



**MANAGEMENT DISCUSSION AND ANALYSIS  
FORM 51-102F1**

**FOR THE YEAR ENDED NOVEMBER 30, 2016**

## **INTRODUCTION**

This is Management’s Discussion and Analysis (“MD&A”) for Inform Resources Corp. (“Inform” or the “Company”) and has been prepared based on information known to management as of March 14, 2017.

The MD&A is intended to complement and supplement the Company’s financial statements, but it does not form part of those financial statements. To better understand this MD&A, it should be read in conjunction with the audited financial statements for the years ended November 30, 2016 and 2015 including the related notes. All financial information in this document is prepared in accordance with International Financial Reporting Standards (“IFRS”) unless otherwise indicated. All dollar figures included in the following Management Discussion and Analysis (“MD&A”) are quoted in Canadian dollars unless otherwise indicated.

## **FORWARD LOOKING STATEMENTS**

Certain sections of this MD&A provide, or may appear to provide, a forward-looking orientation with respect to the Company’s activities and its future financial results. Consequently, certain statements contained in this MD&A constitute express or implied forward-looking statements. Terms including, but not limited to, “anticipate”, “estimate”, “believe” and “expect” may identify forward-looking statements. Forward-looking statements, while they are based on the current knowledge and assumptions of the Company’s management, are subject to risks and uncertainties that could cause or contribute to the actual results being materially different than those expressed or implied. Readers are cautioned not to place undue reliance on any forward-looking statement that may be in this MD&A.

Forward looking statements in this MD&A include, but are not limited to, the following:

- Working capital requirements;
- Management’s expectations of future activities and results; and
- The Company’s ability to raise capital for exploration expenditures and/or to acquire interest(s) in new projects.

## **ADDITIONAL INFORMATION**

Financial statements, MD&A’s and additional information relevant to the Company and the Company’s activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

## **OVERVIEW OF THE BUSINESS**

Inform Resources Corp. (the “Company”) is an exploration company incorporated on September 22, 1999 under the laws of the Province of Alberta, Canada. The Company filed for continuance under the Canada Business Corporations Act on December 1, 2003 and then under the laws of British Columbia on November 4, 2010. The Company is listed on the TSX Venture Exchange (“TSX-V”), trading under the symbol IRR.

The Company is engaged in the investigation, acquisition, exploration and development of economically viable mineral resource deposits on mineral properties. The recoverability of the amounts shown for the Company’s mineral properties and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

### *Reverse Takeover Transaction*

During the period ended February 29, 2016, the Company entered into a term sheet with Citadel LED Lighting Inc (“Citadel”) pursuant to which the Company will acquire 100 per cent of the issued and outstanding common shares of Citadel in exchange for the common shares of the Company, constituting a reverse takeover. This transaction will result in a change of business. Refer to the Operation Highlights section below for additional information.

On April 25, 2016, the letter of intent was cancelled and both parties were released from any obligations under this agreement.

**Operational Highlights:**

During the period ended August 31, 2016, the Company:

- a) Terminated the non-binding letter of intent previously entered into on August 25, 2015, with Good Life Networks Inc.
- b) Entered into a non-binding letter of intent dated February 1, 2016, with Citadel. Under the terms of the letter of intent, the Company and Citadel will enter into a definitive share exchange agreement, whereby all outstanding securities of Citadel will be exchanged for equivalent securities of the Company, which shall constitute a reverse takeover of the corporation by Citadel. On closing of the transaction, it is anticipated the Company will change its name to Citadel LED Lighting Inc. and will carry on the development, importation and sale and marketing of LED (light-emitting diode) lighting products. The corporation proposes to be delisted from trading on the TSX Venture Exchange and posted for trading on the Canadian Securities Exchange.

Citadel is a private company incorporated under the British Columbia Business Corporations Act and headquartered in Vancouver, B.C., Canada, and has partnered with Chinese lighting manufacturers to bring LED lighting products to North America.

In accordance with the terms of the letter of intent, immediately prior to the completion of the transaction, the Company is required to complete a share consolidation on a 2.5-for-one basis, which will result in there being approximately 5,881,116 post-consolidation common shares issued and outstanding (14,702,916 pre-consolidation). In consideration for the transaction and on the closing thereof, the Company expects to issue to the Citadel shareholders a total of approximately 11,445,000.

Performance Warrants will be granted to the management, employees, and directors of Citadel in an amount not to exceed 10,000,000 shares when or if exercised, to be vested upon achievement of mutually agreed-to revenue milestones within 5 years of the date of grant of the Performance Warrants. Once vested, each Performance Warrant August be exercised for a period of two years to acquire an additional share of the Company at a price of \$0.10 per share. In connection with the successful completion of the transaction, a finder's fee will be paid to an arm's-length party

This agreement was terminated on April 25, 2016.

- c) Intends to undertake a financing concurrent with the Citadel reverse takeover. It is intended that the offering will consist of the issuance of a minimum of five million common shares or units and up to a maximum of 10 million shares or units of the Company, issued on a post-consolidation basis, at a price of 10 cents per share or unit for gross proceeds of a minimum of \$500,000 and up to a maximum of \$1-million. Additional details on units and warrant terms will be made in a subsequent news release.
- d) On July 21, 2016, the Company completed a 10 to 1 share consolidation. The share figures in these financial statements have been record to reflect this transaction.
- e) On July 27, 2016, the Company completed a private placement up to an aggregate of 4,300,000 units consisting of one common share and one whole common share purchase warrant, at a price of \$0.05 per unit. Proceeds will be used for general working capital.

Additional information can be found at [www.sedar.com](http://www.sedar.com) or at the Company's website.

**Subsequent Events:**

There were no significant subsequent events up to the date of this report.

## MINERAL PROPERTIES

### *La Liga Property*

In fiscal 2011, the Company staked 2,965 quartz mining claims over 4 blocks (Galaxy, Premiership, Old Trafford, and Twopete) covering 60,685 hectares at the La Liga Property located in the Faro Mining District of the Yukon Territory. The property is located approximately 70km northwest of Faro, and lies along the northwestern boundary of Silver Range Resources Ltd (“Silver Range”) Silver Range Project.

During the year ended November 30, 2013, the Company entered into an option agreement to sell 100% of the La Liga Property to Entourage. During the year ended November 30, 2013, the Company recognized an impairment for the difference between the capitalized value of the property and the consideration receivable of \$976,125. During the year ended November 30, 2014, Entourage terminated the option agreement and the Company retained a 100% interest in the La Liga Property.

Due to a delay in development and challenging market conditions for junior exploration companies, the Company wrote-down the value of the property, recognizing an impairment of \$256,501 for the year ended November 30, 2014. Certain claims remain in good-standing; the Company will consider further developing the property when it can arrange the necessary funding, and pending the closing of the reverse take-over transaction described above.

## SELECTED ANNUAL FINANCIAL INFORMATION

	November 30, 2016	November 30, 2015	November 30, 2014
For the year ended	\$	\$	\$
Total revenues	-	-	-
Loss and comprehensive loss	(139,559)	(197,247)	(465,984)
Loss per share – basic and diluted	(0.05)	(0.01)	(0.03)
Total assets	72,243	43,884	172,106
Exploration and evaluation assets (Mineral properties)	-	-	-
Total liabilities	96,371	126,578	58,276

## SELECTED QUARTERLY FINANCIAL INFORMATION

The selected financial information provided below is derived from the quarterly and annual financial statements for each of the last eight quarters:

	Three Months Ended (\$)							
	November 30, 2016	August 31, 2016	May 31, 2016	February 29, 2016	November 30, 2015	August 31, 2015	May 31, 2015	February 28, 2015
Operating expenses	47,307	37,396	25,980	30,744	33,023	74,361	44,131	45,732
Net loss	(46,373)	(37,396)	(25,980)	(29,810)	(33,023)	(74,361)	(44,131)	(45,732)
Loss per share – basic and diluted – continuing operations	(0.02)	(0.01)	(0.02)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

## FOURTH QUARTER RESULTS

During the three month period ended November 30, 2016 the Company incurred a loss of \$46,373 compared a loss of \$36,023 for the three month period ended November 30, 2015. The main reason for the increase of \$10,350 was due to the increase in rent for the Company office, increase accounting and audit and increase in legal fees offset by the decrease in consulting and director fees.

## RESULTS OF OPERATIONS

During the year ended November 30, 2016, the Company incurred a loss of \$139,559 compared to a loss of \$197,247 for the comparative period. The decrease in net loss is mainly attributable to decreased activity as the company continues to focus on decreasing costs and office activities while it investigates projects during these challenging market conditions for junior exploration companies.

Significant movements in operating and administration expenses for the year ended November 30, 2016 include accounting and audit fees of \$30,500 (2015 - \$24,150), consulting fees of \$29,000 (2015 - \$85,900), investor relations and shareholder information of \$6,721 (2015 - \$15,876), legal fees of \$13,071 (2015 - \$9,941), management fees of \$14,000 (2015 - \$17,000), Office and administration of \$30,955 (2015 - \$13,032) and Director fees of \$2,400 (2015 - \$16,000). Consulting fees, director fees, and management fees are down due to change in management which reduced the costs of the agreements. Accounting and audit fees and legal fees are up due to increased in activity of the accountants and lawyers. Office and administration has increased due to the increase in office rent. Investor relations and shareholder information expenses are down due to reduced investor meetings during the period.

## LIQUIDITY AND CAPITAL RESOURCES

As at November 30, 2016, the Company had a working capital deficiency of \$24,128 (2015 - \$82,694). Cash as at November 30, 2016 totalled \$58,486 (2015 - \$38,098). The overall decrease related to operating costs as detailed in the statement of loss and comprehensive loss in the financial statements.

During the year ended November 30, 2016 the Company realized a net outflow of cash from operations of \$177,737, compared to a net outflow of \$131,984 in the comparative year. The large increase is due to the settlement of accounts payable. There were no cash flows from investing. During the 2016 fiscal year, the Company closed a private placement for gross proceeds of \$198,125.

As of the date of this MD&A, the Company has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. The Company's current activities will not provide a source of income in the near future and may result in a history of losses, working capital deficiencies and an accumulated deficit. The Company's financial success is dependent on management's ability to raise money, discover economically viable mineral deposits, or close the reverse take-over and run a

profitable operation. Given the nature of our business, the results of operations as reflected in the net losses and losses per share do not provide meaningful interpretation of our valuation.

In order to finance the Company’s exploration programs and to cover administrative and overhead expenses, the Company raises money from equity sales and from the exercise of convertible securities. Many factors influence the Company’s ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company’s track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management recognizes there will be risks involved that may be beyond their control.

The financial statements for the year ended November 30, 2016 do not reflect adjustments, which could be material, to the carrying value of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

**Outstanding share data:**

As of the date of this report, the Company had an unlimited number of common shares authorized for issuance and 5,770,292 shares outstanding.

	November 30, 2016	November 30, 2015
Common shares issued and outstanding	5,770,292	14,702,916
Options outstanding	-	140,625
Warrants outstanding	4,300,000	11,969,000

**Warrants outstanding as of the date of this MD&A:**

	Number	Exercise price	Expiry date
Warrants	4,300,000	\$ 0.05	July 22, 2018

**RELATED PARTY TRANSACTIONS**

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company’s Board of Directors, and corporate officers. The remuneration of directors and key management personnel during the years ended November 30, 2016 and November 30, 2015 were as follows:

- a) Management fees of \$14,000 (2015 - \$12,000) to a company controlled by an officer of the Company.
- b) Consulting fees of \$24,000 (2015 – nil) to a company controlled by an officer and or director of the Company.
- c) Management fees of nil (2015 - \$5,000) to a company controlled by a former officer of the Company.
- d) Directors fees of nil (2015 - \$16,000) to two companies, one controlled by a former director of the Company and one controlled by a director of the Company, and director’s fees of \$2,400 (2015 - \$4,800) to a director of the Company.
- e) Accounting fees of \$10,500 (2015 - \$19,950) to a company controlled by a former officer of the Company, and \$4,800 (2015 – nil) to a company controlled by an officer and director of the Company.

Included in accounts payable and accrued liabilities at November 30, 2016 is \$15,540 (2015 - \$16,635) due to directors and officers of the Company.

## **OFF-BALANCE SHEET ARRANGEMENTS**

The Company does not have any off-balance sheet arrangements.

## **PROPOSED TRANSACTIONS**

Please refer to the proposed reverse take-over transaction described above. The Company does not have any other pending proposed transactions.

## **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

### **Financial Instruments**

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of receivables, and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

### **Financial risk factors**

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

#### *Credit risk*

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. Receivables consist mainly of GST receivable from the Government of Canada. The Company has been successful in recovering input tax credits and believes credit risk with respect to receivables to be insignificant.

#### *Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at November 30, 2016, the Company had a cash balance of \$58,486 (2015 - \$38,098) to settle current liabilities of \$96,371 (2015 - \$126,578). All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. To maintain liquidity, the Company is currently investigating financing opportunities, including optioning interests in the Company's properties.

#### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

##### a) Interest rate risk

The Company's financial assets exposed to interest rate risk consist of cash balances. The Company's current policy will be to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at November 30, 2016, the Company did not have any investments in investment-grade short-term deposit certificates.

##### b) Foreign currency risk

The Company's business is conducted in Canadian dollars. As such, the Company considers exposure to foreign

currency risk to be minimal.

c) Price risk

The mining industry is heavily dependent upon the market price of the metals or minerals being mined. There is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist for their sale. There can be no assurance that mineral prices will be such that the Company's properties can be mined at a profit. Factors beyond control of the Company may affect the marketability of any minerals discovered. The price of gold has experienced volatile and significant price movements over short periods of time, and is affected by numerous factors beyond the Company's control. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

## **RISK FACTORS**

Companies in the exploration stage face a variety of risks and investments are highly speculative. While unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible. The Company faces a variety of risk factors such as project feasibility, risks related to determining the validity of mineral property title claims, commodities prices and environmental laws and regulations. Management monitors its activities and those factors that could impact them in order to manage risk and make timely decisions. Readers are referred to the Company's Filing Statement, located on SEDAR at [www.sedar.com](http://www.sedar.com), for a full list of applicable risk factors.

### **New standards not yet adopted**

Certain new standards, interpretations and amendments to existing have been issued by the IASB or IFRIC that are mandatory for accounting periods beginning after January 1, 2016, or later periods. Updates that are not applicable or are not consequential to the Company have been excluded in the standards listed below.

The Company anticipates that the application of these standards, amendments, revisions and interpretations will not have a material impact on the results and financial position of the Company.

#### *IFRS 9 Financial Instruments*

IFRS 9 Financial Instruments is part of the IASB's wider project of replacing IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial assets. This standard is effective for annual periods beginning on or after January 1, 2018.

#### *IFRS 16 Leases*

IFRS 16 Leases replaces IAS 17 – Leases and requires lessees to account for leases on the statement of financial position by recognizing a right to use asset and lease liability. The standard is effective for annual reports beginning on or after January 19, 2019, with earlier adoption permitted.

#### *Amendments to IAS 1 Presentation of Financial Statements*

The amendments are designed to encourage companies to apply judgement to determine what information to disclose in the financial statements. In addition, the amendments clarify that companies should use judgement in determining where and in what order information is presented in the financial disclosures. The amendment is effective for annual periods beginning on or after January 1, 2016.

The Company anticipates that the application of these standards, amendments and interpretations will not have a material impact on the results and financial position of the Company.