

# CARCETTI CAPITAL CORP.

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024

### Introduction

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The following management discussion and analysis ("MD&A") is a review of operations, current financial position and outlook for Carcetti Capital Corp. (the "Company") and should be read in conjunction with the audited consolidated financials for the years ended December 31, 2024 and 2023. Amounts are reported in Canadian dollars unless otherwise stated, based upon the financial statements prepared in accordance with IFRS Accounting Standards Financial Reporting Standards ("IFRS"). This MD&A is dated as of April 17, 2025.

This MD&A provides management's view of the financial condition of the Company and the results of its operations for the reporting periods indicated. Additional information related to the Company is available on the Canadian Securities Administrators' website at [www.sedar.com](http://www.sedar.com). The Company is currently listed on the NEX board of TSX Venture Exchange under the symbol CART.H and seeking a new business opportunities.

During the year ended December 31, 2024, the Company changed its presentation currency from US dollars to Canadian dollars. In accordance with IAS21, this change has been applied retrospectively, and all comparative figures are presented in Canadian dollars.

### Corporate Overview and Reorganization of Capital

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The Company was an international energy company with multiple investments in Ukraine. In 2021, the Company decided to pursue and explore new directions and began liquidating all of its Ukraine investments, which were completely disposed of as December 31, 2022. The Company continues to explore new directions.

On May 16, 2023, the Company closed a private placement financing of 4,166,667 units at a price of \$0.12 per share for gross proceeds of 476,000). One unit consists of one common share of the Company and one-half share purchase warrant. Each warrant shall entitle the holder to purchase an additional common share of the Company at a price of \$0.18 for a period of one year. Of the 4,166,667 shares issued, the Company issued 200,000 common shares for gross proceeds of \$nil in connection with the severance payment of a former director, to settle \$24,000 of debt.

In May 2024, the Company issued 455,000 common shares of the Company in connection with the exercise of 455,000 warrants at an exercise price of \$0.18 per share for gross proceeds of \$81,900.

### Forward Looking Information

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This MD&A contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and are based on assumptions. They involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, and competitive conditions, risks of the industry; political instability; or mergers and acquisitions. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results, except as may be required by applicable securities laws.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

### Summary of Quarterly Results

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Historical quarterly financial information derived from the Company's eight most recently completed quarters is as follows:

	Three months ended			
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
<b>Net and comprehensive loss</b>	(40,802)	(24,657)	(34,936)	(18,137)
<b>Loss per share</b>	(0.01)	(0.01)	(0.01)	(0.01)

  

	Three months ended			
	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
<b>Net and comprehensive income (loss)</b>	15,603	(31,242)	(231,445)	(117,534)
<b>Loss per share</b>	0.01	(0.01)	(0.07)	(0.07)

### Material Variations in Quarterly Results

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During the quarters of fiscal year 2024, there were no material variations in the net losses of the Company. The management restricted the consumption of the Company's resources as they look for new opportunities in the market.

During the quarters ended March 31, and June 30, 2023, the Company engaged some consultants to work on the reorganization of the Company, which resulted in an increase in the net loss of the Company. As a result of the reorganization, the Company realized a significant decline in its net loss during the subsequent quarters as the Company's overheads were reduced while it seeks a new business opportunity.

### Selling and General Administrative Expenses

During the year ended December 31, 2024, the Company incurred general administrative expenses of \$118,532 (2023 - \$364,618) and \$40,802 during the three months ended December 31, 2024 (2023 - (\$15,603)). Items contained within general administrative expenses are as follow:

	Three months ended December 31,		Year ended December 31,	
	2024	2023 (restated)	2024	2023 (restated)
<b>Operating expenses</b>				
Consulting	\$ -	\$ -	\$ -	\$ 243,867
Foreign exchange	-	(40,257)	-	-
Management fees	3,127	3,128	12,506	16,465
Office and general	4,336	(33,188)	27,511	47,644
Professional fees	32,392	44,539	70,915	86,724
Stock-based compensation	946	10,175	7,600	10,175
	<b>\$ 40,802</b>	<b>\$ (15,603)</b>	<b>\$ 118,532</b>	<b>\$ 364,618</b>

The Company incurred consulting and professional fees in the prior periods largely related to asset divestures and continuous disclosure obligations.

### Net Profit/Loss

During the year ended December 31, 2024, the Company recorded a net loss of \$118,532 or \$0.02 per share as compared to a net loss of \$364,618 or \$0.07 per share during 2023. The reduction in net loss during 2024 is primarily be attributable to the management's efforts in limiting expenditures.

### Liquidity, Capital Resources and Financings

At December 31, 2024, the Company had a cash balance of \$311,350 (2023 - \$337,067) and working capital of \$287,329 (2023 - \$308,845). The working capital decreased due to the cash used in funding operations.

During the year ended December 31, 2024, the Company used \$107,617 to fund operating activities (2023 - \$452,161) and received \$81,900 as gross proceeds from the exercise of the warrants. During the year ended December 31, 2023, the Company received gross proceeds of \$476,000 as a consideration for issuing common shares of the Company and paid \$9,426,461 towards the preferred share redemption.

Issued and outstanding as at the date of this MD&A:

Type	Number
Common Shares	5,669,050
Stock Options	102,333

### Off Balance Sheet Arrangements

The Company has no off balance sheet arrangements as at December 31, 2024.

### Transactions with Related Parties

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Transactions with related parties are incurred in the normal course of business. Key management personnel include executive officers and non-executive directors. Executive officers are compensated and may participate in the Company's stock option plan. Non-executive directors also may participate in the Company's stock option plan.

The Company entered into the following transactions with key management personnel:

	Year ended December 31,	
	2024	2023
	\$	\$
Management fees	12,000	16,167
Consulting fees	-	244,868
Share-based compensation	7,600	10,175
	19,600	271,210

During the year ended December 31, 2024, the Company entered into the following transactions with related parties not disclosed elsewhere in the Financial Statements:

- Paid or incurred directors fee of \$12,000 (2023 - \$261,035) to Glenn Kumoi, CEO, and CFO and director of the Company.

### Critical Accounting Estimates

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Management makes a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these consolidated financial statements in conformity with IFRS. Actual results could differ from those estimates. Significant estimates include:

- Assessment of the going concern assumption.

### Financial Instruments Risk Management

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The Company's financial instruments consist of cash, trade and other receivables (excluding sales tax), trade and other payables, and preferred share redemption payable. The fair values of financial instruments other than cash approximate their carrying values. Trade and other receivables, trade and other payables, and preferred share redemption payable, approximate fair value due to the short-term nature of the accounts.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

#### Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company has deposited its cash with a large Canadian financial institution.

### **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient working capital to meet liabilities when due. As at December 31, 2024, the Company had a cash balance of \$311,350 to settle accounts payable and accrued liabilities of \$31,985.

### **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.

### Other MD&A Requirements

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Additional information relating to the Company may be found on SEDAR+ at [\[a\]](#) including, but not limited to the Company's audited consolidated financial statements for the years ended December 31, 2024 and 2023.