

FORM 51-102F1

Management's Discussion and Analysis

The following discussion and analysis as of January 29, 2018 should be read in conjunction with the Company's consolidated financial statements for the year ended September 30, 2017 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)

	2017	2016	2015
Revenue	\$5,103,132	\$4,064,724	\$4,679,144
Expenses	4,900,860	4,240,915	4,693,464
Other Income (Loss)	---	(6,377)	(9,184)
Net Income (Loss)	202,272	(182,568)	(23,504)
Income (Loss) per Share	0.01	(0.01)	0.00
Fully Diluted Income (Loss) per Share	0.01	(0.01)	0.00
Total Assets	1,668,645	1,132,322	1,295,864
Total Long-term Liabilities	11,909	18,639	25,074

Revenues

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

	September 30, 2017	September 30, 2016	Increase (Decrease)
Commercial construction	\$5,063,784	\$3,971,762	\$1,092,022
Millwork	\$39,348	\$92,962	\$(53,614)
Total	\$5,103,132	\$4,064,724	\$1,038,408

Revenue from commercial construction has increased by \$1,092,022 in the current year because of an increase in contracts in terms of number and value secured in the current year due to the strong economy in the greater Vancouver area.

Revenue from millwork has decreased by \$53,614 in the current year because of the decrease in customer demand.

Subcontract and Material Costs

The subcontract and material costs equal to 54% of gross revenue, which has decreased from 60% 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 increased by \$162K from the prior year mainly as a result of an increase in travelling expense of \$11K, a decrease of \$6K in meals and entertainment, an increase of rental expenses of \$5K, an increase of utilities of \$5K, an increase of management fees of \$47k, an increase in all other general and administrative expenses of \$28K, and bad debt expense of \$72K. 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 \$140K during the year due to a bonuses paid to employees of the company to reward them for the performance of the Company for the year.

The depreciation expense was consistent with the prior year. There were equipment purchased of \$164K during the year and the depreciation expenses increased from \$47K in the prior year to \$57K in the current year.

Summary of Quarterly Results (in accordance with IFRS)

	Sep 30, 2017	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Sep 30, 2016	Jun. 30, 2016	Mar. 31, 2016	Dec. 31, 2015
Revenues	\$ 1,333,402	\$1,140,050	\$1,358,798	\$ 1,270,882	\$ 965,295	\$1,096,523	\$961,511	\$ 1,041,395
Expenses	\$ 1,328,339	\$979,904	\$1,346,621	\$ 1,245,996	\$ 958,996	\$1,105,168	\$991,810	\$ 1,191,318
Gain (loss) on distribution to owners	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Net Income (Loss)	\$5,063	\$ 160,146	\$ 12,177	\$ 24,886	\$6,299	\$ (8,645)	\$ (30,299)	\$ (149,923)
Basic and diluted EPS	\$0.00	\$0.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$(0.01)

Quarterly Results (Comparison of Fourth Quarter of 2017 with Fourth Quarter of 2016)

Revenues

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

	September 30, 2017	September 30, 2016	Increase (decrease)
Commercial construction	\$1,331,231	\$965,295	\$365,936
Millwork	\$2,171	\$-	\$2,171
Total	\$1,333,402	\$965,295	\$368,107

Revenue from commercial construction has increased by \$365,936 in the current quarter compared to last year as a result of the strong economy in the greater Vancouver area continuing into the current year.

Revenue from millwork has increased by \$2,171 in the current quarter as a result of the timing of the millwork contracts.

Subcontract and Material Costs

The subcontract and material costs equal to 44% of gross revenue, which has decreased compared to the previous year of 52%. 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 increased from the prior year as a result of more expenses in travelling expenses and management 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 \$491,263 and a working capital deficiency of \$298,444 as at September 30, 2017. Cash generated from operating activities during the year ended September 30, 2017 was \$530,901 compared with the cash used in the amount of \$125,983 in 2016. Cash used in investing activities during the year ended September 30, 2017 was \$189,072 while cash used in investing activities was \$56,339 in 2016. Cash used in financing activities was \$24,496 during the year ended September 30, 2017 compared to cash generated from financing activities of \$162,679 in 2016.

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 \$511,567 due to the lease agreement for its present location, which expires May 31, 2022.

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, 2017.

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, 2017 to key management for employee, consulting and management services are as follows:

Chief Executive Officer: \$ 236,190

Chief Financial Officer: \$ 179,640

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, 2017, we have not entered into any off-balance sheet arrangements.

Share Structure

The Company has 25,635,635 common shares outstanding at January 29, 2018.

Future Accounting Pronouncements

IFRS 9 “Financial Instruments” (“IFRS 9”) was issued by the IASB in October 2010 and will replace IAS 39 “Financial Instruments: Recognition and Measurement” (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow

characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for the Company's fiscal year beginning October 1, 2018. The Company is currently assessing the impact of this standard on its consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers was issued by the IASB in May 2014. 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. IFRS 15 is effective for the Company's fiscal year beginning October 1, 2018. The Company is currently assessing the impact of this standard on its consolidated financial statements.

IFRS 16 Leases 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 are exempt from the requirements. Earlier application is permitted for companies that also apply IFRS 15 Revenue from Contracts with Customers. IFRS 16 is effective for the Company's fiscal year beginning October 1, 2019. The Company is currently assessing the impact of this standard on its consolidated financial statements.

IAS 7 Statement of Cash Flows was amended by the IASB in January 2016. Amendments will require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Amendments are effective for the Company's fiscal year beginning October 1, 2017. The Company is currently assessing the impact of this standard on its consolidated financial statements.

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, 2017 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.