

FORM 51-102F1

Management's Discussion and Analysis

The following discussion and analysis as of January 27, 2017 should be read in conjunction with the Company's consolidated financial statements for the year ended September 30, 2016 and accompanying notes thereto. All dollar amounts are expressed in Canadian funds unless otherwise stated.

The company was incorporated under the Alberta Business Corporations Act on October 12, 1999 and is in the business of commercial and residential construction and millwork.

International Financial Reporting Standards ("IFRS")

The Company's external auditors, Collins Barrow Edmonton LLP, have performed an audit of the consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS").

Except as otherwise noted, the annual and quarterly financial information contained in this MD&A and in the financial statements have been prepared in accordance with IFRS.

Overall Performance

The company was incorporated under the Alberta Business Corporations Act on October 12, 1999 and is in the business of commercial and residential construction and millwork. The Company continues to generate income in the commercial and residential construction business. The Company is still actively seeking more opportunity to provide construction services in greater Vancouver area as well as business across Canada.

Selected Annual Information (in accordance with IFRS)

	2016	2015	2014
Revenue	\$4,064,724	\$4,679,144	\$2,470,326
Expenses	4,240,915	4,693,464	2,767,244
Other Income (Loss)	(6,377)	(9,184)	-
Net Income (Loss)	(182,568)	(23,504)	(296,918)
Income (Loss) per Share	0.01	0.00	(0.01)
Fully Diluted Income (Loss) per Share	0.01	0.00	(0.01)
Total Assets	1,132,322	1,295,864	693,039
Total Long-term Liabilities	18,639	25,074	-

Revenues

Revenues can be broken down by commercial construction and millwork revenue.

	September 30, 2016	September 30, 2015	Increase (Decrease)
Commercial construction	\$3,971,762	\$4,646,912	\$(675,150)
Millwork	\$92,962	\$32,232	\$60,730
Total	\$4,064,724	\$4,679,144	\$(614,420)

Revenue from commercial construction has decreased by \$675,150 in the current year because of a decrease in contracts in terms of number and value secured in the current year due to the slow down of economy in the greater Vancouver area.

Revenue from millwork has increased by \$60,730 in the current year because of the increase in customer demand.

Subcontract and Material Costs

The subcontract and material costs equal to 60% of gross revenue, which has decreased from 63% in the previous year. The cost of the subcontracts have stabilized in the current year as the Company is able to secure contractors at a more reasonable rate.

Expenses

General and administrative expenses have decreased by \$35K from the prior year mainly as a result of a decrease in professional fees of \$79K, an increase in travelling expense of \$6K, a decrease in listing fees of \$10K, an increase of rental expenses of \$24K, and an increase in all other general and administrative expenses of \$24K. Overall the general and administrative expense is consistent with the prior year as the expenses are fixed and do not fluctuate much from year to year.

Salaries and benefits increased by \$95K during the year due to additional staff hired during the year.

The depreciation expense was similar compared to the prior year. There were equipment purchased of \$10K during the year and the depreciation expenses increased from \$38K in the prior year to \$47K in the current year.

Summary of Quarterly Results (in accordance with IFRS)

	Sep 30, 2016	Jun. 30, 2016	Mar. 31, 2016	Dec. 31, 2015	Sep 30, 2015	Jun. 30, 2015	Mar. 31, 2015	Dec. 31, 2014
Revenues	\$ 965,295	\$1,096,523	\$961,511	\$ 1,041,395	\$ 1,370,685	\$1,502,954	\$993,496	\$ 812,009
Expenses	\$ 958,996	\$1,105,168	\$991,810	\$ 1,191,318	\$ 1,295,556	\$ 1,553,941	\$ 1,023,343	\$ 821,464
Gain (loss) on distribution to owners	\$-	\$-	\$-	\$-	\$ (8,344)	\$-	\$-	\$-
Net Income (Loss)	\$6,299	\$ (8,645)	\$ (30,299)	\$ (149,923)	\$66,785	\$ (50,987)	\$ (29,847)	\$ (9,455)
Basic and diluted EPS	\$0.00	\$0.00	\$0.00	\$(0.01)	\$0.00	\$(0.00)	\$(0.00)	\$(0.00)

Quarterly Results (Comparison of Fourth Quarter of 2016 with Fourth Quarter of 2015)

Revenues

Revenues can be broken down by commercial construction and millwork revenue.

	September 30, 2016	September 30, 2015	Increase (decrease)
Commercial construction	\$965,295	\$1,357,578	\$(392,283)
Millwork	\$-	\$13,107	\$(13,107)
Total	\$965,295	\$1,370,685	\$(405,390)

Revenue from commercial construction has decreased by \$392,283 in the current quarter compared to last year as a result of the slowdown of economy in the greater Vancouver area.

Revenue from millwork has decreased by \$13,107 in the current quarter as a result of the slowdown of economy in the greater Vancouver area.

Subcontract and Material Costs

The subcontract and material costs equal to 52% of gross revenue, which has decreased compared to the previous year of 61%. This is due to decreased costs of materials, supplies and subcontractors compared to the prior year as the prices have stabilized.

Expenses

General and administrative expenses have decreased from the prior year as a result of less expenses in professional fees and listing fees being recorded in the current period.

The amortization expense has increased as a result of equipment purchased during the period.

Liquidity and Solvency

The company has a cash balance of \$173,930 and a working capital deficiency of \$362,300 as at September 30, 2016. Cash used in operating activities during the year ended September 30, 2016 was \$125,983 compared with the cash generated in the amount of \$168,487 in 2015. Cash used in investing activities during the year ended September 30, 2016 was \$56,339 while cash used in investing activities was \$88,818 in 2015. Cash generated from financing activities was \$162,679 as at September 30, 2016 compared to cash generated in the amount of \$73,883 in 2015.

The Company has sufficient financial resources to continue operation and is expecting increased income to be generated from operations and even better liquidity in the future.

Capital Resources

The Company has commitments of \$69,037 due to the lease agreement for its present location, which expires May 31, 2017.

The Company has available a line of credit of \$35,000 bearing interest at prime plus 3.5%, secured by a general security agreement and is due on demand. No amount has been drawn on the line of credit as at September 30, 2016.

Transactions with Related Parties

Amounts receivable from related parties are non-interest bearing, unsecured and have no fixed terms of repayment. The related parties are related to the Company by reason of being under common control. Amounts payable to related parties consist of advances from directors and companies controlled by directors of the Company. Amounts are unsecured, bear no interest and have no specific terms of repayment.

All related party transactions were in the normal course of operations and recorded at the exchange amount which was the amount of consideration established and agreed to between the related parties.

Key management includes senior executives of the Company. The compensation expense paid during the year ended September 30, 2016 to key management for employee, consulting and management services are as follows:

Chief Executive Officer: \$ 199,954

Chief Financial Officer: \$ 152,984

Risk Factors

The corporation is exposed to a variety of business and other risks and uncertainties including the following:

- Volatility in the market price of our common shares.
- Our ability to raise sufficient funds to carry on our operations.
- The demand for our services.
- Our ability to achieve profitable operations.

Financial Instruments and Other Instruments

Financial instruments of the company consist of cash, accounts receivable, amounts receivable from related parties, accounts payable and accrued liabilities, long-term debt, and amounts payable to related parties. Cash is classified as a financial asset held for trading and is measured at fair value. Gains and losses related to periodical revaluation are recorded in net income. Accounts receivable and amounts receivable from related parties are classified as loans and receivable. Accounts payable and accrued liabilities, long-term debt and amounts payable to related parties are classified as financial liabilities measured at amortized cost. Financial instruments classified as loans and receivable and financial liabilities measured at amortized cost are initially measured at fair value with subsequent periodical revaluations recorded at amortized costs using the effective interest rate method.

Off – Balance Sheet Arrangements

As at September 30, 2016, we have not entered into any off-balance sheet arrangements.

Share Structure

The Company has 25,635,635 common shares outstanding at January 27, 2017.

Future Accounting Pronouncements

Effective October 1, 2018, the Company will be required to adopt IFRS 9 - Financial Instruments, as the first phase of the IASB's project to replace IAS 39 - Financial Instruments: Recognition and Measurement. The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification

categories: amortized cost and fair value. A detailed review will be completed in the future in order to determine if this standard will have significant impacts.

Effective October 1, 2018, the Company will be required to adopt IFRS 15 Revenue from Contracts with Customers. The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. Earlier application is permitted. IFRS 15 supersedes the following standards: IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers, and SIC-31 Revenue—Barter Transactions Involving Advertising Services.

Effective October 1, 2019, the Company will be required to adopt IFRS 16 Leases which was issued by the IASB in January 2016. The new standard replaces IAS 17 Leases and requires lessees to recognize all leases on the balance sheet. IFRS 16 removes the classification of leases as either operating leases or finance leases (for the lessee—the lease customer), treating all leases as finance leases. Short-term leases (less than 12 months) and leases of low-value assets (such as personal computers) are exempt from the requirements. Earlier application is permitted for companies that also apply IFRS 15 Revenue from Contracts with Customers.

Critical Accounting Policies and Estimates

The preparation of the Company's consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect amounts reported in the consolidated financial statements and accompanying notes.

The consolidated financial statements for the year ended September 30, 2016 include a full discussion and description of the Company's critical accounting policies and estimates/judgments used in preparing the financial statements.

Forward Looking Information

This management discussion and analysis may contain forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements. These statements are not historical acts and are subject to risks and uncertainties which could cause actual results and the timing of certain events to differ materially from those set forth in or implied herein including, without limitation, risks associated with the company's proposed activities.