
FINDEV INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2017

DATED APRIL 27, 2018

Disclosure Regarding Forward-Looking Statements

This Management's Discussion and Analysis contains forward-looking statements that include risks and uncertainties that are disclosed under the section Risk Factors. Other factors that could affect actual results are uncertainties pertaining to government regulations, both domestic as well as foreign, and the changes within the capital markets. Other risks may be disclosed from time to time in Findev Inc.'s public disclosures.

Findev Inc.
Management's Discussion and Analysis
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Unless otherwise indicated, in this Management's Discussion and Analysis ("MD&A") all references to "dollar" or the use of the symbol "\$" are to the Canadian Dollar.

The financial statements were prepared in conformity with Canadian Generally Accepted Accounting Principles that incorporate International Financial Reporting Standards ("IFRS"), which require management to make assumptions that affect the reported amounts of assets, liabilities and expenses in addition to the disclosure of contingent liabilities at the date of the financial statements and reporting amounts. Findev Inc. ("Findev" or "Corporation") bases its estimates on historical experience, current trends and other assumptions that deemed reasonable under the circumstances. Actual results could differ and will most likely differ from estimates.

ITEM 1 - Overview

General

Findev Inc. has its common shares listed on the TSX Venture Exchange ("TSXV") for trading under the symbol FDI.

Findev is a real estate financing company that lends money to real estate projects that are identified as uniquely positioned to generate above average returns in a two-year to three-year timeframe. Findev focuses on lending to residential and retail development projects within the Greater Toronto Area ("GTA"). Findev provides public market participants an opportunity to invest in an asset class that is typically available only to institutional and high net worth investors who qualify as accredited investors.

Update since Change of Business

On September 16, 2016, the Corporation changed its business to a real estate financing company. At that time, new management and board of directors outlined a strategy to enhance long-term shareholder value that included:

- Changing the name of the Corporation to Findev
- Completing a first equity financing to begin its real estate financing program
- Selling all residual assets from the previous business of Transgaming Inc.
- Rationalizing costs to run as lean an operation as possible
- Working closely with the Corporation's new significant shareholder to identify real estate financing opportunities
- Initiating a dividend when management had visibility to ongoing profitability

The Corporation is pleased to report that over the past five quarters it has been able to successfully execute on the above strategy and during the quarter ended December 31, 2017 updated its revision of the estimated remaining liabilities related to the Corporation's previous business resulting in income from discontinued operations of \$516,043 during the year ended December 31, 2017.

Net Asset Value ("NAV") and Net Asset Value per Share ("NAVPS") and Dividends

At December 31, 2017, the NAV of the Corporation, calculated as Assets, net of Liabilities, is \$15,964,034. NAVPS is \$0.557 (calculated by dividing Shareholders' Equity by the common shares issued and outstanding as at December 31, 2017). Management and the board of directors are aware that NAVPS is higher than the current trading price of the Corporation's stock and are continuously reviewing strategies to eliminate the discount to NAVPS. First and foremost, Findev's management and board of directors will stick to its long-term operating approach of profitable real estate lending with prudent risk management and an extremely low operating cost structure.

The Corporation is focused on creating long-term capital appreciation for its shareholders in conjunction with providing an attractive yield, paid out quarterly. This provides shareholders with immediate cash flow while management works to create long-term capital appreciation. The Corporation has paid consecutive quarterly dividends since it changed the nature of its business in September 2016.

Business Overview

The Corporation targets real estate projects that include condominiums, purpose-built rentals, townhouses, low-rise/subdivisions, and retail developments. It makes loans which provide attractive returns while mitigating down-side risk via maintaining conservative loan-to-asset ratios.

The Corporation's mortgage and loan investments have taken, and are expected to take, the following forms:

- land loans registered in first or second position at the earlier stages of the real estate development; or
- registered/unregistered mezzanine or subordinated debt financings of real estate developments that generally have their permits in place and are prior to the commercialization stage of selling the units, but on occasion shall fund the final leg of construction.

Mortgages are loans secured by real estate assets and may include additional forms of security. Unregistered loans are not secured by real estate assets, but are secured by other means, such as personal guarantees or pledges of shares of the entity that owns the development project.

The Corporation's loans are generally for a period of one to three years, bridging projects through their development cycle. In some cases, as projects progress, land loans will be subordinated to construction financing. The mortgage and loan investments are secured by mortgages registered on title and/or other forms of security, including, but not limited to, floating charge debentures, general security agreements, postponement of specific claims and joint and several guarantees.

The Corporation may syndicate certain of its loan and mortgage investments to private investors or financial institutions. In these cases, investors will assume the same risks, associated with the specific investment transaction, as the Corporation.

The Corporation leverages the collective experience of its directors and management team to access a variety of financing opportunities within the real estate market including land development, joint ventures, takeovers of at-risk and distressed developments, and construction projects. This provides the Corporation with preferential and unique opportunities to build value for shareholders while establishing stronger mutually beneficial relationships with other lenders, equity sources, and real estate developers.

Findev's unique market advantages include its expertise in real estate development and access to its development partners. This provides Findev with a strategic advantage in lending to developers engaged in higher risk projects. Many existing real estate financiers lack the development expertise to take over an incomplete project from a borrower in default. With access to development partners, Findev can assume greater execution risk when lending to developers, resulting in higher "developer-like" returns should a lender default. In addition, Findev's subordinated participation in the capital structure enables senior lenders to provide the appropriate amount of senior financing to the developer at cost efficient rates and with preferential terms, given the added level of security which Findev brings.

Management believes that the housing market in the GTA has insufficient supply (new starts combined with resale) to meet demand from purchasers. The following factors support this thesis:

- Population in the GTA continues to grow as immigration levels from other countries and net positive migration levels from Canada's weaker economic areas remain steady
- The GTA continues to have a strong labour market with low unemployment levels
- Interest rates remain low, making home-buying accessible
- A weak Canadian dollar drives demand for real estate from both domestic and foreign investors
- Permitting and zoning is becoming more complicated and uncertain with recent provincial changes to the Ontario Municipal Board ("OMB")

While prices have risen dramatically in recent years, management believes that there will be continued upward pressure, despite the recent legislative measures that the Ontario provincial government has taken. The increase in housing prices is due to a decrease in the supply of housing for the following reasons:

- Scarcity of land, resulting from Ontario green belt legislation as well as development over the past 20 years, has led to significant reductions in low-rise development across the GTA

- Despite the large number of new condos completed over the past several years, vacancy rental rates have remained under 2%

In addition to being a non-bank lender and an alternative source of capital, Findev is strongly aligned with Plazacorp Investments Limited ("**Plazacorp**"), one of Toronto's most prominent real estate developers and a significant shareholder in Findev. Plazacorp has completed 34 condominium projects throughout the City of Toronto, representing total revenues in excess of \$2 billion. In addition, it has 12 projects under development, representing approximately 4,400 units, expected to generate additional revenue in excess of \$1.4 billion.

Findev's relationship with Plazacorp provides it with access to a pool of real estate and investment talent. This strategic relationship brings invaluable connections and deep industry experience to all of Findev's projects, increasing the probability of a more successful and profitable outcome for all project stakeholders.

Current Loans and Investments Portfolio

As at December 31, 2017, the Corporation has invested approximately \$15.5 million, yielding a weighted average return of 10.63% annually with a weighted life of 2.8 years. The following summary is a breakdown of Findev's portfolio as of that date:

Loan	Invested Capital Amount	Interest Rate %	Issue Date	Maturity Date
Victoria ¹	\$ 1,035,000	15.0%	Jan. 2017	April 2018
Victoria II ¹	1,481,250	12.0%	Nov. 2017	Dec. 2018
Plazacorp ²	13,000,000	10.0%	Nov. 2017	Nov, 2020
Total	<u>\$ 15,516,250</u>			

Note 1: These two loans are to the same development.
Note 2: This loan is to a related party.

The current portfolio of loans and investments generate approximately \$400,000 in revenue quarterly leaving management sufficient cash flow to pay its quarterly dividend of approximately \$215,000 providing a yield of 6.7% based on the share price of \$0.45 on April 13, 2018 which is a 28.2% discount to the NAVPS of \$0.557.

Loan & Mortgage Portfolio

Plaza Theatre District Hotel and Condos (Widmer)

The project, located at 30 Widmer, Toronto, Ontario, is a 48-storey tower designed by Quadrangle Architects and planned to replace a surface parking lot in the busy Entertainment District. The use includes a 353-suite hotel occupying the bottom 28 floors of the building, while the upper portion of the tower will house 131 condos. The height of the tower is 156 metres (512 ft) and sits atop a 10-storey podium. Findev loaned \$13 million at 10% to this project. This loan is secured against profit projections of \$28,317,500.

Victoria

This is a land development project with a proposed 4-storey stacked townhouse development project in Toronto. A total of 179 units are planned over four townhouse blocks, with 205 underground parking spaces. The site is to include a mix of 83 one-bedroom units and 96 two-bedroom units, with select suites offering rooftop patios. The location provides access to shopping and employment. Additionally, the site is located several minutes from the DVP. Findev advanced a second mortgage in the amount of \$1,035,000 in January 2017 ranking behind a first mortgage. Subsequent to year end, in April 2018, the Corporation increase this loan by \$500,000 on similar terms.

In November 2017, Findev advance an additional \$1.5 million at 12% as part of a new first mortgage valued at \$7.5 million, that would rank above the second mortgage currently held by Findev.

When Findev made its first investment in this project, the land had an estimated value of approximately \$12 million. The land is now estimated at approximately \$14 million, which provides the Corporation security with a loan to value ratio of ~62.1%. The maturity date of the second mortgage was originally December 31, 2017 and has been extended to have a maturity date of December 31, 2018, to coincide with the first mortgage.

While Findev has 98.7% of its assets invested, it is still actively looking for new opportunities to expand and diversify its portfolio, with the expectation that it can eventually leverage its equity.

ITEM 2 - Selected Annual Information

The following is the Corporation's selected annual information for the preceding three fiscal years:

	December 2017	December 2016	May 2016
Net revenues	\$ 1,554,448	\$ 245,963	\$ Nil
Income (loss) before discontinued operations	891,040	(188,617)	Nil
Earnings (loss) per share before discontinued operations - basic	0.03	(0.01)	0.00
Earnings (loss) per share before discontinued operations - dilutive	0.03	(0.01)	0.00
Net (loss) income	1,407,083	(5,712,806)	3,988,075
Earnings (loss) per share - basic	0.05	(0.44)	1.20
Earnings (loss) per share - dilutive	0.05	(0.44)	1.10
Total assets	16,219,657	16,105,060	2,978,815
Long term financial liabilities	Nil	Nil	Nil
Cash dividends declared per share	0.0300	0.0075	0.0000
Net Asset per common share	0.5573	0.5293	0.5270

For further audited financial information, please refer to the Corporation's audited financial statements that have been filed on SEDAR.

ITEM 3 - Results of Operations

For the twelve-month period ending December 31, 2017 versus the seven-month period ending December 31, 2016

The year ended December 31, 2017, was the first full fiscal year since the Corporation changed its business from that of a technology company to one that focuses on financing residential and retail development projects within the GTA and deploys capital using a variety of financial structures that span the debt/equity spectrum.

The revenue from continuing operations for the period ending December 31, 2017 was \$1,554,448 versus \$245,963, for the period beginning June 1, 2016 and ending December 31, 2016. Management believes that revenues will rise marginally as the Corporation's asset base increases primarily via retained profits and either leveraging its equity basis by way of lines of credit or share issuances where applicable. At current capital levels, management anticipates annual revenues to be approximately \$1.4-\$1.6 million.

General and administrative expenditures from continuing operations for the period ending December 31, 2017 was \$410,512 versus \$209,911, for the period beginning June 1, 2016 and ending December 31, 2016. The expenses incurred during the prior period as well as the first half of fiscal 2017 were heavily weighted by costs incurred for the change in business focus. Management anticipates on going recurring annual operating expenses to be approximately \$250-300,000.

Stock-based compensation from continuing operations for the period ending December 31, 2017 was \$252,896 versus \$224,669, for the period beginning June 1, 2016 and ending December 31, 2016. This

non-cash charge to earnings relate to Incentive stock-options that were granted in October and November 2016 and vested over a 12-month period.

The Corporation did not incur any tax liability as it utilized unrecognized non-capital loss carry forward, which approximately \$10,875,000 million remain as at December 31, 2017. In addition, the Corporation has approximately \$707,000 in unclaimed scientific research and experimental development expenses and approximately \$1,750,000 in unclaimed investment tax credits at the federal level and \$1,656,000 in unclaimed Provincial tax credits.

Net income (loss) from continuing operations for the period ending December 31, 2017 was \$891,040 versus a loss of \$181,617 for the period beginning June 1, 2016 and ending December 31, 2016. The current year incurred certain non-recurring operational costs related to the change in business that occurred in the prior year, and therefore management anticipates that income from continuing operations to improve in 2018.

For the period ended December 31, 2017, the Corporation had a net income from continuing operations of \$891,040 resulting in earnings per share of \$0.031 based on 28,647,441 weighted average common shares outstanding for the period. There is no difference for the dilutive weighted average common shares of 28,647,441. The net loss for the seven-month period ended December 31, 2016 was \$188,617, resulting in a loss per share of \$0.015 based on 12,848,196 weighted average common shares outstanding – basic. There is no difference for the dilutive weighted average common shares of 22,098,558, as it would have been anti-dilutive.

Net income from discontinued operations for the period ending December 31, 2017 was \$516,043 versus a loss of \$5,524,189 for the period from June 1 to December 31, 2016. The loss in the prior period was related to the divestiture of Transgaming's GameTree TV business, as well as the divestiture of all remaining non-core assets. The current period gain of \$516,043 was due to a revision of the estimated remaining liabilities related to the Corporation's previous business and has been included in discontinued operations.

For the period ended December 31, 2017, the Corporation had a net income of \$1,407,083 resulting in earnings per share of \$0.049 based on 28,647,441 weighted average common shares outstanding for the period. There is no difference for the dilutive weighted average common shares of 28,647,441. The net loss for the seven-month period ended December 31, 2016 was \$5,712,806, resulting in a loss per share of \$0.445 based on 12,848,196 weighted average common shares outstanding – basic. There is no difference for the dilutive weighted average common shares of 22,098,558, as it would have been anti-dilutive.

The prior period included a gain of \$4,729,199 due to cumulative exchange differences from the translation of foreign operations reclassified from other comprehensive income as a result of the de-consolidation of the Corporation's foreign operations.

During the year, the Corporation increased its loan portfolio by \$2,509,683 to \$15,516,250 from \$13,006,567, for an increase of 19.3%. The yield on its portfolio increased from 9.98% to 10.63% and its time to maturity increased to 2.8 years from 2.2 years.

The Corporation had a cash and cash equivalents balance as at December 31, 2017 of \$615,780 (December 31, 2016 - \$2,826,876), with working capital of \$2,964,034 (December 31, 2016 - \$7,658,384). The Corporation's objective is to maintain cash and cash equivalent reserve to be equal to cash requirements for operating expenses for one quarter. Working capital includes loan and mortgages that mature within a year, which may cause significant variances on a quarterly basis.

ITEM 4 - Summary of Quarter Results

The following table sets forth, for each quarter ended on the date indicated, for the past eight quarters, information relating to the Corporation's revenue, net loss and loss per common share as prepared in accordance with Canadian GAAP.

	Net Revenue	(Loss) Income from continuing operations	Net (Loss) Income	Earning / share: basic from continuing operations	Net Earnings / share fully diluted
December 31, 2017	\$ 394,241	\$ 355,916	\$ 834,637	\$ 0.01	\$ 0.02
September 30, 2017	398,068	287,025	298,538	0.01	0.01
June 30, 2017	406,199	225,112	270,716	0.01	0.01
March 31, 2017	355,940	22,987	3,192	0.00	0.00
December 31, 2016	245,962	(188,617)	(889,004)	(0.01)	(0.28)
August 31, 2016	—	—	(94,604)	0.00	(0.01)
May 31, 2016	—	—	1,918,408	0.00	0.18
February 29, 2016	—	—	(636,224)	0.00	(0.07)

For the three-month period ended December 31, 2017 versus the four-month period ended December 31, 2016

Revenue from continuing operations for the three-month period ending December 31, 2017 was \$394,241 versus \$245,963 for the four-month period ended December 31, 2016. While revenue may fluctuate on a quarterly basis, it is anticipated to be stable on an annual basis.

For the three-month period ended December 31, 2017, general and administrative expenditures from continuing operations was \$34,203 versus \$209,911 for the for the four-month period ended December 31, 2016. The current period did not have any non-recurring charges relating to the change of business activity which the year earlier had.

For the three-month period ended December 31, 2017, share-based compensation from continuing operations was \$4,122 versus \$224,669 for the for the four-month period ended December 31, 2016. This non-cash charge to earnings relate to incentive stock-options that where granted in October and November 2016 and vested over a 12-month period.

The Corporation did not incur any tax liability as it utilized unrecognized non-capital loss carry forward, which approximately \$10,875,000 million remain as at December 31, 2017. In addition, the Corporation has approximately \$707,000 in unclaimed scientific research and experimental development expenses and approximately \$1,750,000 in unclaimed investment tax credits at the federal level and \$1,656,000 in unclaimed Provincial tax credits.

The net income from continuing operations for the three-month period ended December 31, 2017 was \$355,916, resulting in a net income from continuing operations per share of \$0.012 based on 28,647,441 weighted average common shares outstanding – basic and diluted for the period. For the four-month period ended December 31, 2016, the Corporation had loss from continuing operations of \$188,617 and loss per share from continuing operations were \$0.009 based on 12,848,196 weighted average common shares outstanding. There is no difference for the dilutive weighted average common shares of 22,098,558, as it would have been anti-dilutive.

Net income from discontinued operations for the three-month period ending December 31, 2017 was \$489,233 versus a loss of \$5,919,410 for the four-month period ending December 31, 2016. The loss in the prior period was related to the divesture of the Corporation's GameTree TV business, as well as the divesture of all remaining non-core assets. The current period gain of \$489,233 was due to a revision of

the estimated remaining liabilities related to the Corporation's previous business and has been included in discontinued operations.

Net income for the three-months ended December 31, 2017 was \$834,233, resulting in earnings per share of \$0.029 based on 28,647,441 weighted average common shares outstanding – basic and diluted. For the four-month period ended December 31, 2016, the Corporation had a loss of \$6,108,027 resulting in loss per share of \$0.304 based on 12,848,196 weighted average common shares outstanding. There is no difference for the dilutive weighted average common shares of 22,098,558, as it would have been anti-dilutive.

As at September 30, 2017, the loan portfolio was \$15,516,250 (December 31, 2016 - \$13,006,566). Its average yield to maturity is 10.63% (December 31, 2016 - 9.98%), with a weighted life of 2.8 years (December 31, 2016 - 2.2 years).

During the quarter ended December 31, 2017, the Corporation declared its fifth consecutive quarterly dividend, which was paid in January 2018.

The Corporation had a cash and cash equivalents balance at December 31, 2017 of \$615,780 (December 31, 2016 - \$2,826,876), with working capital of \$2,964,034 (December 31, 2016 - \$7,658,384). The Corporation's objective is to maintain cash and cash equivalent reserve to be equal to cash requirements for operating expenses for one quarter. Working capital includes loan and mortgages that mature within a year, which may cause significant variances on a quarterly basis.

ITEM 5 - Liquidity

As at December 31, 2017, the Corporation had a cash balance of \$615,780 (December 31, 2016 - \$2,826,876), with working capital of \$2,964,034 (December 31, 2016 - \$7,658,384).

The reduction in the Corporation's cash balance and working capital at as December 31, 2017 can be attributed to increasing its loan portfolio to \$15,516,250 from \$13,006,567 which now has a weighted average term of its loan portfolio to 2.8 years from 2.2 a year earlier, in addition to increasing its effective yield to 10.63% versus 9.98%, a year earlier.

The Corporation's loan portfolio currently generates revenue of approximately \$360-400,000 per quarter which, in the opinion of management is sufficient to meet its current operating expenditures as well as maintain its current dividend policy of \$0.03 per common share per year.

ITEM 6 - Capital Resources

The Corporation, as of the filing date, has the following stock options issued and outstanding:

Exercise Price	Options Outstanding	Expiry Date	Outstanding		Exercisable		
			Weighted Average Remaining Life	Weighted Average Price	Quantity	Weighted Average Price	
\$ 6.125	2,857	April 22, 2019	1.0 years	\$ 6.125	2,143	\$ 6.125	
6.125	14,000	February 2, 2020	1.8 years	6.125	9,214	6.125	
0.60	1,250,000	October 20, 2024	6.5 years	0.60	1,250,000	0.60	
0.60	200,000	November 2, 2024	6.5 years	0.60	200,000	0.60	

In addition, the Corporation, as of the date of this filing, has the following warrants issued and outstanding:

Quantity	Type	Exercise Price	Expiry Dates
178,571	Share Purchase Warrant	\$ 3.50	July 5, 2018
11,542,665	Share Purchase Warrant	0.60	October 7, 2019

Subject to the real estate financing opportunities that may be originated, Findev may seek to raise additional funds to accelerate such developments. The timing and ability of the Corporation to fulfill this objective will depend on the liquidity of the financial markets as well as the willingness of investors to finance the business. Future financing may be completed by the issuance of the Corporation's securities such as equity, as well as debt financing, which includes financial instruments that may permit investors to receive additional common shares.

ITEM 7 - Off-Balance Sheet Arrangements

As of the date of this MD&A, the Corporation does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Corporation including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

ITEM 8 - Transactions with Related Parties

Related-party transactions include transactions with parties related by common directors and transactions with other private entities owned or controlled by officers and directors. All transactions are provided in the normal course of business and are measured at exchange amounts agreed upon by the related parties. The following table summarizes the related-party transactions that occurred during the fiscal period.

As at or for the period ended	Dec. 31, 2017	Dec. 31, 2016
Revenues		
Interest income	\$ 1,368,384	\$ 246,585
Expenses		
Professional Fees	24,648	112,832
Loans and mortgage investments	13,000,000	13,006,566
Included with accounts payable	4,954	37,704
Expenses charged to Share Capital	—	518,774

Payments to key management were as follows:

As at or for the period ended	Dec. 31, 2017	Dec. 31, 2016
Directors' Fees	\$ 5,000	\$ 3,250
Management Fees	174,039	37,240
Stock-based compensation	252,896	224,669

The key management personnel of the Corporation include the Chief Executive Officer, Chief Financial Officer and the Board of Directors.

During the period ended December 31, 2017 and 2016, no key management personnel were indebted to the Corporation, except for the fact that a majority of the Corporation's loans are to Plazacorp which is controlled by a director of the Corporation.

ITEM 9 - Proposed Transactions

As of the date of this document, there is no proposed transaction that management of the Corporation believes would require the approval of the Board of Directors of the Corporation as well as the Shareholders of the Corporation.

ITEM 10 - Risk Factors

The following risk factors relate to the Corporation's activities subsequent to the completion of its COB. These risks, to which the Corporation is now subject, were previously disclosed within the Corporation's

information circular, made available to all shareholders prior to providing the Corporation with its approval to proceed with the COB. This information is also available on the regulator's web site, SEDAR.

Controlling Interest of Plazacorp Holdings

Of the issued and outstanding common shares of the Corporation, 40% is controlled by Plazacorp Holdings Inc. ("**Plazacorp Holdings**") which is controlled by Mr. Anthony Heller, a director of the Corporation. Plazacorp Holdings also owns 4,637,500 Share Purchase Warrant that expire on October 7, 2019.

As a result, Plazacorp Holdings has the ability to influence the Corporation, including without limitation the election and removal of directors, amendments to the Corporation's articles of amalgamation and by-laws and the approval of any business combination. The interests of Plazacorp Holdings may not in all cases be aligned with interests of other Shareholders.

Future Sales of Corporation's Common Shares by Plazacorp Holdings

Subject to compliance with applicable securities laws, Plazacorp Holdings may sell some or all of its common shares in the future. No prediction can be made as to the effect, if any, such future sales of the Corporation's common shares will have on the market price of the Corporation's common shares prevailing from time to time. However, the future sale of a substantial number of the Corporation's common shares by Plazacorp Holdings, or the perception that such sales could occur, could adversely affect the prevailing market prices of the Corporation's common shares.

Real Estate Sector Risks

Investing in real estate development projects can be speculative in nature and the value of the Corporation's investments may be subject to significant fluctuations. Such businesses entail a degree of risk, regardless of the skill and experience of the Corporation's management and board of directors. There can be no assurance that the Corporation will be operated successfully. Further, since a significant aspect of the potential return to the shareholders will be based on the revenue generated by real estate developments, there can be no assurance that such business activities will generate revenues sufficient to meet the operational or financing needs of the Corporation or to return the funds invested.

The Corporation will also be subject to the risks inherent in the development of residential projects which it has funded, including the inability to obtain re-zoning approvals within a reasonable time or at all, the inability to obtain construction or mortgage financing on reasonable terms or at all, the inability to sell or complete sales of a sufficient number of residential units at reasonable prices or at all, the failure or refusal of purchasers of residential units to complete their transactions, undisclosed liabilities relating to the development projects, fluctuations in interest rates, fluctuations in or volatility of real estate markets, failure to repay or refinance mortgages resulting in foreclosures or powers of sale, construction delays due to strikes or shortages of materials or labour, the inability of the Corporation to achieve profitability in its investment strategy, competition from other properties, limits on insurance coverage and increases in development costs caused by general economic conditions.

Risk of Lack of Diversification of Investments

Investments concentrated in specific sectors are generally more volatile than the overall market. Investing in one specific sector, entails greater risk and greater potential reward than investing in all sectors of the economy. If a sector declines or falls out of favour, the values of most or all of the companies in that sector will generally fall faster than the value of other investments as a whole. The opposite is equally true.

Due Diligence Risks

The due diligence process undertaken by the Corporation in connection with investments that it makes or wishes to make may not reveal all relevant facts in connection with an investment. Before making such investments, the Corporation will conduct due diligence investigations that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence investigations, the Corporation may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence investigations and making an assessment regarding an investment, the Corporation will rely on resources available, including information

provided by investee and, in some circumstances, third party investigations. The due diligence investigations that are carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Credit Risks

The debt securities in which the Corporation will invest in are subject to credit and liquidity risk. Any loan investment may become a defaulted obligation for a variety of reasons, including non-payment of principal or interest, as well as covenant violations by the borrower in respect of the underlying loan documents. A defaulted loan may become subject to either substantial workout negotiations or restructuring, which may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of principal, and a substantial change in the terms, conditions and covenants with respect to such defaulted loan. In addition, such negotiations or restructuring may be extensive and protracted over time, and therefore may result in substantial uncertainty with respect to the ultimate recovery on such defaulted loan. In addition, substantial costs and resources in such situations may be imposed on the Corporation, further affecting the value of its investment. The liquidity of the defaulted loans may also be limited, and to the extent that the defaulted loans are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon, which would adversely affect the financial position of the Corporation and consequently, the market value of the common shares of the Corporation.

Collection Risks

The Corporation may invest in loans, debt securities or equities which rank behind other securities and obligations issued by the investee, all or a significant proportion of which may be secured on that investee's assets. The corporation may, therefore, be subject to collection risk in relation to such investments. The characterisation of an investment as a secured debt obligation does not mean that such debt will necessarily have repayment priority with respect to all other obligations of a borrower. Borrowers may have, and/or may be permitted to incur, other debt and liabilities that rank equally with or senior to the debt in which the Corporation invests in. If other indebtedness is incurred that ranks in parity in right of payment or proceeds of collateral with respect to debt securities in which the Corporation invests in, the Corporation would have to share on an equal basis any distributions with other creditors in the event of a liquidation, reorganisation, insolvency, dissolution or bankruptcy of such a borrower. Consequently, there is no guarantee that the Corporation would receive any value for its holdings of a borrower's debt obligations or any securities it may hold if the borrower or issuer were to go enter into insolvency, liquidation or other restructuring proceedings.

Interest Rate Risks

Interest rate risk arises due to exposure to the effects of future changes in the prevailing level of interest rates. The Corporation is exposed to interest rate risk arising from an increase in interest rates that can adversely affect the value of the underlying security of its mortgage and loan investment portfolio. Rising interest rates can have a negative impact on real estate development profitability and potentially effect a borrower's ability to repay a loan. The Corporation mitigates this risk by the general short-term nature of its loan and mortgage investments.

No Guaranteed Return or Dividends

There is no guarantee that an investment in the Corporation will earn any positive return in the short term or long term. To date, while the Corporation has paid a limited amount of dividends to holders of its common shares and the Corporation seeks to pay a dividend, it is not required to pay any dividends on a going forward basis. Any decision to pay dividends will be made on the basis of the Corporation's earnings, financial position, cash flow needs and other conditions as they may arise from time to time.

Tax Loss Carried Forward

The Corporation has considerable tax losses carried-forward, and there is no assurance that it will be able to recognize them.

Risks of Competition

The Corporation will face competition from other capital providers, all of which compete with it for investment opportunities. These competitors may limit the Corporation's opportunities to finance construction projects

that are attractive to the Corporation. The Corporation may be required to invest otherwise than in accordance with its Investment Policy and strategy in order to meet its investment objectives. If the Corporation is required to invest other than in accordance with its Investment Policy and strategy, its ability to achieve its desired rates of return on its investments may be adversely affected.

Risks of Fluctuations in the Value of the Resulting Issuer and the Shares

The book value of the Corporation's common shares and its market value will fluctuate with changes in the market value of the Corporation's investments, in addition to the supply and demand of the Corporation's securities. Such changes in value may occur as the result of various factors, including general economic and market conditions, the performance of corporations who have borrowed from the Corporation and changes in interest rates which may affect the value of interest-bearing securities owned by the Corporation. An investment in the Corporation is speculative and may result in the loss of a substantial portion of an investor's investment. Only potential investors who are experienced in high risk investments and who can afford to lose a substantial portion of their investment should consider such an investment.

Market Disruption Risks

War and occupation, terrorism and related geopolitical risks may in the future lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. Those events could also have an acute effect on individual corporations or related groups of corporations. These risks could also adversely affect securities markets, inflation and other factors relating to the securities that would be held from time to time. Such events could, directly or indirectly, have a material effect on the prospects of the Corporation.

Stress in the Global Economy

Global financial conditions such as reduction in credit, combined with reduced economic activity and the fluctuations in the Canadian dollar, may adversely affect businesses and the real estate development industry. Adverse effects on the capital markets generally make the raising of capital by equity or debt financing more difficult and the Corporation will be dependent upon the capital markets to raise additional funds. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on the Corporation's business, operating results, and financial condition.

Financing Risks

Additional funding will be required to complete the proposed or future real estate development projects. There is no assurance that any such funds will be available. Failure to obtain additional financing, if required, on a timely basis, could cause the Corporation to reduce or delay execution of its business plan. The primary source of funds currently available to the Corporation is derived from the issuance of equity. There is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Corporation.

Risk of Dilution from Possible Future Offerings

The Corporation may issue additional securities from time-to-time to raise funding for its business and such issuances may be dilutive to Shareholders.

Dependence upon Key Management

The Corporation will depend on the business and technical expertise of its management and key personnel. There is little possibility that this dependence will decrease in the near term. As the Corporation's operations expand, additional general management resources will be required. The Corporation may not be able to attract and retain additional qualified personnel and this would have a negative effect on the Corporation's operations. The Corporation currently maintains no "key man" life insurance on any members of its management or directors.

Conflict of Interest

Conflict of interest situations may arise between the directors, officers, insiders and promoters of the Corporation and the Corporation. Some of the directors, officers, insiders and promoters have been and will continue to be engaged in real estate directly and indirectly themselves, as investors of other business, with a view to invest, either on their own behalf and on behalf of other corporations. Therefore, situations may arise where some or all of the directors, officers, insiders and promoters will be in a conflict. Conflict

of interest may also arise when the Corporation loans or invests in projects in which the directors, officers, insiders and promoters of the Corporation and the Corporation have an interest independently of via the Corporation. Conflicts, if any, will be subject to the procedures and remedies prescribed by the Business Corporations Act (Ontario), the Exchange and applicable securities law, regulations and policies.

ITEM 11 - Critical Accounting Estimates

The Corporation's financial statements are impacted by the accounting policies used, as well as the estimates and assumptions made by management during their preparation. The Corporation's accounting policies are described within the financial statements filed on SEDAR and incorporated by reference, which includes a discussion on accounting estimates considered to be significant to the Corporation.

ITEM 12 - Changes in Accounting Policies

The Corporation would like to direct readers to its audited financial statements for the fiscal period ending December 31, 2017, which are incorporated by reference and can be found at www.sedar.com.

ITEM 13 - Financial Instruments and Other Instruments

The Corporation would like to direct readers to its audited financial statements for the fiscal period ending December 31, 2017, which are incorporated by reference and can be found at www.sedar.com.

ITEM 14 - Capital Structure

The Corporation is authorized to issue an unlimited number of common shares, where each common share provides the holder with one vote. As of the date of this MD&A, there were 28,647,441 common shares issued and outstanding as well as the above-mentioned options and warrants.

ITEM 15 - Other MD&A Requirements

As defined in National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, requires that controls and other procedures be designed to provide reasonable assurance that material information required to be disclosed is duly gathered and reported to senior management in order to permit timely decisions and timely and accurate public disclosure.

The Corporation has evaluated the effectiveness of its disclosure controls and procedures, as defined, and has concluded that they were effective as of the end of the period covered by this MD&A as well as of the date of this MD&A.

The Corporation has evaluated its internal controls and financial reporting procedures and have found them to be effective with the objective of reporting the Corporation's financial transactions.

The Corporation is not required to file an Annual Information Form under current securities legislation and thus has not filed one; however, an Information Circular in connection with the Corporation's current business of real estate lending dated August 23, 2016 has been filed electronically via www.sedar.com.