

REX

Rex Opportunity Corp.

**MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED
DECEMBER 31, 2020**

REX OPPORTUNITY CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2020

The following management's discussion and analysis should be read in conjunction with the unaudited condensed interim consolidated financial statements and notes thereto as at and for the three and nine months ended December 31, 2020 ("Interim Financial Statements") and with the audited annual financial statements and notes thereto as at and for the year ended March 31, 2020 of Rex Opportunity Corp. (the "Company" or "Rex"). All figures are in Canadian dollars (\$) or CAD) unless otherwise stated. Additional information relating to the Company is available on SEDAR at www.sedar.com

DATE

This management's discussion and analysis ("MD&A") is dated February 12, 2021 and is in respect of the three and nine months ended December 31, 2020.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", used by any of the Company's management, are intended to identify forward-looking statements. Such statements reflect the Company's "forecast", "estimate", "expect" and similar expressions, as they relate to the Company's current views with respect to future events and are subject to certain risks, uncertainties, and assumptions. Many factors could cause the Company's actual results, performance, or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments.

OVERVIEW

Rex is a corporation continued into the Province of Ontario from the Yukon Territory on September 29, 2011. Rex is a reporting issuer in the Provinces of Manitoba, Ontario, and Quebec.

The Company's only assets consist of cash in the amount of \$15,482 (March 31, 2020 - \$8,428), amounts receivable in the amount of \$70,042 (March 31, 2020 - \$10,192) and restricted cash in the amount of \$100,000 (March 31, 2020 - \$Nil).

CORPORATE

On June 24, 2020, Messrs. Bruce Reid, Julio DiGirolamo and Enrico Moretti resigned as directors of the Company, with Messrs. Tom Kofman, Daniel Im, Dave Guebert and Naomi Lennon were appointed to replace them.

Management is planning, evaluating, developing, and implementing an internally generated business strategy intended to pivot the Company to investing in content creators and influencers. Rex proposes to identify and reach out to content creators and influencers who derive direct pay revenue from social platforms, such as Twitch for game streamers and YouTube for video, to invest in creator and influencer revenue and growth.

GOING CONCERN

As at December 31, 2020 the Company had working capital deficiency of \$744,160 (March 31, 2020 - \$24,561) and an accumulated deficit of \$2,230,167 (March 31, 2020 - accumulated deficit of \$94,362,241), which was primarily derived from the Company's previous directly or indirectly held mineral exploration and diamond trading businesses and investments, which were disposed of or written off. On October 16, 2020, the Company reduced the stated capital, thereby reducing the deficit by \$94,285,641 by way of a special resolution at the shareholder's meeting. The Company's ability to continue operations is dependent on

management's ability to secure additional financing, and while it has been successful in doing so in the past, there can be no assurances that it will be able to do so in the future.

The accompanying financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the realization of assets and discharge of liabilities in the normal course of business. Success in pivoting to the new business cannot be determined. Furthermore, the Company has limited working capital to pursue such opportunities.

The accompanying financial statements do not include any adjustments to the recoverability and classification of certain liabilities that might be necessary if the Company were unable to continue as a going concern. Such adjustments could be material.

SELECTED FINANCIAL INFORMATION (IN \$)

	Three Months Ended Dec. 31, 2020	Three Months Ended Dec. 31, 2019	Nine Months Ended Dec. 31, 2020	Nine Months Ended Dec. 31, 2019
Total Revenue	\$ ---	\$ ---	\$ ---	\$ ---
Net Loss	870,240	18,978	2,153,567	73,074
Basic and diluted loss per share	(0.02)	(0.00)	(0.04)	(0.00)

For the three and nine months ended December 31, 2020, the Company did not have any discontinued operations nor declared cash dividends.

QUARTERLY SELECTED FINANCIAL INFORMATION (IN \$)

	Q3 Dec. 31, 2020	Q2 Sept. 30, 2020	Q1 June 30, 2020	Q4 Mar. 31, 2020
Net loss	(870,240)	(990,097)	(293,230)	(49,599)
Basic and diluted loss per share	(0.02)	(0.02)	(0.01)	(0.00)

	Q3 Dec. 31, 2019	Q2 Sept. 30, 2019	Q1 June 30, 2019	Q4 Mar. 31, 2019
Net loss	(18,978)	(31,444)	(22,652)	(85,760)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

RESULTS OF OPERATIONS

During the three and nine months ended December 31, 2020, no revenue was earned as the Company was still planning, evaluating, developing, and implementing its business strategy.

Administration and other costs

General and administrative expenses were \$611,774 and \$1,492,374 during the three months and nine months ended December 31, 2020, respectively (\$18,978 and \$73,074 for the three and nine months ended December 31, 2019, respectively). The increase is primarily due to increased salaries and wages, consulting, management, and legal fees. Share-based payment expenses were \$258,466 and \$661,193 during the three months and nine months ended December 31, 2020 (2019 - \$Nil and \$Nil).

LIQUIDITY AND CAPITAL RESOURCES

The Company's working capital has been provided by non-brokered private placements.

Two tranches of the first non-brokered private placement financings closed on June 26, 2020 and August 31, 2020. This financing consisted of 2,075,000 units at \$0.20 per unit for gross proceeds of \$415,000. Each unit consists of one common share and one warrant, each warrant exercisable at \$0.35 for 2 years.

A non-brokered private placement financing closed on December 15, 2020. This financing consisted of 557,715 units at \$0.35 per unit for gross proceeds of \$195,200. Each unit consists of one common share and one-half of one warrant, each warrant exercisable at \$0.50 for 2 years.

In December 2020, the Company also received \$100,000 of proceeds which were placed in escrow for the issuance of units at \$0.25 per unit. Each unit will consist of one common share and one warrant, each warrant exercisable at \$0.35 for 2 years from the date REX's common shares are listed for trading on a recognized Canadian stock exchange. These proceeds were recorded as Restricted cash and Subscription receipts to be issued. Subsequent to the period ending December 31, 2020, in January 2021, Rex closed this non-brokered private placement financing of 1,480,000 units \$0.25 per unit for gross proceeds of \$370,000, inclusive of the \$100,000 placed in escrow in December 2020. Each unit consists of one common share and one warrant, each warrant exercisable at \$0.35 for 2 years from the date REX's common shares are listed for trading on a recognized Canadian stock exchange.

On February 8, 2021, the Company announced the amendment of its June 26, 2020, August 31, 2020 and December 15, 2020 private placements to reduce the offering prices by \$0.10 per unit and to extend the expiry date of warrants comprising part of the units to two years from the date of listing on a recognized Canadian stock exchange. REX will issue 2,298,085 shares, 2,075,000 warrants exercisable at \$0.35 per share and 111,543 warrants exercisable at \$0.50 per share. No additional proceeds will be received by REX.

The Company must obtain alternative sources of funding to finance its ongoing general and administrative expenses, comply with its continuous disclosure obligations, and to implement the new business strategy.

There is no assurance that funds can or will be obtained. Failure to obtain financing could result in the Company defaulting upon its corporate and continuous disclosure obligations.

Working capital

The change in working capital of the Company will depend on the amount of general and administrative expenses of the operations during the period.

The working capital deficiency increased to \$744,160 at December 31, 2020 from a deficiency of \$24,561 at March 31, 2020. The increase is primarily due to expenditures made during the nine months ended December 31, 2020 to implement the new business strategy partially offset by funds raised from the non-brokered private placement financings.

Financing

The Company has no off-balance sheet financing arrangements or significant capital or operating lease arrangements, purchase obligations or other contractual commitments that could materially reduce its level of liquidity.

RELATED PARTY TRANSACTIONS

For the three and nine months ended December 31, 2020, the Company incurred legal fees of \$38,592 and \$114,744 included in general and administrative expenses (the three and nine months ended December 31, 2019 - \$3,502) payable to a law firm who is one of the major shareholders with 39.9% holdings, of which a director and former director of the Company are partners. Included in amounts payable and other liabilities as at December 31, 2020 is \$49,390 (March 31, 2020 - \$8,645) owing to this law firm. These amounts were unsecured, non-interest bearing and due on demand.

For the three and nine months ended December 31, 2020, the Company incurred management service fees of \$Nil included in general and administrative expenses (three and nine months ended December 31, 2019 - \$15,000 and \$45,000, respectively) payable to a former director of the Company. Included in amounts payable and other liabilities as at December 31, 2020 is \$Nil (March 31, 2020 - \$Nil) owing to this former director.

Rex entered into an outsourcing agreement with a company controlled by a director effective from March 1, 2020. As per the terms of the contract, the related company will provide:

- Office facilities, staff and business supplies and services to Rex Opportunities Corp.
- Rex shall pay the company for provision of office facilities, personnel, staff and business supplies and services at market rates on cost recovery plus 15% overhead fee basis.

An expense of \$143,610 and \$296,790 which includes management fees, salaries (paid on behalf of Rex), consulting fees, office and other expenses was recorded during the three and nine months ended December 31, 2020, respectively (2019 - \$Nil and \$Nil), with respect to this outsourcing agreement. At the end of December 30, 2020, the amounts payable outstanding with respect to this outsourcing agreement was \$42,851 (March 31, 2020 - \$Nil).

For the nine months ended December 31, 2020, the Chief Executive Officer ("CEO") earned a fee of \$50,000 (2019 - \$Nil) per month. Payment of this fee is deferred until Rex is listed. Upon listing, the deferred amount will be payable. An expense of \$150,000 and \$450,000 has been recorded for the three and nine months ended December 31, 2020, respectively (2019 - \$Nil and \$Nil). During the nine months ended December 31, 2020, \$86,250 of this liability was assigned to the law firm who is one of the major shareholders, which was then extinguished by increasing the consideration paid for the 8,625,028 shares this law firm received in February 2020 from \$0.01 to \$0.02. A remaining liability of \$363,750 as at December 31, 2020 (2019 - \$Nil) has been recorded for the CEO's deferred compensation.

For the nine months ended December 31, 2020, the Chief Operating Officer ("COO") earned a fee of \$12,000 (2019 - \$Nil) per month. Payment of this fee is 75% deferred until Rex is listed. The COO resigned on December 4, 2020 and the Company has redistributed his duties and responsibilities such that no replacement is required. An expense of \$26,000 and \$98,000 has been recorded for the three and nine months ended December 31, 2020, respectively (2019 - \$Nil and \$Nil). A liability of \$72,000 as at December 31, 2020 (March 31, 2020 - \$Nil) has been recorded.

For the three and nine months ended December 31, 2020, the Chief Investment Officer ("CIO") earned a fee of \$12,000 (2019 - \$Nil) per month. Payment of this fee is 75% deferred until Rex is listed. Upon listing, the deferred amount will be paid and the base fee will increase to \$14,585 per month. An expense of \$36,000 and \$72,000 has been recorded for the three and nine months ended December 31, 2020, respectively (2019 - \$Nil and \$Nil). A liability of \$54,000 (March 31, 2020 - \$Nil) has been recorded as at December 31, 2020.

For the three and nine months ended December 31, 2020, the Chief Financial Officer ("CFO") earned a fee of \$14,585 (2019 - \$Nil) per month commencing August 4, 2020. An expense of \$43,755 and \$69,279 has been recorded for the three and nine months ended December 31, 2020, respectively (2019 - \$Nil and \$Nil).

In addition, the CEO, CFO, and CIO are entitled to a bonus upon the sale or merger of the Company equal to an aggregate of 7% of the aggregate consideration paid to Rex or Rex's shareholders.

As at December 31, 2020, the directors, a former director, and officers of the Company collectively controlled 35,698,659 common shares or approximately 64.1% (March 31, 2020 - 40,073,659 common shares or approximately 75.5%) of the total common shares outstanding. To the knowledge of directors and officers of the Company, the remainder of the Company's outstanding common shares are widely held. These holdings can change at any time at the discretion of the owner.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The following table sets forth the material components of the Company's general and administrative costs for the three and nine months ended December 30, 2020 and 2019.

	Three Months Ended Dec. 31, 2020	Three Months Ended Dec. 31, 2019	Nine Months Ended Dec. 31, 2020	Nine Months Ended Dec. 31, 2019
Salaries and wages	\$ 306,791	\$ -	\$ 742,878	\$ -
Consulting fees	90,922	-	319,850	-
Management fees	19,708	15,000	37,451	45,000
Legal, audit and accounting fees	62,991	3,948	181,349	18,767
Information technology costs	68,559	-	90,049	-
Share-based payments	258,466	-	661,193	-
Director fees	37,500	-	68,750	-
Other	25,304	30	52,046	9,307
Total	\$ 870,240	\$ 18,978	\$ 2,153,567	\$ 73,074

SUBSEQUENT EVENTS

On January 29, 2021, the Company closed a non-brokered private placement of 1,480,000 Units at a price of \$0.25 per Unit for aggregate gross proceeds of \$370,000. Each Unit consists of one common share of REX and one common share purchase warrant with each whole warrant exercisable to purchase one common share of REX at an exercise price of \$0.35 for a period of two years from the date REX's common shares are listed for trading on a recognized Canadian stock exchange.

On February 8, 2021, the Company announced the amendment of its June 26, 2020, August 31, 2020 and December 15, 2020 private placements to reduce the offering prices by \$0.10 per unit and to extend the expiry date of warrants comprising part of the units to two years from the date of listing on a recognized Canadian stock exchange. No additional proceeds will be received by REX. See also Liquidity and Capital Resources section above.

DISCLOSURE OF OUTSTANDING SHARE DATA

As at the date of this MD&A, the following is a description of the outstanding equity securities and convertible securities previously issued by the Company:

	Authorized	Outstanding February 12, 2020	Outstanding December 31, 2020
Voting or equity securities issued and outstanding	Unlimited Common Shares	59,483,004 Common Shares	55,704,918 Common Shares

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Financial Statements in accordance with IFRS requires the Company to make judgments in applying its accounting policies, estimates and assumptions about the future. These judgments, estimates and assumptions affect the reported amounts of assets, liabilities, revenues and other items in net operating earnings or loss and the related disclosure of contingent assets and liabilities included in the Financial Statements. The Company evaluates its estimates on an ongoing basis. The estimates are based on historical experience and on various other assumptions that the Company believes are reasonable under the circumstances. These estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amounts of revenues and other items. Actual results may differ from these estimates under different assumptions or conditions. A summary of the more significant judgments and estimates made by management in the preparation of its financial information is provided in Note 3 of the annual financial statements for the fiscal year ended March 31, 2020. Additional updates on certain estimates and judgments, as relevant to the three and nine months ended December 31, 2020, are provided in Note 3 of the Interim Financial Statements.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies in Note 3 of the annual financial statements for the fiscal year ended March 31, 2020, have been applied consistently to all periods presented in these interim condensed financial statements for the three and nine month period ended December 31, 2020.

FINANCIAL INSTRUMENTS

IFRS requires that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying values of the Company's short-term financial instruments, comprising cash, amounts receivable, amounts payable and other liabilities, and advances from related parties approximate their fair values.

Cash and amounts receivable are measured at amortized cost. Amounts payable and accrued liabilities and advances from related parties are measured at amortized cost.

The Company estimates that the fair values of its financial instruments approximate their carrying values at December 31, 2020 because of the limited term of these instruments.

RISK AND UNCERTAINTIES

Foreign exchange risk

The Company currently operates in Canadian dollars, and as such, may be negatively impacted by fluctuations in foreign exchange rates. The Company manages this risk by minimizing the number of transactions that result in the settlement currency differing from the currency of the initial transaction. At December 31, 2020, the Company held US\$25,250 (March 31, 2020 - US\$9,000) in amounts payable and other liabilities denominated in US dollars. A 1% change in foreign exchange rates would not have a significant impact on the Company's net loss.

Credit Risk

The Company has no significant concentration of credit risk arising from operations.

Interest rate risk

The Company currently has no outstanding variable interest-bearing loans and, therefore the Company is not exposed to interest rate risk through fluctuations in the prime interest rate.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company has been funded during the last few years by officers and directors providing loans and accruing fees for services and resources and most recently with a non-brokered private placement financing. There is no assurance the Company will be able to obtain further or continuing financing.

Business Pivot Risk

The Company is a long-time inactive issuer with limited resources pivoting to an internally generating business strategy. The outcome of the new business strategy is uncertain and subject to, among other things, the adequacy of proceeds of any financing, the ability of the Company to obtain financing, the regulatory environment, the economy and capital markets generally and in particular, present and future business strategies, the ability of management to develop and implement a business strategy, the importance of key directors, employees, advisors and consultants, and potential for competition.

Novel Coronavirus ("COVID 19") risk

The Company's operations and its new business strategy could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management has established processes to provide it with sufficient knowledge to support representations that it has exercised reasonable diligence to ensure that (i) the financial statements do not contain any untrue statement of 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, as of the date of and for the periods presented by the financial statements, and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and

procedures (“DC&P”) and internal control over financial reporting (“ICFR”), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP (IFRS).

The issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on the SEDAR website at www.sedar.com.