

# **CT Developers Ltd.**

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## **INTERIM MANAGEMENT DISCUSSION & ANALYSIS**

**For The Three Months Ended September 30, 2019**

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Date: November 26th, 2019

## **MANAGEMENT DISCUSSION & ANALYSIS**

**For the three months  
ended September 30, 2019**

### **Notice to Reader**

The following Management's Discussion and Analysis ("MD&A") of CT Developers Ltd. ("CT" or the "Company") should be read in conjunction with the financial statements of the Company for the period from July 1, 2019 to September 30, 2019, and is based on information available to November 26, 2019. Amounts herein are expressed in Canadian dollars except where indicated otherwise and the financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Additional information regarding the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### ***FORWARD-LOOKING INFORMATION***

Except for the historical statements contained herein, this Management's Discussion and Analysis presents certain "forward-looking statements", within the meaning of Canadian securities legislation, that involve inherent risks and uncertainties. In general, these forward-looking statements can be identified by the use of prospective terminology such as "plans", "expects" or "does not expect", "is expected", "proposed" "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements. Although the management and officers of the Company believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, and have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

## MANAGEMENT DISCUSSION & ANALYSIS

For the three months  
ended September 30, 2019

### *COMPANY OVERVIEW*

CT Developers (“CT” or the “Company”) was incorporated under the Canada Business Corporations Act (Canada) on April 1, 2011 and is classified as a Capital Pool Company (“CPC”) as defined in the TSX Venture Exchange (the “TSX-V” or the “Exchange”) Policy 2.4. The principal business of the Company is to identify and evaluate opportunities for the acquisition of an interest in assets or a business, and, once identified, to negotiate an acquisition or participation within 24 months of listing on the Exchange. The Company’s principle business and operations to date have been limited to raising equity through the issuance of common shares and to identifying its Qualifying Transaction.

The Company initially raised \$150,000 through the issuance of common shares in early 2011 to fund its operations, which at this time principally consists of identifying and completing a Qualifying Transaction. On November 17, 2011, the Company raised additional funds by closing its initial public offering (“IPO”). As part of the IPO the Company issued 3,000,000 common shares at \$0.20 per share for gross proceeds of \$600,000 (the “Offering”) bringing the total funds raised to date at \$750,000. The Company paid to the agent a commission of \$60,000 and issued 250,000 share purchase warrants exercisable for \$0.20 per share for 24 months from the date of listing. The Company also paid all costs and expenses related to the offering. In conjunction with the Offering, the common shares of the Company were listed for trading on the TSX-V with the trading symbol “DEV.P”.

On June 8, 2012, the Company announced the closing of a non-brokered private placement and issued 577,500 common shares at a price of \$0.20 cents per share for aggregate gross proceeds of \$115,500.

On May 18, 2012, the Company announced that it had agreed to acquire the shares of Viscount Mining Ltd. (“Viscount”). The shares of the Company were halted from trading pending completion of the transaction. The Agreement with Viscount and its shareholders lapsed and was renewed several times. After a period of careful consideration, the Board of Directors of CT determined that the transaction with Viscount would not be renewed.

On January 4, 2013, the Company announced the termination of the Agreement with Viscount. The shares of the Company were subsequently reinstated for trading upon approval by the TSX-V.

On September 9, 2013, the Company signed a letter of intent with Bee Vectoring Technology Inc. (“BVT”). The Company’s shares were halted by the exchange pending completion of the transaction.

On March 10, 2015, the Company announced by way of news release the termination of the proposed transaction with BVT.

On June 27, 2014, the Company returned 500,000 shares to treasury and the number of issued and outstanding shares was reduced to 4,827,500 common shares from 5,327,500 common shares. According to the policies of the Exchange, the Company was required to complete its Qualifying Transaction by February 25, 2014. This did not occur and, as a result, Exchange policy required the Company to transfer its listing to the NEX board of the Exchange and cancel one-half of the escrow shares which were originally issued to the founders of the Company at a discount from the IPO price.

On August 15, 2014, the Company’s common share listing was transferred to the NEX board of the TSX-V. Upon transition, the Company’s trading symbol was changed from DEV.P to DEV.H. The Company's shares remained suspended from trading pending completion of a qualifying transaction or reinstatement by the Exchange.

## **MANAGEMENT DISCUSSION & ANALYSIS**

**For the three months  
ended September 30, 2019**

On June 10, 2016, the Company's shares were reinstated for trading on the NEX board of the TSX Venture Exchange under the trading symbol "DEV.H"; the Company continues to search for a qualifying transaction.

On November 23, 2017, the Company entered into a letter of intent for the acquisition of Clinical Blockchain Data Services ("CBDS"), a private company, by way of share exchange with the shareholders of CBDS. Upon completion of the Proposed Transaction, the business of CBDS would become the business of CT. CT is a capital pool company and the Proposed Transaction is intended to constitute CT's qualifying transaction ("Qualifying Transaction") under Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The Proposed Transaction is an arm's length transaction and accordingly is not expected to require the approval of CT shareholders. Completion of the transaction is subject to satisfaction or waiver of a number of conditions and approval of the Exchange. There can be no assurance that the transaction will be completed as proposed or at all.

On April 10, 2018, the Company announced the closing of a working capital private placement and issued 630,946 common shares at a price of \$0.19 per share for aggregate gross proceeds of \$119,880.

The Company has not had operations since its incorporation on April 1, 2011 and has no source of revenue. Its expenditures to date are largely related to the costs of maintaining a public company in good standing and costs incurred to identify and evaluate potential acquisitions or businesses with a view to completing its Qualifying Transaction (as defined in the policies of the Exchange).

Full details are available in the Company's Filing Statement, which may be viewed at [www.SEDAR.com](http://www.SEDAR.com).

## MANAGEMENT DISCUSSION & ANALYSIS

For the three months  
ended September 30, 2019

### *Selected Annual Information*

The following table outlines selected financial information for the periods ended September 30, 2019 and 2018. The financial information is extracted from the Company's unaudited financial statements. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards for the periods ended September 30, 2019 and September 30, 2018. All amounts are in Canadian dollars, unless otherwise stated.

|                                   | For the period ended<br>Sept 30, 2018 | For the period ended<br>Sept 30, 2018 |
|-----------------------------------|---------------------------------------|---------------------------------------|
| Revenue                           | \$ -                                  | \$ -                                  |
| Net Loss and Comprehensive Loss   | (\$3,476)                             | (\$9,620)                             |
| Basic and diluted loss per share  | (\$ 0.0)                              | (\$ 0.0)                              |
| Working Capital                   | (\$39,532)                            | \$ 28,995                             |
| Total Assets                      | \$ 1,264                              | \$ 37,819                             |
| Non-current financial liabilities | \$ -                                  | \$ -                                  |

The Company has earned no revenues, other than interest income on term deposits, since incorporation. The Company has no revenues and incurred a loss of \$3,476 for the three months ended September 30, 2019. As at September 30, 2019, the Company had a total of \$1,264 cash on hand and a working capital deficit of \$39,532.

### **RESULTS OF OPERATIONS**

CT is a CPC and has no business operations. Until such time as the Company completes a Qualifying Transaction, corporate expenditures will be restricted to the costs of raising equity financing, administrative costs to maintain the Company in good standing and those costs necessary to identify and evaluate potential Qualifying Transactions.

The Company incurred a loss of \$3,476 for the period ended September 30, 2019. That compares to a loss of \$9,620 for the period ended September 30, 2018. The Company had no revenues for the periods ended September 30, 2019 and September 30, 2018.

### **SUMMARY OF QUARTERLY RESULTS**

A summary of quarterly results is included in the table below. The financial information is derived from the Company's financial statements.

|           | <u>July 1<sup>st</sup> to Sept 30, 2019</u> | <u>Apr 1<sup>st</sup> to June 30, 2019</u> | <u>Jan 1<sup>st</sup> to Mar 31<sup>st</sup>, 2019</u> | <u>Oct1st to Dec 31<sup>st</sup>, 2018</u> |
|-----------|---|--|--|--|
| Revenue   | -   | -  | -  | -  |
| Net Loss  | \$3,476                                     | \$13,380                                   | \$30,541   | \$21,130                                   |
| Per share | -   | -  | (.01)  | -  |

## MANAGEMENT DISCUSSION & ANALYSIS

For the three months  
ended September 30, 2019

### *CASH FLOWS AND LIQUIDITY*

The Company's cash used in operating activities for the three months ended September 30, 2019 was \$1,102. There was no cash raised by financing activities during this period. At September 30th, 2019, the Company had cash on hand of \$1,264 which is expected to be sufficient to meet the Company's liquidity requirements until a Qualifying Transaction is completed; however, upon completion of the Qualifying Transaction additional capital will be necessary.

### *CAPITAL RESOURCES*

As of the date of this MD&A, the Company has no outstanding commitments. The Company has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. Credit risk predominantly relates to the Company's cash that is being held by a Canadian chartered bank.

### *OFF BALANCE SHEET ARRANGEMENTS*

The Company is not a party to any off balance sheet arrangements or transactions.

### *RELATED PARTY TRANSACTIONS*

The following summarizes the outstanding options as at September 30th, 2019:

| Expiry Date      | Number of Outstanding and Exercisable | Exercise Price<br>(\$) |
|------------------|---------------------------------------|------------------------|
| October 23, 2022 | <u>480,000</u><br>480,000             | 0.06                   |

The weighted average exercise price, as at September 30, 2019, of share options awarded and outstanding is \$ 0.06.

The fair value of share options awarded to directors and share purchase warrants issued were estimated on the dates of issue using the Black-Scholes option price model with the following assumptions:

| <u>2019</u>              |         |
|--------------------------|---------|
| Risk-free interest rates | 1.72%   |
| Expected volatility      | 100%    |
| Expected lives           | 5 years |
| Expected forfeiture rate | 0%      |

The average fair value of share options awarded during the period ended September 30, 2019, estimated using the Black-Scholes option pricing model, was \$ 0.045.

## MANAGEMENT DISCUSSION & ANALYSIS

For the three months  
ended September 30, 2019

### ***PROPOSED TRANSACTIONS***

The Company has entered into a letter of intent dated November 23, 2017 (the "Letter of Intent") for the acquisition (the "Proposed Transaction") of Clinical Blockchain Data Services ("CBDS"), a private company, by way of share exchange with the shareholders of CBDS. Upon completion of the Proposed Transaction, the business of CBDS will become the business of CT. CT is a capital pool company and the Proposed Transaction is intended to constitute CT's qualifying transaction ("Qualifying Transaction") under Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The Proposed Transaction is an arm's length transaction and accordingly is not expected to require the approval of CT shareholders.

For further information please refer to the press release dated November 27<sup>th</sup>, 2017 on the SEDAR.com website.

### ***CRITICAL ACCOUNTING ESTIMATES***

The preparation of condensed interim financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosures. Although these estimates are based on management's best knowledge of current events and actions the company may undertake in the future, actual results may differ from the estimates. The statement of financial position is comprised predominately of cash obtained through the issuance of common shares of the Company. At this time there are no estimates in the financial statements that are considered critical.

### ***FUTURE ACCOUNTING CHANGES***

The following new standards, amendments to standards and interpretations have been issued but are not effective during the period ending September 30, 2019:

- IFRS 16 New leases standard that replaces IAS 17 for classification and measurement of leases.
  - (i) Effective for annual periods beginning on or after January 1, 2019.

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.

### ***FINANCIAL INSTRUMENTS AND RISK FACTORS***

Financial instruments consist of cash, amounts receivable and amounts payable and accrued liabilities:

- a) **Fair value**  
The carrying value of cash, amounts receivable and amounts payable and accrued liabilities approximate their fair value due to the short-term nature of these instruments.
- b) **Credit risk**  
Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations. The credit risk associated with cash is believed to be minimal as cash is on deposit with a Canadian chartered bank.

## MANAGEMENT DISCUSSION & ANALYSIS

For the three months  
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### **SHARE CAPITAL**

- a) The Company is authorized to issue an unlimited number of Common Shares without par value. On November 17, 2011 the Company completed its initial public offering and issued 3,000,000 common shares for cash of \$600,000. The Company issued 250,000 share purchase warrants exercisable for \$0.20 per share for 24 months from the date of listing of the Common Shares to the agent. The Company also issued 255,000 stock options to the Directors of the Company exercisable at \$0.20 per share with a five-year term. On March 29, 2012, the Company issued 195,000 stock options to Directors of the Company exercisable at \$0.25 per share with a five-year term. On June 8, 2012, the Company completed a private placement raising gross proceeds of \$115,500 and issuing 577,500 common shares at a price of \$0.20 per share. The Company also issued 6,500 finders warrants exercisable for a 1-year period at \$0.20. In November 2014, the Company issued 250,000 common shares at a price of \$0.20 per share pursuant to the exercise of agent's options granted in connection with the Company's IPO. As noted under "COMPANY OVERVIEW", the Company cancelled 500,000 escrowed common shares on June 27, 2014. On October 24, 2017, the Company issued 480,000 stock options to Directors of the Company exercisable at \$0.06 per share for a five-year term. On May 1st, 2018, the Company issued 630,946 common shares for a gross proceeds of \$119,879. The company incurred fees of \$29,629, including a finders fee of \$4750. Net proceeds of the issuance were \$90,250. As part of the issuance, each common share issued carried with it one warrant allowing the holder to purchase one common share of the Company at \$.25. These warrants expired on May 1st, 2019.
- b) As at September 30, 2019 the Company had 5,458,446 issued and outstanding common shares (including 1,000,000 founder's escrow shares).

### **RISK FACTORS**

#### **No Proposed Business**

The Company was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. The Company has not entered into an Agreement in Principle as defined in the CPC Policy. Until Completion of the Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions.

#### **No Market or History of Operations**

The Company does not have a history of operations, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

#### **Directors' and Officers' Involvement in Other Projects**

The directors and officers of the Company will only devote a small portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time.

#### **Reliance on Management**

The Company is relying solely on the past business success of its directors and officers to identify a Qualifying Transaction of merit. The success of the Company is dependent upon the efforts and abilities of its management team. The loss of any member of the management team could have a material adverse effect upon the business and prospects of the Company. In such event, the Company will seek satisfactory replacements but there can be no guarantee that appropriate personnel may be found.

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### **Requirement for Additional Financing**

The Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction. Further, even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to complete the transaction. The Qualifying Transaction may be financed in whole, or in part, by the issuance of additional securities by the Company and this may result in further dilution to investors, which dilution may be significant and which may also result in a change of control of the Company. Subject to prior Exchange approval, the Company may be permitted to loan or advance up to an aggregate of \$225,000 of its proceeds as a refundable deposit to a target business under certain conditions noted in the CPC Policy and there can be no assurance that the Company will be able to recover that loan.

### **Non-acceptance by the Exchange**

Completion of the Qualifying Transaction remains subject to a number of conditions including, without limitation, Exchange acceptance.

### **Trading Halt**

According to the policies of the Exchange, the Company was required to complete its Qualifying Transaction by February 25, 2014. This did not occur and, as a result, Exchange policy required the Company to transfer its listing to the NEX board of the Exchange. In August 2014, the Company commenced trading on NEX, where it will continue to pursue a Qualifying Transaction without a deadline.

The Company continues to pursue a qualifying transaction. The Company anticipates that the shares will remain suspended from trading pending the completion of a Qualifying Transaction.

### **Potential Dilution**

The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional option and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.