

# 10557536 CANADA CORP.

## Management Discussion and Analysis of the Financial Condition and Results of Operations

Years ended December 31, 2020 and 2019

*The following management discussion and analysis ("MD&A") of 10557536 Canada Corp. ("10557536" or "the Company") provides a review of corporate developments, results of operations and financial position for the years ended December 31, 2020 and 2019. This discussion is prepared as of April 29, 2021 and should be read in conjunction with the Company's Annual Audited Financial Statements for the years ended December 31, 2020 and 2019. The results reported in this MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are presented in Canadian dollars, which is the Company's functional currency. Additional information regarding 10557536 is available on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).*

*For the purposes of preparing this 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.*

**10557536 CANADA CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**Years ended December 31, 2020 and 2019**

**FORWARD-LOOKING STATEMENTS**

This MD&A contains certain forward-looking information and forward-looking statements, 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”, “is expected”, “budget”, “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. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. 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 statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Selected forward-looking statements, assumptions, and risk factors are as follows:

<b>Forward-looking statements</b>	<b>Assumptions</b>	<b>Risk factors</b>
The Company is working towards completing a Qualifying Transaction.	The Company expects to identify an asset or business to acquire and close a Qualifying Transaction, on terms favourable to the Company.	The Company’s inability to find a target, the inability to satisfy all of the conditions precedent (due diligence, shareholder and regulatory approval, financing) to complete a Qualifying Transaction, resulting in the Company remaining as a reporting issuer only.
The Company’s ability to meet its working capital needs at the current level for the year ended December 31, 2020.	The operating activities of the Company for the year ended December 31, 2020, and the costs associated therewith, will be consistent with the Company’s current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; regulatory compliance and changes in regulatory compliance and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions.

**10557536 CANADA CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**Years ended December 31, 2020 and 2019**

**COMPANY OVERVIEW**

10557536 Canada Corp. was incorporated on December 27, 2017 under the Canada Business Corporations Act with its head office located at 401 Bay Street, Suite #2100, Toronto, Ontario, Canada, M5H 2Y4. The Company, as a reporting issuer in the provinces of British Columbia, Alberta and Manitoba, is subject to the rules and regulations of the relative provincial securities commissions, but its shares do not trade on any stock exchange. The Company has no current active business operations and its principal business is the identification and evaluation of assets or businesses for the purpose of completing a Qualifying Transaction such that the Company's shares can be approved for listing and trading on a recognized Canadian stock exchange.

Where a Qualifying Transaction is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. There is no assurance that the Company will be able to complete a Qualifying Transaction or that it will be able to secure the necessary financing to complete a Qualifying Transaction.

**MY WINE CANADA INC.**

Under the terms of a Plan of Arrangement approved by the Ontario Superior Court of Justice on March 26, 2018, the Company acquired substantially all the rights and interests in a Letter of Intent ("LOI") between Telferscot and My Wine Canada Inc. ("MWC"), and accordingly would assume the position of Telferscot with respect to the LOI. As consideration for its acquisition, 10557536 issued 4,113,243 common shares to Telferscot, which were then distributed to the current shareholders of Telferscot pro-rata based on their relative shareholdings of Telferscot. The LOI has been assigned a nominal value of \$1.

Telferscot has an agreement with MWC to develop a consumer facing web portal for online sales of Canadian wine and spirits direct from Canadian producers to Canadian consumers. MWC is looking for a joint-venture partner to fund the development and deployment of a new site for the regulated sales of cannabis in Canada to be known as QuickLeaf.

On October 9, 2018, the Company agreed to provide up to \$75,000 in funding to My Wine Canada which will be made available in stages. As of December 31, 2020, and pursuant to the LOI with Wine Canada Inc., the Company has advanced an aggregate of \$50,676 (December 31, 2019 - \$37,021) to Wine Canada towards the development of a consumer facing web portal for online sales of Canadian wine and spirits direct from Canadian producers. The advanced funding was recorded as a research expense.

On September 22, 2020, the Company signed another LOI with Xigem Technologies Corp. (See Xigem Technologies Corp.) and informed My Wine Canada Inc. that the Company is withdrawing from the LOI and will not continue with the Wine Canada project.

**XIGEM TECHNOLOGIES CORP.**

On September 22, 2020, the Company announced that it has entered into a non-binding Letter of Intent with Xigem Technologies Corp. ("Xigem"), a technology company exploiting opportunities emerging from the increasing remote economy. The Letter of Intent outlines the proposed terms and conditions pursuant to which the Company and Xigem effect a business combination that will result in a reverse takeover of the Company by the securityholders of Xigem (the "Transaction").

**10557536 CANADA CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**Years ended December 31, 2020 and 2019**

**XIGEM TECHNOLOGIES CORP. – CONTINUED**

On November 17, 2020, the Company and Xigem entered into a business combination agreement. A copy of the business combination agreement is available on the System for Electronic Document Analysis and Retrieval (“SEDAR”) at [www.sedar.com](http://www.sedar.com). The business combination agreement incorporates principal terms of the Transaction (as specified by the non-binding letter of intent) and provides the basis upon which the Company and Xigem effect the Transaction in compliance with the Exchange’s requirements (See “Subsequent Events”).

Established in Toronto, Ontario, Xigem is finalizing the acquisition of the sole, unencumbered and unrestricted worldwide rights to use a US Patented (US10,405,151,B2) technology called “Simultaneous Messaging Systems and Methods” (the “iAgent Technology”). The iAgent Technology has proven applications including, but not limited to remote tracking, monitoring and coordination of a variety of assets in the insurance sector. Xigem intends to acquire, in whole or in part, additional technologies and enterprises whose commercialization and success will be driven by sectors impacted by the move to remote work.

**GOING CONCERN**

The accompanying annual audited financial statements (“Financial Statements”) have been prepared using International Financial Reporting Standards applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern. It would, in this situation, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying Financial Statements. Such adjustments could be material.

**CORPORATE**

On April 3, 2018, Robert Kirtlan and Catherine Beckett were appointed as directors of the Company. Upon closing of Transaction on March 5, 2021 Brian Kalish, Scott Wilson, Stephen Coates, Conor Bill were appointed as directors (See Subsequent Events).

**FINANCING**

On January 22, 2019, the Company closed a non-brokered private placement offering of 411,325 units of the Company priced at \$0.06 per unit for aggregate gross proceeds of \$25,000. Each unit issued by the Company entitles the holder thereof to receive one Common Share of the Company and one-half Common Share purchase warrant. Each full warrant entitles the holder to purchase one Common Share of the Company at a price of \$0.15 for 12 months from the date of closing.

On June 30, 2020, the Company executed a common shares for debt transaction in the amount of \$34,465 owed to related parties. 2,835,276 shares were issued at a price of \$0.012 per share (see Related Party Transactions).

**OPTIONS**

The Company has a stock option plan pursuant to which options to purchase common shares may be granted to executive officers, directors, employees and consultants. The plan allows for the issuance of up to 10% of the issued and outstanding common shares.

On November 26, 2020, the Company issued 3,290,600 stock options to contractors outside the Company’s stock option plan noted above. The options carry an exercise price of \$0.006 per share for a period of up to 24 months from the issuance date. The fair value of the options was estimated on the date of grant using the Black-Scholes model at \$32,200.

**10557536 CANADA CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**Years ended December 31, 2020 and 2019**

**WARRANTS**

In January 2020, the Company renewed the expiry date of 205,663 share purchase warrants issued on January 22, 2019, which had expired on January 22, 2020, by a further one-year term to January 22, 2021. All other terms remained the same. On January 20, 2021, these warrants have been renewed with expiry date of January 22, 2022.

**SUBSEQUENT EVENTS**

Reverse take-over transaction

On September 22, 2020, 10557536 Canada Inc. ("105") entered into a non-binding letter of intent with Xigem. The letter of intent outlines proposed terms and conditions pursuant to which 105 and Xigem effect a business combination that results in a reverse takeover of 105 by the shareholders of Xigem (the "Transaction").

On November 17, 2020, the Company and Xigem entered into a business combination agreement. A copy of the business combination agreement is available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com). The business combination agreement incorporates principal terms of the Transaction (as specified by the non-binding letter of intent) and provides the basis upon which 105 and Xigem effect the Transaction in compliance with the Exchange's requirements. In connection with the closing of the

Transaction on March 5, 2021, the following key activities occurred:

- 105 split all of its issued and outstanding common shares (the "105 Common Shares") based on a ratio of approximately 1.6453 post-split 105 Common Share for every one pre-split 105 Common Shares ("Share Split"), resulting in 7,359,845 post-split Common shares;
- Xigem and 105's subsidiary amalgamated under the Business Corporations Act (Ontario) (the "Amalgamation" and the resulting amalgamated entity named Xigem Technology Solutions Inc. ("Amalco") became a wholly-owned subsidiary of Resulting Issuer;
- Each Xigem Common Share was cancelled, and the former holders of Xigem Common Shares received one half of one (0.5) Resulting Issuer Common Share for each Xigem Common Share held by them, an aggregate of 66,236,800 Resulting Issuer Common Shares at a price of \$0.04 per share were issued on March 3, 2021;
- Other securities of Xigem (including warrants that are exercisable into Xigem Common Shares) were cancelled and the former holders of such securities received one half of one (0.5) Resulting Issuer Warrants for each Xigem warrant;
- A total of 1,250,000 Resulting Issuer Common Shares has been issued to related parties, settling debt in the aggregate amount of \$27,637; and
- The Resulting Issuer was renamed "Xigem Technologies Corporation."

The Transaction was subject to a number of conditions including, but not limited to the following:

- the Resulting Issuer on March 15, 2021 obtained conditional approval of the Canadian Securities Exchange ("CSE") for the listing on the CSE of the Resulting Issuer Common Shares, as required by CSE policies;
- the issuance of a receipt from the Ontario Securities Commission ("OSC") for the final Prospectus dated February 25, 2021;
- the Resulting Issuer obtained a conditional approval letter from CSE for the transitions; contemplated by the Business Combination Agreement, including the listing on the CSE of the Resulting Issuer's common shares;

**10557536 CANADA CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**Years ended December 31, 2020 and 2019**

**SUBSEQUENT EVENTS– CONTINUED**

Reverse take-over transaction - continued

- 105 held an annual general and special meeting of its shareholders (the “105 Shareholder Meeting”), and prepared a circular dated January 12, 2021 in connection therewith (the “105 Circular”) to approve certain matters relating to the Transaction, including the directors to be appointed to the board of the Resulting Issuer upon closing, the Share Split and Name Change; and
- Certain other customary closing conditions.

The Resulting Issuer established a Stock Option Plan that entitles key management personnel, employees, directors, and certain consultants the option to purchase common shares of Xigem Technologies Corporation. The plan allows for the issuance of up to 10% of the issued and outstanding common shares. On March 19, 2021, the Resulting Issuer granted 3,925,000 incentive stock options pursuant to its Stock Option Plan. Each Option entitles the holder to purchase one common share of the Xigem Technologies Corporation at an exercise price of \$0.29 for a period of five years from the date of grant and was vested immediately.

On March 15, 2021 the Resulting Issuer started trading its common shares on the Canadian Securities Exchange under the ticker symbol XIGM.

The Resulting Issuer will seek to become a leading technology platform for the remote economy by providing a comprehensive cloud-computing solution for business operators through virtual work environments.

FluBusters Inc.

On March 25, 2021, the Resulting Issuer entered into a Letter of Intent (the “LOI”) with FluBusters™ Inc. (“FluBusters”). The Resulting Issuer will work with FluBusters to help manage inbound customer inquiries, match them to available personnel, track the availability of teams and equipment, and optimize deployments. The Resulting Issuer will license the iAgent platform to FluBusters for a recurring monthly licensing fee.

Shipit.to

On April 20, 2021, the Resulting Issuer and Israel-based Alperton Ltd., doing business as Shipit.to (“Shipit.to”), entered into a “LOI” for the Resulting Issuer to acquire a 21% interest in Shipit.to for US\$1.1 million.

Debt settlement transaction

On April 14, 2021 the Resulting Issuer entered into debt settlement agreements with three arm’s length creditors whereby the Resulting Issuer will settle outstanding payables totalling \$76,000 through the issuance of 361,904 common shares of the Resulting Issuer (each a “Share”) at a deemed price of \$0.21 per Share (the “Debt Settlement”).

**10557536 CANADA CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**Years ended December 31, 2020 and 2019**

**COVID-19**

Since January 2020, 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 Corporation and its operating subsidiaries in future period.

In March 2020, the Company provided a notice to Grove Corporate Services Ltd. informing them that the Company will not be able to continue to pay for the management and accounting fees during the COVID-19 pandemic. Subsequently Grove agreed to waive all management and accounting fees as of March 1, 2020 for a maximum period of eight months.

**FINANCIAL**

As at December 31, 2020, the Company has no source of operating cash flow and had an accumulated deficit of \$218,581 (December 31, 2019 - \$126,935). Net comprehensive loss for the year ended December 31, 2020 was \$91,646 (2019 - \$80,413). The Company also had a working capital deficiency of \$124,028 as at December 31, 2020 (December 31, 2019 - \$101,934).

**QUARTERLY PERFORMANCE**

The following table highlights certain key quarterly financial highlights. Commentary on the selected highlights is included under "Results of Operations" and "Liquidity and Capital Resources".

Description	Dec 31, 2020 / 2020 Q4	Sep 30, 2020 / 2020 Q3	Jun 30, 2020 / 2020 Q2	Mar 31, 2020 / 2020 Q1	Dec 31, 2019 / 2019 Q4	Sep 30, 2019 / 2019 Q3	Jun 30, 2019 / 2019 Q2	Mar 31, 2019 / 2019 Q1
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance sheet</b>								
Cash (overdraft)	413	915	915	3,419	316	1,519	1,520	5,452
Working capital (deficiency)	(124,029)	(96,001)	(92,055)	(119,765)	(101,936)	(79,075)	(61,997)	(49,827)
Shareholders' deficiency	(124,028)	(96,000)	(92,054)	(119,764)	(101,934)	(54,346)	(43,729)	(31,559)
<b>Income statement</b>								
Total operating expenses	60,228	3,946	6,755	20,717	29,522	10,412	11,974	28,304
Net loss	(60,228)	(3,946)	(6,755)	(20,717)	(29,118)	(10,617)	(12,170)	(28,304)

**RESULTS OF OPERATIONS**

**Years ended December 31, 2020 and 2019**

The Company has not so far generated any operating revenues and therefore losses have been incurred throughout the years ended December 31, 2020 and 2019. The Company recorded a net loss of \$91,646 during the year ended December 31, 2020 compared to a net loss of \$80,413 during the comparative year ended December 31, 2019.

Expenses included research expenses of \$13,655 (2019 – \$37,021), management fees of \$11,000 (2019 - \$33,000), corporate advisory fees of \$15,000 (2019 - \$nil), professional fees of \$4,647 (2019 - \$4,096), regulatory expenses of \$11,801 (2019 - \$5,408), share based compensation of \$35,087 (2019 - \$nil) and office and general expenses of \$456 (2019 - \$888) (See “Related Party Transactions”).

**10557536 CANADA CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**Years ended December 31, 2020 and 2019**

**LIQUIDITY AND CAPITAL RESOURCES**

As at December 31, 2020, the Company had a cash balance of \$413 (2019 - \$317) and had a working capital deficiency of \$124,028 (2019 - \$101,934). Plans for a private placement to provide funds to identify and evaluate assets or businesses for completion of a Qualifying Transaction and basic operating costs of a company with ongoing reporting issuer obligations have yet to be finalized.

**CAPITALIZATION**

The Company has the following securities issued and outstanding at each reporting date:

	April 29, 2021	December 31, 2020	December 31, 2019
Common shares	74,846,613	7,359,845	4,524,568
Share-based payments	3,290,600	3,290,600	1,645,300
Warrants	-	205,663	205,663

The Company is a reporting issuer in the provinces of British Columbia, Alberta and Manitoba and is subject to the rules and regulations of the relative provincial securities commissions, but its shares do not trade on any stock exchange. The Company was incorporated on December 27, 2017 with the initial common share issued to the incorporator having been cancelled.

As a result of the court approval of the Plan of Arrangement on March 26, 2018, 10557536 issued 4,113,243 common shares to Telferscot as consideration for the acquisition of the LOI with My Wine Canada Inc. These common shares were issued to Telferscot on April 5, 2018, and in turn, distributed to the current shareholders of Telferscot pro-rata based on their relative shareholdings of Telferscot on April 12, 2018.

**RELATED PARTY TRANSACTIONS**

The Company is billed a monthly fee of \$2,750 (plus applicable HST) by a company controlled by a director for management and administrative services, including the corporate secretary, the services of the CFO, office rent and regular administrative functions. In March 2020, Grove Corporate Services Ltd agreed to waive all management and accounting fees during the COVID-19 pandemic as of March 1, 2020 and for a maximum period of eight months. During the year ended December 31, 2020, the Company incurred total fees of \$11,000 (2019 - \$33,000).

On November 26, 2020, the Company issued an aggregate of 3,290,600 stock options to company controlled by a director as part of their compensation. The options are exercisable at \$0.006 each for a period of up to 2 years from the date of issuance. The total fair value of the options was estimated to be \$32,200.

In June 2018, the Company was provided a loan from Bolingbroke Investments Inc. ("BII"), a company controlled by a director and officer in the amount of \$15,000. BII advanced further funds in July and September 2018 which amounted to \$27,500 as at June 30, 2020. The loan was due on demand, unsecured and was bearing interest at 3% per annum with such amount included in the statements of net loss and comprehensive loss. On June 30, 2020, the Company issued BII 2,393,615 shares at a price of \$0.012 for a total amount of \$29,096 towards the total loan amount.



**10557536 CANADA CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**Years ended December 31, 2020 and 2019**

**RELATED PARTY TRANSACTIONS – CONTINUED**

During the year ended December 31, 2020, the Company has incurred an aggregate of \$15,000 of corporate advisory fees, included in Statement of Net Loss and Comprehensive Loss, from Grove Capital Group Ltd., a company controlled by a director and officer.

In November 2019, the Company was provided a loan from Grove Corporate Services Ltd. (“GCS”), a company controlled by a director and officer in the amount of \$1,500 to cover operational expenses. As at December 31, 2020, the loan has amounted to \$7,417. The loan is due on demand, unsecured and bears no interest.

Furthermore, the Company issued Grove Corporate Services Limited 441,661 shares at a price of \$0.012 for a total amount of \$5,369 towards their accrued management fees.

As at December 31, 2020, accounts payable and accrued liabilities include \$101,087 (December 31, 2019 - \$60,427) in respect of management fees and advisory fees due to related parties.

**COMMITMENTS AND CONTRACTUAL OBLIGATIONS**

The Company signed a consulting contract, on July 1, 2018, with a company controlled by a director and officer to provide capital market advice including financing management and to assist in the process of successful public listing. The duration of this contract is guaranteed for an initial term of 6 months and will continue monthly thereafter until such time as this contract is terminated. Following the initial 6 months term, of which services are provided at no cost to the Company, a monthly consulting fee in the amount of five thousand Canadian Dollars will apply. The Company will also pay a finders’ fee of up to 5% of funds raised for the company. Effective March 1, 2020, the consulting contract was amended to allow the granting of two million options to acquire common shares of the Company with an exercise price of \$0.006 per share, for a term of 36 months, subject to the successful completion of a listing transaction. An aggregate amount of \$15,000 was incurred under this consulting contract during the year ended December 31, 2020 (2019 - \$Nil).

**RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS**

- (a) **IFRS 3**; In October 2018, the IASB issued amendments to IFRS 3 “Definition of a Business” The amendments clarify the definition of a business, with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendment provides an assessment framework to determine when a series of integrated activities is not a business. The amendments are effective for business combinations occurring on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. The new amendments have been adopted by the Company and have not had a significant impact on these Financial Statements.
  
- (b) **IAS 1 “Presentation of Financial Statements” and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”** were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted. The new amendments have been adopted by the Company and have not had a significant impact on these Financial Statements.

**10557536 CANADA CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**Years ended December 31, 2020 and 2019**

**CAPITAL RISK MANAGEMENT**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and ensure sufficient liquidity in order to complete a Qualifying Transaction so that it can provide adequate returns for shareholders. The Board of Directors 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 defines capital as total shareholders' equity.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have an effect on the results of operations or financial condition of the Company.

**RISKS AND UNCERTAINTIES**

**No Market or History of Operations**

The Company was incorporated on December 27, 2017, has not commenced commercial operations and has no assets other than cash and harmonized sales tax recoverable. The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future. The Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction. Even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete a transaction (See Subsequent Events).

**Directors' and Officers' Involvement in Other Projects**

The directors and officers of the Company will only devote a small portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time.

**Reliance on Management**

The Company is relying solely on the past business success of its directors and officers to identify and complete a Qualifying Transaction of merit. The success of the Company is dependent upon the efforts and abilities of its management team. The loss of any member of the management team could have a material adverse effect upon the business and prospects of the Company. In such event, the Company will seek satisfactory replacements but there can be no guarantee that appropriate personnel may be found.

**Requirement for Additional Financing**

The Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify and complete a suitable Qualifying Transaction. Further, even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to complete a transaction. The Qualifying Transaction may be financed in whole, or in part, by the issuance of additional securities by the Company and this may result in further dilution to investors, which dilution may be significant and which may also result in a change of control of the Company.

**10557536 CANADA CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**Years ended December 31, 2020 and 2019**

**RISKS AND UNCERTAINTIES – CONTINUED**

**Foreign Qualifying Transaction**

In the event that the management of the Company resides outside of Canada or the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

**Potential Dilution**

The issue of common shares of the Company upon the exercise of the options will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional option and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

**Volatile Financial Markets**

The volatility occurring in the financial markets is a significant risk for the Company. As a result of the market volatility, investors are moving away from assets they perceive as risky to those they perceive as less so. Issuers like the Company are considered risk assets and as mentioned above are highly speculative. The volatility in the markets and investor sentiment may make it difficult for the Company to access the capital markets in order to raise the capital it will need to fund its current level of expenditures and identify, evaluate and close a Qualifying Transaction.