¹⁾ These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

⁽²⁾ A loan of \$1,000 dated November 1, 2019 and \$1,809 dated November 28, 2019 are unsecured, non-interest bearing and have no fixed terms of repayment.

The related party transactions were in the normal course of operations and which is the amount of consideration established and agreed to by the related parties.

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

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New standards, Amendments, and Interpretations

The Company has reviewed the impact of new and amended standards that are effective for annual periods beginning on or after August 1, 2020. It does not expect the impact on the financial statements to be material, although additional disclosure may be required.

Financial Instruments and Other Instruments

| | <i>Ref.</i> | <i>January 31, 2021</i> | <i>July 31, 2020</i> |
|-----------------------------|-------------|-----------------------------|----------------------|
| | | \$ | \$ |
| Other financial assets | a | 620,701 | 15,940 |
| Other financial liabilities | b | (10,123) | (50,572) |

a. Comprised of cash and receivable

b. Comprised of accounts payable, loans from related party and due to related party.

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. The fair values of the Company's financial instruments are not materially different from their carrying values.

Management of Industry and Financial Risk

The Company is in the business of consulting on capital markets, deal structuring, venture capital and corporate advisory.

The Company's financial instruments are exposed to certain financial risks, which include the following:

Credit risk

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash and other receivables. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. Other receivables comprise sales tax refunds from the Canadian federal government.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company ensures that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash. The Company's cash are held in corporate bank accounts available on demand. Liquidity risk has been assessed as high.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

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Currency Risk

The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rate. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Proposed Transactions

None

Critical Accounting Estimates

Not applicable for Venture Issuers.

Other Requirements

Summary of Outstanding Securities as at January 31, 2021

Class A Common Shares

Authorized: Unlimited number of Class A Common Shares without par value.
Issued and outstanding as at January 31, 2021 and March 31, 2021 (date of this report) is 18,261,215 shares

Class B Preferred Shares

Authorized: Unlimited number of Class B Preferred Shares without par value. Issued and outstanding: None

Stock options

None

Warrants

As at January 31, 2021 and March 31, 2021 (date of this report), there were 2,590,000 share purchase warrants.

Additional disclosures pertaining to the Company's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.