

# **CT Developers Ltd.**

---

## **MANAGEMENT DISCUSSION & ANALYSIS**

**For the Twelve Months Ended June 30, 2020**

---

Date: December 14, 2020

## MANAGEMENT DISCUSSION & ANALYSIS

For the year  
ended June 30, 2020

---

### Notice to Reader

The accompanying financial statements of CT Developers Ltd. for the period from July 1, 2019 to June 30, 2020 have been reviewed by management and approved by the Audit Committee and the Board of Directors of the Company.

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 June 30, 2020, and is based on information available to December 14, 2020. 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 year  
ended June 30, 2020

---

### *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”. Concurrent with the completion of the IPO, stock options were granted to directors and officers of the Company to purchase up to 255,000 common shares at \$0.20 per share. The options are exercisable for five years from the date the Company was listed on the Exchange.

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. Finders’ fees of \$3,700 were paid in cash and 6,500 finder warrants exercisable for 12 months at \$0.20 per warrant have been issued to qualified parties.

On November 26, 2013, trading of the Company’s common shares on the TSX-V were suspended for failure to complete a Qualifying Transaction within the prescribed time.

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.

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”.

On October 24, 2017 the Company granted 480,000 stock options to directors and officers of the Company to purchase at \$0.06 per share. The options granted were issued in accordance with the terms of the Company's 10- per-cent rolling stock option plan.

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.

## MANAGEMENT DISCUSSION & ANALYSIS

For the year  
ended June 30, 2020

---

On October 11, 2019, the Company announced the closing of a working capital private placement of 80,000 common shares at a price of \$0.25 per share for aggregate gross proceeds of \$20,000.

On May 27, 2020 the Company announced that, due to adverse market conditions, its proposed qualifying transaction with CBDS Health Inc. would not proceed.

On October 13, 2020, the Company announced a \$200,000 working capital private placement pursuant to which it will issue an aggregate of 2,000,000 common shares to eligible investors at a price of \$0.10 per share.

On November 3, 2020 the Ontario Securities Commission issued a Cease Trade Order for failure of the Company to file audited financial statements and MD&A for the fiscal year ended June 30, 2020.

On November 4, 2020, the Company announced that it had entered into a letter of intent (the "LOI") dated October 26, 2020 with Magna Mining Corp. ("Magna"), which outlines the general terms and conditions of a proposed transaction (the "Proposed Transaction") that will result in CT acquiring all of the issued and outstanding shares of Magna (the "Magna Shares"), in exchange for shares of CT (each a "CT Share"). In addition, each convertible, exchangeable, or exercisable security of Magna shall be exchanged for a convertible exchangeable, or exercisable security, as applicable, of CT on substantially the same economic terms and conditions as the original convertible, exchangeable or exercisable security of Magna. The Proposed Transaction is currently expected to be completed by way of a three-cornered amalgamation or share exchange between CT and Magna or other similar transaction which will result in Magna becoming a wholly-owned subsidiary of CT. The LOI will be superseded by a definitive agreement (the "Definitive Agreement") between CT and Magna with such agreement to include representations, warranties, conditions and covenants typical for a transaction of this nature. The Proposed Transaction is subject to, among other things, receipt of the requisite shareholder approval of Magna, final approval of the TSX Venture Exchange (the "Exchange") and standard closing conditions, including the conditions described below. The parties have agreed that during the period from signing the LOI through to execution of the Definitive Agreement, Magna will continue its operations in the ordinary course and that CT will not solicit or accept any competing offers. For additional details, readers are invited to review the full press release which is available at [www.SEDAR.com](http://www.SEDAR.com).

## MANAGEMENT DISCUSSION & ANALYSIS

For the year  
ended June 30, 2020

---

### *Selected Annual Information*

The following table outlines selected financial information for the years ended June 30, 2020 and 2019. The financial information is extracted from the Company's audited financial statements. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards for the years ended June 30, 2020 and June 30, 2019. All amounts are in Canadian dollars, unless otherwise stated.

	For the year ended June 30, 2020	For the year ended June 30, 2019
Revenue	\$ -	\$ -
Net Loss and Comprehensive Loss	(\$46,752)	(\$74,671)
Basic and diluted loss per share	-	(\$ 0.01)
Working Capital	\$ (53,808)	\$ (36,056)
Total Assets	\$ 1,855	\$ 2,366
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 \$46,752 for the twelve months ended June 30, 2020. As at June 30, 2020, the Company had total cash of \$1,855 on hand and negative working capital of \$53,808.

### **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 \$46,752 for the year ended June 30, 2020. That compares to a loss of \$74,671 for the year ended June 30, 2019. The Company had no revenues for the year ended June 30, 2020 and June 30, 2019.

## MANAGEMENT DISCUSSION & ANALYSIS

For the year  
ended June 30, 2020

---

### ***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>Apr 1st to June 30, 2020</u>	<u>Jan 1st to Mar 31st, 2020</u>	<u>Oct1st to Dec 31st, 2019</u>	<u>July 1st to Sept 30th, 2019</u>
Revenue	-	-	-	-
Net Loss	\$33,290	\$2,845	\$7,141	\$3,476
Per share	-	-	-	-

	<u>Apr 1st to June 30, 2019</u>	<u>Jan 1st to Mar 31st, 2019</u>	<u>Oct1st to Dec 31st, 2018</u>	<u>July 1st to Sept 30th, 2018</u>
Revenue	-	-	-	-
Net Loss	\$13,380	\$30,541	\$21,130	\$9,620
Per share		(.01)	-	-

### ***CASH FLOWS AND LIQUIDITY***

The Company generated no cash from operating activities for the twelve months ended June 30, 2020. At June 30, 2020, the Company had cash on hand of \$1,855. Additional capital will likely be necessary to complete a Qualifying Transaction.

### ***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.

### ***TRANSACTIONS WITH RELATED PARTIES***

No share options were issued during the year ended June 30, 2020. As at June 30, 2020 there were 480,000 outstanding share options.

### ***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.

## MANAGEMENT DISCUSSION & ANALYSIS

For the year  
ended June 30, 2020

---

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

The following new standards, amendments to standards and interpretations have been issued but are not effective during the year ending June 30, 2020:

- IFRS 9                                      New financial instruments standard that replaces IAS 39 for classification and measurement of financial assets<sup>(i)</sup>
  - (i)    Effective for annual periods beginning on or after January 1, 2018

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.

### ***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 a \$.25. These warrants expired on May 1<sup>st</sup>, 2019. On October 11, 2019 the Company agreed to issue 80,000 common shares at a price of \$0.25 per share raising gross proceeds of \$20,000.

## MANAGEMENT DISCUSSION & ANALYSIS

For the year  
ended June 30, 2020

---

- b.) As at June 30, 2020 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 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.

#### **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.

## MANAGEMENT DISCUSSION & ANALYSIS

For the year  
ended June 30, 2020

---

### 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.

### Subsequent Events

On November 4, 2020, the Company announced that it had entered into a letter of intent (the "LOI") dated October 26, 2020 with Magna Mining Corp. ("Magna"), which outlines the general terms and conditions of a proposed transaction (the "Proposed Transaction") that will result in CT acquiring all of the issued and outstanding shares of Magna (the "Magna Shares"), in exchange for shares of CT (each a "CT Share"). In addition, each convertible, exchangeable, or exercisable security of Magna shall be exchanged for a convertible exchangeable, or exercisable security, as applicable, of CT on substantially the same economic terms and conditions as the original convertible, exchangeable or exercisable security of Magna. The Proposed Transaction is currently expected to be completed by way of a three-cornered amalgamation or share exchange between CT and Magna or other similar transaction which will result in Magna becoming a wholly-owned subsidiary of CT. The LOI will be superseded by a definitive agreement (the "Definitive Agreement") between CT and Magna with such agreement to include representations, warranties, conditions and covenants typical for a transaction of this nature. The Proposed Transaction is subject to, among other things, receipt of the requisite shareholder approval of Magna, final approval of the TSX Venture Exchange (the "Exchange") and standard closing conditions, including the conditions described below. The parties have agreed that during the period from signing the LOI through to execution of the Definitive Agreement, Magna will continue its operations in the ordinary course and that CT will not solicit or accept any competing offers. For additional details, readers are invited to review the full press release which is available at [www.SEDAR.com](http://www.SEDAR.com).

### Trading Halt

Upon the execution of the LOI, the CT shares were halted. It is expected that the CT shares will remain halted until completion of the proposed transaction.