

MONITOR VENTURES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Background

This management discussion and analysis (“MD&A) of financial position and results of operation for Monitor Ventures Corp. (the “Company”) is prepared as at April 28, 2021. This MD&A should be read in conjunction with the Company’s audited financial statements as at and for the year ended December 31, 2020.

Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company’s activities can be found on SEDAR at www.sedar.com.

Forward-Looking Statements

Certain statements contained in the following MD&A constitute forward-looking statements. Such forward-looking statements include but are not limited to statements regarding the Company’s ability or intention to continue as going concern, to improve its financial position through additional financing or settling its accounts payable through alternate means, and to enter into new operating activities. These statements involve a number of known and unknown risks, uncertainties and other factors, and are made in the context of the Company having to revise its business strategy in light of its current financial position. The Company’s actual strategic course, when decided upon, will determine which risk factors will be relevant, but possible risk factors include those in connection with the Company’s ability settle certain accounts payable by way of share-for-debt agreements or other non-cash means, to raise sufficient funds to maintain operations and to enter new commercial activities. Outcomes other than those assumed herein may cause the actual results, performance or achievements of the company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Company Overview and Outlook

The Company currently has no commercial operations and has a significant working capital deficiency as a result of liabilities arising from previous commercial activities. In recent years it has improved its financial position by way of the sale of assets, debt forgiveness and the issuance of shares for debt. The Company seeks to further reduce its accounts payable and accrued liabilities and commence new commercial operations and on April 19, 2021, the Company received a \$25,000 loan from a director of the Company. This loan will be used to fund the Company’s immediate operations, but it requires additional financing to remain a going concern.

The Company is incorporated under the *Canada Business Corporations Act* and its principal place of business is Suite #1703, 595 Burrard St., Vancouver, British Columbia, Canada. The Company’s shares trade on the NEX tier of the TSX-Venture Exchange (the “Exchange”) under the symbol “MVI.H”.

Selected Annual Information

With no commercial operations, the Company has no recurring revenues other than nominal amounts of interest income and other sources of income such as gains on the sale of assets that are non-recurring. In recent years, expenses have been incurred to pursue new operations and for transfer agent, listing, filing, and other costs incurred as a publicly-traded company. To date, the Company has not declared any cash dividends and has not held any long-term debt.

Selected annual information is as follows:

	December 31, 2020	December 31, 2019	December 31, 2018
	\$	\$	\$
Balance Sheet:			
Cash	3,049	29,231	73,943
Total assets	3,049	39,959	102,705
Current liabilities	931,862	929,524	1,146,395
Long-term liabilities	-	-	-
Operations:			
	For the year ended December 31, 2020	For the year ended December 31, 2020	For the year ended December 31, 2020
	\$	\$	\$
Net (loss) income and comprehensive (loss) income	(39,248)	154,125	1,794,720
Basic and diluted (loss) income per share	(0.01)	0.05	0.61

Total assets

With no sources of recurring revenues, the value of the Company's total assets has declined between December 31, 2018 and December 31, 2020 owing to cash expenditures for transfer agent services, TSX-V listing and filing fees, audit and legal services, and general and administrative items. In the year ended 2018, these decreases were partly offset by a gain recognized on the sale of information on a formerly-held mineral property. The gain was partly earned in the form of a \$7,000 cash payment with the remainder in the form of warrants allowing the Company to purchase common shares in the acquiror. In 2018, the Company exercised some warrants and sold the acquired shares for a net realized gain of \$54,981 and in 2019, the remaining warrants were exercised and the acquired shares were sold for an additional realized gain of \$9,715. No similar gains were incurred in 2020.

Current liabilities

The Company's current liabilities include accounts payable and accrued liabilities incurred during previous commercial operations and a shareholder loan payable on demand. With insufficient cash to repay its liabilities, in recent years the Company has sought to reduce the balance by way of shares-for-debt agreements, formal discharges from creditors and derecognition on the expiration of statutory periods for debt collection.

In the year ended December 31, 2018, the Company reduced its current liabilities by \$1,825,894, primarily as a result of the disposal of a wholly-owned subsidiary, American Vanadium US Inc. ("AVUSI"), which had net liabilities of \$1,229,591. Additionally, the Company was discharged of a \$596,303 account payable without further payment being required.

In the year-ended December 31, 2019, the Company derecognized \$199,490 in accounts payable and accrued liabilities following the expiration of statutory periods for debt collection on certain long-outstanding amounts.

No accounts payable and accrued liabilities were derecognized in the year ended December 31, 2020.

Net income and comprehensive income

With no source of commercial revenues, the Company typically incurs losses from recurring operating activities as a result of audit and legal services, transfer agent, listing and filing fees, and other general and administrative expenses incurred as a publicly-traded company.

In the year ended December 31, 2020, the Company had no significant non-operating gains to offset these expenses, but in 2019 and 2018, these losses were offset by larger gains from the derecognition of accounts payable and accrued liabilities which resulted in positive net income and comprehensive income for these years. These gains included \$1,825,894 in 2018 and \$199,490 in 2019.

Results of Operations

	For the year ended December 31, 2020	For the year ended December 31, 2019
	\$	\$
General and administrative expenses:		
Transfer agent, listing and filing fees	17,922	16,567
Audit and legal	16,513	19,120
Investor relations and shareholder information	5,848	6,162
Interest on shareholder loan	2,082	2,062
Office facilities and administrative services	340	663
Total general and administrative expenses	(42,705)	(44,574)
Foreign exchange gain	3,269	6,325
Interest income	188	663
Gain on derecognition of accounts payable and accrued liabilities	-	199,490
Loss on derivative assets	-	(7,779)
Net (loss) income and comprehensive (loss) income	(39,248)	154,125

The Company's general and administrative expenses reflect basic amounts for legal and audit services, transfer agent, listing and filing fees and other costs incurred as a public company and were generally consistent between the years ended December 31, 2020 and 2019.

During the year ended December 31, 2019, the Company derecognized certain accounts payable and accrued liabilities following the expiration of statutory periods for debt collection on certain long-outstanding amounts. The resulting \$199,490 contributed to net income of \$154,125 for the year. No equivalent gain was recognized in the year ended 2020 and net loss for the year reflected general and administrative expenses.

Financial Condition, Liquidity and Capital Resources

As at December 31, 2020, the Company had working capital deficiency of \$928,813 and cash of \$3,049, compared to a working capital deficiency of \$900,293 and cash of \$29,231 as at December 31, 2019. The increase in the working capital deficiency and decrease in cash during 2020 is the result of expenditures for audit and legal services, transfer agent, listing and filing fees, and other costs incurred as a publicly-traded company. These expenditures were partially offset by the refund of a deposit for the environmental reclamation of a mineral property formerly held by the Company.

The Company continues to seek alternative debt settlements with other creditors to improve its financial position. The Company has been unable to obtain sufficient funding in recent years and unless it has further success reducing its liabilities, its ability to obtain additional financing and to continue as a going concern is uncertain.

Fourth Quarter Results

For the fourth quarter of 2020, the Company had a net loss and comprehensive loss of \$15,503 (2019 - \$15,749), primarily owing to an accrual for annual audit services and other sundry costs incurred for the Company's on-going administration, which were partly offset by \$6,625 in combined interest income and foreign exchange gains on the revaluation of certain accounts payable and accrued liabilities denominated in U.S. dollars.

Summary of Quarterly Results

A summary of quarterly results for the Company's eight most recent quarters is as follows:

For the Three Months Ended	General Expenses¹	Net Comprehensive (Loss) Income²	Basic and Diluted (Loss) Income Per Share
	\$	\$	\$
December 31, 2020	(22,128)	(15,503)	(0.01)
September 30, 2020	(2,872)	285	0.00
June 30, 2020	(10,673)	(5,045)	0.00
March 31, 2020	(7,032)	(18,985)	(0.01)
December 31, 2019	(18,260)	(15,749)	(0.01)
September 30, 2019	(7,210)	(6,268)	0.00
June 30, 2019	(10,391)	(10,075)	0.00
March 31, 2019	(8,713)	186,217	0.06

Explanatory Notes:

1. General expenses reported throughout 2020 and 2019 reflect a nominal level of operations as a public entity and include expenses for the Company's stock exchange listing, legal and audit services, transfer agent services and other shareholder services. These items are generally incurred consistently in each quarter, although there are increases in the fourth quarter of each year for the accrual of audit services.
2. In addition to general expenses, the Company's net comprehensive income or loss is affected by foreign exchange gains or losses on accounts payable and accrued liabilities denominated in currencies other than the Canadian dollar, gains from the derecognition of accounts payable and accrued liabilities, and gains from the sale of assets. These gains included \$199,490 for the quarter ended March 31, 2019 resulting in net income of \$186,217 for the period.

With no remaining saleable assets and few remaining amounts owed in foreign currencies, unless the Company recognizes additional gains from the derecognition of its remaining accounts payable and accrued liabilities, net comprehensive income or loss is expected to approximate general expenses incurred.

Transactions with Related Parties

The Company is party to a corporate and administrative services agreement with Earlston Management Corp. (“Earlston”), whereby Earlston provides key management, corporate, and administrative services to the Company, and has certain directors and officers in common, resulting in the two entities being related. As a result of the Company’s financial position, Earlston did not charge the Company for services during the years ended December 31, 2020 or 2019. As at December 31, 2020, \$158,667 is included in accounts payable and accrued liabilities (December 31, 2019 - \$155,844) for amounts owing to Earlston, which includes sundry expenses paid for by Earlston on the Company’s behalf in addition to those for management, corporate and administrative services charged prior to 2019.

Included in accounts payable and accrued liabilities as at December 31, 2020 is \$295,000 (December 31, 2019 - \$295,000) owing to Bill Radvak, the Chief Executive Officer of the Company for salaries and benefits outstanding for periods prior to 2019, and \$5,395 (December 31, 2019 - \$5,395) for travel and office expense claims. As a result of the Company’s financial position, salaries payable to Mr. Radvak have been suspended and no related expense was incurred during the years ended December 31, 2020 and 2019.

During the year ended December 31, 2020, Brian Bayley, a director of the Company deposited \$nil (2019 - \$100,000) into a brokerage account held by the Company to facilitate the exercise of warrants and sale of shares held by the Company. No interest was charged on this amount, and no amounts were owed to Mr. Bayley as at December 31, 2020 or 2019.

Financial Instruments and Risk Management

As at December 31, 2020, the Company’s financial instruments comprise cash, accounts payable and accrued liabilities, and a shareholder loan. With the exception of cash, all financial instruments held by the Company are measured at amortized cost. The fair values of financial instruments measured at amortized cost approximate their carrying value due to their short-term maturities. Fair values of financial instruments measured at fair value are classified in a fair value hierarchy based on the inputs used to determine fair values. The levels of the fair value hierarchy are as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly;
and
- Level 3 – Inputs that are not based on observable market data.

Financial instruments measured at fair value on the balance sheet are summarized in levels of fair value hierarchy as follows:

	Level 1	Level 2	Level 3
	\$	\$	\$
Cash	3,049	-	-

The Company is exposed to certain risks to the carrying values of its financial instruments, including currency risk, credit risk, liquidity risk and interest rate risk.

Currency risk

As at December 31, 2020, the Company’s accounts payable and accrued liabilities included certain amounts denominated in U.S. dollars, totalling US\$109,000. A prolonged 10% increase (decrease) in the value of the Canadian dollar compared with the U.S. dollar would result in a \$13,000 foreign exchange gain (loss) on U.S. dollar-denominated net financial liabilities as at December 31, 2020.

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 has a working capital deficiency as at December 31, 2020 and additional financing is required for the Company to settle its existing obligations and fund future obligations. As such, the Company is exposed to liquidity risk.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and equity prices. As the Company does not currently hold and does not expect to hold interest-bearing financial instruments other than cash, marketable securities or other financial instruments subject to fluctuations in equity prices, it currently does not have and is not expected to have exposure to these market risks.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Outstanding Share Data

As at the date of this MD&A, the Company has 2,930,058 common shares outstanding with no options or warrants outstanding.

Critical Accounting Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and judgments that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are relevant under the circumstances. Revisions to estimates on the resulting effects of the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

Those estimates and judgments considered most significant are as follows:

Going concern

The Company's financial statements have been prepared on the assumption that the Company will continue on a going concern basis. However, the Company has incurred negative operating cash flows since its incorporation and, as at December 31, 2020, the Company has a working capital and shareholders' deficiency of \$931,862. Without operating cash flows, the Company will be required to raise additional financing to sustain its operations.

In recent years, the Company has been unable to raise the amounts required to fund its operations in equity markets and has relied on asset disposals and shareholder loans to fund the general and administrative expenses required for a publicly-traded entity. As a result of the Company's current financial position and challenging access to capital, there can be no assurance that the Company will be able raise additional funds in the future, in which case the Company may be unable to meet its financial obligations. These material uncertainties cast significant doubt upon the Company's ability to continue as a going concern. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

Gains on derecognition of amounts payable and accrued liabilities

The Company recognizes gains on the derecognition of amounts payable and accrued liabilities for amounts that are significantly past due. The recognition of such gains requires judgment based on factors such as the age of such amounts, statutes of limitation for debt collection and the time elapsed since the most recent contact with creditors.

Taxation

Tax provisions are recognized to the extent that it is probable that there will be a future outflow of funds to a taxation authority. Such provisions often require judgment on the treatment of certain taxation matters that may not have been reported or assessed by the taxation authority at the date of these financial statements. Differences in judgment by the taxation authority could result in changes to actual taxes payable by the Company.

Deferred tax assets are recognized to the extent that it is probable that certain taxable losses or deferred expenditures will be utilized by the Company to reduce future taxes payable. The amount of deferred tax assets recognized, if any, is based on objective evidence that the Company will generate sufficient future taxable income to utilize these deferred assets, as well as the expected future tax rates that will apply to these assets. Changes to the Company's ability to generate sufficient taxable income or changes to enacted tax rates could result in the write-down of deferred tax assets, or the recognition of new deferred tax assets.

Risks and Uncertainties

As at the date of the MD&A, the Company has a significant working capital deficiency. The Company has reduced operating costs significantly in recent years and it has reduced a substantial portion of its accounts payable, but it requires additional financing to settle remaining liabilities, to maintain operations as a publicly traded entity and ultimately to enter into new commercial activities. The Company has been unsuccessful in raising sufficient levels of capital in recent years and there is significant doubt that the Company can raise funds in the future to continue as a going concern for the next 12 months.

In addition to the immediate challenges presented by the Company's financial position, substantial changes to the Company's business strategy and structure may be required should additional funds not be obtained.