

## **CREDENT CAPITAL CORP.**

### **Management Discussion and Analysis For the Year Ended April 30, 2020 (Expressed in Canadian Dollars)**

This management discussion and analysis of financial position and results of operations (“MD&A”) is prepared as at July 22, 2020 and should be read in conjunction with the audited financial statements for the year ended April 30, 2020 of Credent Capital Corp. (“Credent” or the “Company”) with the related notes thereto. Those audited 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.

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 was announced by the Company by news release dated January 21, 2014, and 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. As at April 30, 2020, the Company had paid \$26,685 in related fees and had prepaid additional sponsorship and legal fees of \$20,425. The balance of the fees and the issuance of the common shares were payable upon submission of the final sponsor report. Subsequent to year end, this agreement was terminated by both parties. The prepaid fees will be held by the qualified sponsor and applied against a new qualifying transaction.

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.

At August 21, 2019, the Company received a notice from the TSX-V that the Company’s file in connection with the proposed QT has been closed. The Company must provide a new complete initial submission in order to reactivate a QT submission.

### 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.

### Summary for the Years ended

As at	April 30, 2020	April 30, 2019	April 30, 2018
Cash	\$ 158,629	\$ 143,282	\$ 167,642
Total Assets	\$ 179,854	\$ 163,948	\$ 175,808
Total Liabilities	\$ 142,781	\$ 143,838	\$ 141,337
Share Capital	\$ 366,550	\$ 366,550	\$ 366,550
Common Shares Outstanding	4,250,000	4,250,000	4,250,000
Fully Diluted Shares Outstanding	4,250,000	4,250,000	4,250,000

For the Fiscal Year Ending	April 30, 2020	April 30, 2019	April 30, 2018
General administration	\$ 32,792	\$ 26,861	\$ 68,301
Share based payments	\$ -	\$ -	\$ -
Net Income/(Loss)	\$ 16,963	\$ (26,861)	\$ (68,301)
Loss per share	(0.00)	(0.01)	(0.01)

## Results of Operations

During the year ended April 30, 2020, the Company recorded an income of \$16,963 as compared to a loss of \$26,861 in the year ending April 30, 2019. During fiscal 2020, the Company recorded \$14,670 in professional fees, an increase of \$6,316 from \$8,354 in fiscal 2019. Filing fees during fiscal 2020 was \$10,007 as compared to \$9,516 in fiscal 2019. Consulting fees amounted to \$2,538 during the year as compared with an expense of \$392 last year. There was also a gain on termination of the qualifying transaction of \$49,755 during the year. There were no other significant variances in expenses during the year.

## Quarterly Information

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

	Q4-2020	Q3-2020	Q2-2020	Q1-2020	Q4-2019	Q3-2019	Q2-2019	Q1-2019
Revenue	-	-	-	-	-	-	-	-
General and administration	\$7,639	\$5,679	\$15,906	\$3,568	\$879	\$7,335	\$12,015	\$6,632
Stock based compensation	-	-	-	-	-	-	-	-
(Loss)/gain for the period	42,116	(5,679)	(15,906)	(3,568)	(879)	(7,335)	(12,015)	(6,632)
Net loss/(income) per share	(0.01)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash and cash equivalents	158,629	170,130	125,453	139,974	143,282	153,363	159,184	160,430
Current assets	179,854	179,103	133,619	148,141	163,948	160,729	166,550	167,796
Working capital	37,073	32,211	(11,864)	4,043	20,110	7,489	14,824	26,839

## Liquidity and Capital Resources

As at April 30, 2020, the Company had a working capital position of approximately \$37,073 and cash of \$158,629 as compared to a working capital position of \$20,110 and cash of \$143,282 at April 30, 2019.

During the year ended April 30, 2019 the Company received \$113,239 in advances from a related party. The advances are unsecured, non-interest bearing, and have no repayment terms. The balance due at April 30, 2020 is \$131,739.

## Related Party Transactions

The Company oversees the financing of the operations and product development of a related company through common directors. In the year ended April 30, 2017, a director of this company advanced \$268,500 to Credent. The Company made payments on behalf of the related party of \$284,292 in fiscal 2017. In 2018, the same director advanced an additional \$135,000 and the related party incurred a further \$12,531 on behalf of Credent.

	YEARS ENDED APRIL 30	
	2020	2019
Balance payable, end of year	\$ (131,739)	\$ (131,739)

As at April 30, 2020, the Company was owed \$800 (2019 - \$800) from another company related through common directors.

All amounts due to and due from related parties are unsecured, non-interest bearing, and have no fixed terms of repayment.

The Company leases office space from a company with a common director. During the year ended April 30, 2020, the Company paid office rent of \$5,040 (2019 \$5,040) to this company. At April 30, 2020, the balance owing is \$Nil.

	2020	2019
Key Management Compensation		
Short-term employee benefits	\$ -	\$ -

## 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.

### **Gain On Termination**

Pursuant to the original Hydro LOI, HPT placed \$70,000 with the Company's legal counsel in trust to cover legal expenses in connection with the qualifying transaction. During the year and in advance of the formal termination agreement, the remaining balance in the trust account in the amount of \$49,755 was transferred to the Company and has been recognized as a gain on termination of qualifying transaction.

### **Outstanding Share Data**

As at April 30, 2020, the Company has 4,250,000 common shares outstanding of which 1,100,000 common shares are subject to escrow provisions.

### **Subsequent Events**

On May 21, 2020, the Company and HPT announced that they had agreed to terminate their business combination agreement. The Transaction was originally announced by the Company in its news release dated January 21, 2014.

In connection with the termination agreement, the amount due to related parties in the amount of \$131,739 will be transferred to a director of the Company. It will be settled through the issuance of common shares in the Company at \$0.07 per share.

The Transaction contemplated under the business combination agreement with HPT was intended to be the Company's Qualifying Transaction. The Company will now be actively exploring other Qualifying Transaction opportunities. The Company will also be applying to the regulators to lift the trading halt currently in place on its common shares.