

## **CREDENT CAPITAL CORP.**

### **Management Discussion and Analysis For the Quarter Ended October 31, 2018 (Expressed in Canadian Dollars)**

This management discussion and analysis of financial position and results of operations (“MD&A”) is prepared as at December 31, 2018 and should be read in conjunction with the interim condensed financial statements for the quarter ended October 31, 2018 of Credent Capital Corp. (“Credent” or the “Company”) with the related notes thereto. Those unaudited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company’s management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Corporation is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Description of Business**

The Company was incorporated under the Business Corporations Act (British Columbia) on March 25, 2011. On, June 28, 2011, the Company completed an Initial Public Offering (“IPO”) to be classified as a Capital Pool Company as defined in the TSX Venture Exchange (“TSX-V”) Policy 2.4. The principal business of the Company is the identification and evaluation of assets or a business and, once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities of its qualifying transaction (“QT”).

On July 5, 2011, the Company’s shares began trading on the TSX-V under the symbol “CCT.P”.

October 7, 2013, the Company announced the transfer of its listing to the NEX Board of the Exchange (“NEX”) effective October 8, 2013. In connection with the transfer to NEX, a total of 1,100,000 “seed shares” of Credent have been cancelled pursuant to the Exchange policies so that the average cost of the remaining 1,100,000 seed shares is equal to Credent’s initial public offering price of \$0.10 per share.

Until the completion of a QT, the Company will not carry on any business other than the identification and evaluation of assets or businesses in connection with a potential QT.

There is no assurance that the Company will complete a transaction within twenty-four months from the date the Company’s shares were listed on the TSX-V, at which time the TSX-V may suspend or de-list the Company’s shares from trading.

On December 30, 2013, the Company signed a non-binding letter of intent (the “Hydro LOI”) with Hydro Power Technologies Inc. (“Hydro Power” or “HPT”), a corporation existing under the laws of Ontario, Canada, which outlines the general terms and conditions pursuant to which the Company and Hydro Power will be willing to complete a transaction that will result in a reverse take-over of the Company by the shareholders of Hydro Power. The Hydro LOI was negotiated at arm’s length and is effective as of December 30, 2013 (the “Transaction”).

As part of the qualifying transaction process, the Company entered into a sponsorship agreement with a qualified sponsor. Per this agreement, the Company is required to pay \$25,000 in sponsorship fees, pay additional related legal fees and issue 50,000 shares of the resulting issuer. During the fiscal 2014, \$22,500 was paid as financing and legal fees. The balance of the sponsorship fees of \$12,500 and the issuance of the common shares are payable upon submission of the final sponsor report.

In January 2018 the Company submitted a draft filing statement (the “Filing Statement”) to the TSX-V in connection with the Transaction with Hydro Power. Subject to the approval of the TSX-V, the acquisition of HPT is intended to serve as Credent’s qualifying transaction.

### **Initial Public Offering**

On June 28, 2011, the Company completed its IPO of 3,000,000 common shares at \$0.10 per share for gross proceeds of \$300,000 pursuant to Policy 2.4 “Capital Pool Companies” of the TSX-V. A cash commission of 10% of the gross proceeds of the IPO was paid to the Agent. The Agent was also paid a corporate finance fee of \$10,000 and will be reimbursed by the Company for its expenses and legal fees plus disbursements. The Agent was also granted agent’s warrants to purchase 300,000 common shares at a price of \$0.10 per common share, exercisable for a period of 24 months from the date of listing of the common shares on the TSX-V, being July 5, 2011.

### **Results of Operations**

During the quarter ended October 31, 2018, the Company recorded a loss of \$12,015 as compared to a loss of \$27,520 in the quarter ending October 31, 2017 and a loss of \$7,632 in the first quarter of fiscal 2018. The material differences during the first six months of fiscal 2019 were a decrease in professional fees of \$17,781 from \$27,185 for the six months ended Oct 31, 2017 as compared to \$9,404 in the six months end October 31, 2018. Transfer agent and filing fees decreased to \$4,467 in fiscal 2019 as compared to \$10,914 in the comparable period in fiscal 2018.

## Quarterly Information

The following table sets forth selected unaudited financial information prepared by management of the Company:

	Q2-2019	Q1-2019	Q4-2018	Q3-2018	Q2-2018	Q1-2018	Q4-2017	Q3-2017
Revenue	-	-	-	-	-	-	-	-
General and administration	\$12,015	\$7,632	\$13,977	\$21,247	\$27,520	\$5,557	\$8,091	\$3,696
Stock based compensation	-	-	-	-	-	-	-	-
(Loss) gain for the period	(12,015)	(7,632)	(13,977)	(21,247)	(27,520)	(5,557)	(8,091)	(3,696)
Net loss per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash and cash equivalents	159,184	160,430	167,642	174,986	195,418	84,972	90,529	230,954
Current assets	166,550	167,796	177,008	185,466	204,618	121,845	127,402	142,059
Working capital	14,824	26,839	34,471	48,448	69,695	97,215	102,772	114,559

## Liquidity and Capital Resources

As at October 31, 2018, the Company had a working capital position of approximately \$14,824 and cash of \$159,184 as compared to a working capital position of \$34,471 and cash of \$167,642 at April 30, 2018.

During the year ended April 30, 2018 the Company received \$113,239 in advances from a non-related party. The advances are unsecured, non-interest bearing, and have no repayment terms. The balance due at October 31, 2018 is \$131,739.

## Related Party Transactions

The Company leases office space from a company with a common director. During the quarter ended October 31, 2018, the Company paid office rent of \$1,260 (2017 \$1,260) to this company. At October 31, 2018, the balance owing is \$1,680.

## **Forward-Looking Statements**

This MD&A contains certain forward-looking statements relating, but not limited to, the Company's operations, anticipated financial performance, business prospects and strategies. Forward-looking information typically contains statements with words such as "may", "will", "should", "expects", "projects", "plans", "anticipates" or similar expressions suggesting future outcomes.

The Company does not have a history of earnings. These statements represent management's expectations or beliefs concerning, among other things, future performance and financial results and various components thereof. Readers are cautioned not to place undue reliance on forward-looking information because it is possible that predictions, forecasts, projections and other forms of forward-looking assumptions will not be achieved by the Company. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, including but not limited to: changes in business strategies; general economic and business conditions; the effects of competition; changes in laws and regulations, including environmental and regulatory laws; and various events that could disrupt operations. Actual performance and financial results in future periods may differ materially from any projections of future performance or results expressed or implied by forward-looking statements.

The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information, whether as a result of new information, future events or otherwise, or the foregoing list of factors affecting such information.

## **Outstanding Share Data**

As at December 31, 2018, the Company has 4,250,000 common shares outstanding of which 1,100,000 common shares are subject to escrow provisions.