



SEVEN ∞ OAKS

SEVEN OAKS CAPITAL CORP.

(A Capital Pool Company)

Management's Discussion & Analysis

For the three-month period ended March 31, 2022

May 24, 2022

The following management’s discussion and analysis (“**MD&A**”) of the financial condition and results of operations of Seven Oaks Capital Corp. (“**Seven Oaks**” or the “**Company**”) was prepared by management of the Company as of May 24, 2022 and should be read in conjunction with the Company’s unaudited condensed financial statements and related notes for the period ended March 31, 2022. The Company’s financial statements and financial data have been prepared in accordance with the International Financial Reporting Standards (“**IFRS**”) issued by the International Accounting Standards Board (“**IASB**”) and interpretations of the International Financial Reporting Interpretations Committee (“**IFRIC**”). All amounts are expressed in Canadian dollars unless otherwise stated. Other information contained in this document has also been prepared by management and is consistent with the data contained in the Financial Statements.

The Company’s certifying officers are responsible for ensuring that the Financial Statements and MD&A do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made. The Company’s certifying officers certify that the financial statements together with the other financial information included in the filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company as the date of and for the periods presented in the interim filings.

The Audit Committee and the Board of Directors provide an oversight role with respect to all public financial disclosures by the Company. The Board of Directors approves the Financial Statements and MD&A after the completion of its review and recommendation for approval by the Audit Committee, which meets periodically to review all financial reports, prior to filing.

The Company’s financial statements, MD&A and all other continuous disclosure documents are filed with Canadian securities regulators and are available for review under the Seven Oaks Capital Corp. profile on SEDAR at www.sedar.com.

Forward-Looking Statements

Certain information contained in this MD&A constitutes forward-looking information, which is information regarding possible events, conditions or results of operations of the Company that is based upon assumptions about future economic conditions and courses of action which is inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as “seek”, “anticipate”, “budget”, “plan”, “continue”, “estimate”, “expect”, “forecast”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information contained in this MD&A includes, without limitation, our expectations regarding anticipated investment activities and results and financing activities, our ability to identify, negotiate and complete a Qualifying Transaction, the impact of changes in accounting policies and other factors on our operating results, and the performance of global capital markets and interest rates.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A.

The forward-looking information contained in this MD&A is provided as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

Nature and Description of the Business

Seven Oaks Capital Corp. was incorporated under the *Business Corporations Act (Ontario)* on February 19, 2021 and is classified as a Capital Pool Company as defined in TSX Venture Exchange (the “Exchange”) Policy 2.4. The Company has not commenced commercial operations and has no significant assets other than cash. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (“QT”), as defined in Exchange Policy 2.4. Except as described in the Company’s prospectus dated March 11, 2022.

On April 5, 2022, the Company completed its Initial Public Offering (“IPO”) of 3,500,000 common shares at a price of \$0.10 per share for gross proceeds of \$350,000. Canaccord Genuity Corp. acted as lead agent for the offering. The common shares of Seven Oaks commenced trading on the TSX Venture Exchange on April 5, 2022 under the symbol “SEVN.P”.

The Company’s financial statements have been prepared in accordance with IFRS applicable to a going concern, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has no source of operating revenues and its ability to operate as a going concern in the near-term will depend on its ability to successfully identify and complete a QT, which may require the raising of additional financing in the future. The Company’s financial statements do not purport to give effect to adjustments, if any, that may be necessary should the Company be unable to continue and therefore, be required to realize its assets and discharge its liabilities in a manner other than in the ordinary course of business.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Company. These restrictions apply until completion of a QT by the Company as defined under the policies of the Exchange Policy 2.4.

The head office and the registered head office of the Company is located at 8 King Street East, Suite 1712, Toronto, Ontario, M5C 1B5.

Selected Financial Information

Summarized selected financial information with respect to the Company for the most recent period year is as follows:

	March 31, 2022	December 31, 2021
Assets		
Cash and cash equivalents	\$ 336,190	\$ 363,842
Prepays, note 4	15,000	15,000
	<u>\$ 351,190</u>	<u>\$ 378,842</u>
Liabilities		
Accounts payable and accrued liabilities, note 6	\$ 67,811	\$ 73,000
Shareholders' Equity		
Share capital, Note 5	\$ 405,000	\$ 405,000
Cumulative Deficit	(121,621)	(99,158)
	<u>\$ 283,379</u>	<u>\$ 305,842</u>
	<u>\$ 351,190</u>	<u>\$ 378,842</u>

Results of Operations – For the three-month period ended March 31, 2022

The Company recorded a net loss and comprehensive loss of \$22,463 during the three-month period from ended March 31, 2022. As a comparative period, the Company recorded a net loss and comprehensive loss of \$nil from the Date of Incorporation (February 19, 2021) to March 31, 2021

The net loss for the three-month period ending March 31, 2022 is represented by the following expenses incurred in the period:

Professional fees	\$15,152
Stock Exchange and Transfer fees	\$7,287
Office expense	\$25
	<u>\$22,463</u>

Since the three-month period ending March 31, 2022, the Company completed its initial public offering by way of a prospectus offering in Ontario, British Columbia, Alberta, and Manitoba.

Capital Resources

The Company financed its operations during the three-month period ending March 31, 2022 from net cash proceeds received from the Company's seed capital of \$405,000.

Cash raised by the Company from the issuance of shares is to be used by the Company to fund its activities relating to the Exchange listing, identification and evaluation of a potential QT and, to the extent permitted by Policy 2.4, for general and administrative expenses. Until such time as the Company identifies a QT, it is contemplated that the working capital requirements of the Company will relate generally to expenses associated with the Company's continuous disclosure obligations under applicable securities legislation, annual audit fees, legal fees for general corporate matters and costs incurred in identifying, evaluating and executing a potential QT. The only material ongoing contractual obligations of the Company relates to the payment of transfer agency fees and legal and audit fees. The Company believes it has sufficient capital resources to execute a QT.

Liquidity

As at March 31, 2022, the Company had cash and cash equivalents totaling \$336,190.

Total liabilities at March 31, 2022 were \$67,811.

Shareholders' equity at March 31, 2022 was \$283,379.

Segmented Information

The Company has a single reportable geographic segment – Canada – and all of the Company's assets are located in Canada.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Outstanding Share Capital as at March 31, 2022

- (a) **Authorized:** Unlimited number of common shares
- (b) **Issued:** 8,100,000 common shares
- (c) **Escrowed shares:** 8,100,000 common shares

The 8,100,000 common shares issued and outstanding as at March 31, 2022 will be held in escrow in accordance with the requirements of the Exchange and pursuant to the terms of an escrow agreement to be entered into among the Company, the holders of the seed shares issued prior to the IPO and an escrow agent pursuant to the requirements of the Exchange.

Outstanding Share Capital as at the date of this MD&A

- (a) **Authorized:** Unlimited number of common shares
- (b) **Issued:** 11,600,000 common shares
- (c) **Escrowed shares:** 8,436,000 common shares

Of the 11,600,000 common shares issued and outstanding as at the date of this MD&A, 8,436,000 common shares will be held in escrow in accordance with the requirements of the Exchange and pursuant to the terms of an escrow agreement to be entered into among the Company, the holders of the seed shares issued prior to the IPO and an escrow agent pursuant to the requirements of the Exchange.

All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a QT, must also be deposited in escrow until the Final QT Exchange Bulletin (as defined in the policies of the Exchange) is issued.

All common shares of the Company acquired in the secondary market prior to the completion of a QT by a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Company held by principals of the reporting issuer will also be escrowed.

Transactions with Related Parties

Related parties include the Board of Directors, and enterprises which are controlled by these individuals as well as persons performing similar functions. The Company has no related party transactions.

Investor Relations

During the three-month period ended March 31, 2022, the Company's management handled the Company's investor relations activities.

Financial Instruments and Risk Management

The carrying values of cash and accounts payable and accrued liabilities approximate fair value due to the relatively short-term maturities of these instruments.

The Company's activities may expose it to a variety of financial risks: fair values, credit risk, liquidity risk and market risk (including interest rate risk). The Board of Directors provides regular guidance for overall risk management.

Management of Capital

The Company's objective when managing capital is to maintain its ability to continue as a going

concern to provide returns for shareholders and benefits for other stakeholders.

The Company includes equity, comprised of issued common shares and accumulated deficit, in the definition of capital. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisition targets. The Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners to secure additional capital to pursue these plans. The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses with a view to completing a QT. These restrictions apply until completion of a QT by the Company as defined under the Exchange policy 2.4.

Future Change in Accounting Policies

Refer to Note 3 in the Notes to the Financial Statements as at and for the three-month period ended March 31, 2022 for details of the Company's significant accounting policies.

Contingency

There is no assurance that the Company will identify a business or asset that warrants acquisition or participation at which time the Exchange may suspend or de-list the Company's shares from trading.

Risk Disclosures and Fair Value

As at March 31, 2022, the Company's financial instruments consist of cash, short-term investments, and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks. The Board approves the risk management processes. The Board's main objectives for managing risks are to ensure liquidity, the fulfillment of obligations, the Company's search for a Qualifying Transaction, and to limit exposure to credit and market risks.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company is exposed to credit risk through its cash balance which is held at a Canadian financial institution. The Company believes its exposure to credit risk is not significant.

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. Management believes the Company had no significant exposure to interest rate risk through its financial instruments as at March 31, 2022.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements. The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in the section entitled "Management of Capital", in normal circumstances. The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and have normal trade terms.

Risks and Uncertainties

The Company does not have a history of operations. There is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

The Company's continued operation will be dependent upon its ability to complete a Qualifying Transaction and to generate operating revenues and to procure additional financing. To date, the Company has done so through equity financing.

The Company has no active business or assets other than cash. It does not have a history of earnings, nor has it paid any dividends. It will not generate earnings or pay dividends until at least after the completion of the proposed Qualifying Transaction.

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

The Company is relying solely on the past business success of its directors and officers to identify 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.

The Company has only limited funds with which to complete a potential Qualifying Transaction. The Qualifying Transaction may be financed in whole, or in part, by the issuance of additional securities by the Company. 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. Subject to prior Exchange approval, the Company may be permitted to loan or advance up to an aggregate of

\$250,000 of its proceeds as a refundable deposit to a target business under certain conditions noted in the CPC Policy. There can be no assurance that the Company will be able to recover that loan.

Completion of any Qualifying Transaction is subject to a number of conditions, including acceptance by the Exchange and in the case of a non arm's length Qualifying Transaction, majority of minority approval.

Upon public announcement of the proposed Qualifying Transaction, trading in common shares of the Company will be halted and will remain so for an indefinite period of time, until certain reviews are conducted, and obligations satisfied. The common shares will be reinstated to trading upon review and acceptance of the Exchange. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Company completing the proposed Qualifying Transaction. Trading of the common shares may be halted at other times for other reasons, including for failure by the Company to submit documents to the Exchange in the time periods required.

The Exchange will generally suspend trading of the common shares or delist the Company in the event that the Exchange has not issued a Final Exchange Bulletin within 24 months from the date of listing.

Additional Information

Additional information relating to Seven Oaks Capital Corp., can be found in its amended and restated prospectus dated March 11, 2022, which is available on the Company's SEDAR profile at www.sedar.com.

Outlook

Management believes the Company is well positioned to seek and complete a QT. Seven Oaks believes that it has sufficient cash and capital resources.