

**FOCUSED CAPITAL II CORP.**

**(A Capital Pool Company)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE YEAR ENDED**

**JUNE 30, 2017**

**(EXPRESSED IN CANADIAN DOLLARS)**

**Introduction**

The following management’s discussion and analysis (“MD&A”) of the financial condition and results of the operations of Focused Capital II Corp. (“Focused II”, the “Company”, “we”, “our” or “us”) constitutes management’s review of the factors that affected the Company’s financial and operating performance for the year ended June 30, 2017. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited financial statements for the Company for the year ended June 30, 2017, and the related notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results presented for the year ended June 30, 2017, are not necessarily indicative of the results that may be expected for any future period. The financial statements and the financial information contained in this MD&A were prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”). Further information about the Company and its operations can be obtained on [www.sedar.com](http://www.sedar.com).

**Cautionary Note Regarding Forward-Looking Information**

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as “forward-looking statements”). These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

<b>Forward-looking statements</b>	<b>Assumptions</b>	<b>Risk factors</b>
The Company expects to complete a Qualifying Transaction (defined below)	The Company expects to identify an asset or business to acquire and close a Qualifying Transaction, on terms favourable to the Company	The Company’s inability to find a target to complete a Qualifying Transaction, resulting in the Company remaining as a public shell on the NEX trading board of the TSX Venture Exchange (“Exchange”)
The Company’s ability to meet its working capital needs at the current level for the twelve-month period ending June 30, 2018	The operating activities of the Company for the twelve-month period ending June 30, 2018, and the costs associated therewith, will be consistent with the Company’s current expectations; debt and equity	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; regulatory compliance and changes in regulatory compliance and other

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	markets, exchange and interest rates and other applicable economic conditions are favourable to the Company	local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions
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Inherent in forward-looking statements are risks, uncertainties and other factors beyond Focused II's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Focused II's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

**Description of Business**

Focused II was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Ontario) on July 13, 2011. The authorized share capital of the Company consists of an unlimited number of common shares, without nominal or par value.

The Company's head office and registered and records office address is 1 Adelaide Street East, 21<sup>st</sup> Floor, Toronto, Ontario, Canada, M5C 2V9.

The Company's financial year ends on June 30.

The Company is classified as a Capital Pool Company as defined in Policy 2.4 – Capital Pool Companies ("Policy 2.4") of the Exchange. The Company has not commenced commercial operations and has no assets other than cash and prepaids and other assets. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a transaction where the Company acquires significant assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means (a "Qualifying Transaction"). Any proposed Qualifying Transaction must be accepted by the Exchange.

There is no assurance that the Company will identify a business or asset that warrants acquisition or participation.

The Company has not conducted commercial operations and it is focused on the identification and evaluation of businesses or assets to acquire. Until completion of the Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a Qualifying Transaction. Except as described in the Company's prospectus dated December 5, 2011, the funds raised by the Company will be utilized only for the identification and evaluation of potential Qualifying Transactions and, to the extent permitted by Policy 2.4,

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for general and administrative expenses. While the Company has commenced the process of identifying potential acquisitions, it has not yet entered into a definitive agreement for any particular transaction.

On December 20, 2011, the Company completed its initial public offering (the "Offering") by issuing 1,250,000 common shares at a price of \$0.20 per common share pursuant to Policy 2.4. The common shares were listed and posted for trading on the Exchange under the trading symbol "FAV.P" at the opening of the market on December 28, 2011. The proceeds of the Offering will be used to identify and evaluate assets or business for acquisition with a view to completing a Qualifying Transaction. In connection with the Offering the Company paid cumulative costs of \$90,485. The agent was also granted non-transferable broker warrants to purchase 125,000 common shares at a price of \$0.20 per common share which expired on December 28, 2013.

An incentive stock option plan was established for the benefit of directors, officers, employees and consultants of the Company. Pursuant to the option plan, options to purchase up to 625,000 common shares of the Company at an exercise price of \$0.20 per common share, expiring 10 years from the date of grant, were issued on December 20, 2011.

On December 31, 2013, the common shares of the Company were suspended from trading on the Exchange for failure to complete a Qualifying Transaction within 24 months from the date of its listing on the Exchange pursuant to Policy 2.4. The Exchange gave the Company until April 2, 2014 (90 days) to complete a Qualifying Transaction or receive the necessary shareholder approvals to transfer to the NEX trading board of the Exchange. On March 26, 2014, the Company received shareholder approval to (i) cancel one-half of its seed shares (being 1,250,000 common shares) purchased by Non-Arm's Length Parties (as such term is defined by the Exchange), and (ii) apply to transfer the listing of the Company's common shares from the Exchange to the NEX trading board of the Exchange. On March 31, 2014, 1,250,000 seed shares held by Non-Arm's Length Parties were cancelled and on April 9, 2014, the Company's listing was transferred to the NEX trading board, and the Company's stock symbol changed from FAV.P to FAV.H.

### **Overall Performance**

During the year, the Company continued its search for a suitable business or asset to merge with or acquire. These activities did not lead to the execution of any agreements for a Qualifying Transaction and the Company's search continues.

On November 1, 2016, Mr. Rocky Bellotti resigned as a director of the Company. As a result, the expiry date of his 175,000 options accelerated from December 20, 2021 to January 30, 2017 which expired unexercised.

During the year ended June 30, 2017, the Company earned no revenue and reported losses of \$55,269 (\$0.04 basic and diluted loss per share). That compares with losses of \$30,944 for the year ended June 30, 2016 (\$0.02 basic and diluted loss per share). The losses incurred in the years presented represent general and administrative expenses and Qualifying Transaction investigation costs.

Current liabilities at June 30, 2017 total \$9,658 (June 30, 2016 - \$9,733). Shareholders' equity at June 30, 2017 is comprised of share capital of \$643,779 (June 30, 2016 - \$643,779), contributed surplus of \$125,001 (June 30, 2016 - \$125,001) and a deficit of \$353,903 (June 30, 2016 - \$298,634) for a net of \$414,877 (June 30, 2016 - \$470,146) in shareholders' equity.

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Working capital, which is current assets less current liabilities, is \$414,877 at June 30, 2017 (June 30, 2016 - \$470,146). Management believes the Company's working capital is sufficient for the Company to meet its ongoing obligations and meet its objective of completing a Qualifying Transaction.

The weighted average number of common shares of the Company outstanding for the year ended June 30, 2017 and 2016 was 1,250,000.

**Selected Annual Financial Information**

The following is selected financial data derived from the audited financial statements of the Company at June 30, 2017, 2016 and 2015 and for the year ended June 30, 2017, June 30, 2016 and June 30, 2015.

	<b>Year Ended June 30, 2017</b>	<b>Year Ended June 30, 2016</b>	<b>Year Ended June 30, 2015</b>
Total revenues	nil	nil	nil
Net loss	\$55,269	\$30,994	\$37,689
Net loss per share – basic and diluted	\$0.04	\$0.02	\$0.03
	<b>As at June 30, 2017</b>	<b>As at June 30, 2016</b>	<b>As at June 30, 2015</b>
Total assets	\$424,535	\$479,879	\$510,118
Total non-current financial liabilities	nil	nil	nil
Distribution or cash dividends	nil	nil	nil

- The net loss for the year ended June 30, 2017, consisted primarily of general and administrative of \$26,517 and Qualifying Transaction investigation costs of \$28,752.
- The net loss for the year ended June 30, 2016, consisted primarily of general and administrative of \$30,994.
- The net loss for the year ended June 30, 2015, consisted primarily of general and administrative of \$37,689.

**Liquidity**

At June 30, 2017, the Company had working capital of \$414,877 of which \$423,122 was cash. The Company manages its capital structure and makes adjustments to it, based on available funds to the Company. Capital levels for Capital Pool Companies are regulated pursuant to Policy 2.4. These guidelines state that proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company not related to the identification and evaluation of a Qualifying Transaction. These restrictions apply until completion of the Qualifying Transaction by the Company.

Management believes the Company's working capital is sufficient for the Company to meet its ongoing obligations and meet its objective of completing its Qualifying Transaction.

### **Discussion of Operations**

#### Year ended June 30, 2017, compared to the year ended June 30, 2016

The Company's net loss totaled \$55,269 for the year ended June 30, 2017, with basic and diluted loss per share of \$0.04, versus a loss of \$30,944 for the year ended June 30, 2016, with basic and diluted loss per share of \$0.02. Activities for the year ended June 30, 2017, principally related to general and administrative of \$26,517 and Qualifying Transaction investigation costs of \$28,752.

During the year, the Company continued its search for a suitable business or asset to merge with or acquire. For the year ended June 30, 2017, costs directly related to these activities amounted to \$28,752 (year ended June 30, 2016 - \$nil). These activities did not lead to the execution of any agreements for a Qualifying Transaction and the Company's search continues.

General and administrative costs of \$26,517 consisted of administrative of \$2,098, professional fees and disbursements of \$14,494 and transfer agent, listing and filing fees of \$9,925. In the 2016 comparative period, net loss principally related to administrative of \$1,731, professional fees and disbursements of \$12,704 and transfer agent, listing and filing fees of \$16,559.

At June 30, 2017, the Company had assets of \$424,535 and total equity of \$414,877. This compares with assets of \$479,879 and total equity of \$470,146 at June 30, 2016. At June 30, 2017, the Company had \$9,658 of current liabilities, compared to \$9,733 of current liabilities at June 30, 2016.

#### Three months ended June 30, 2016, compared to the three months ended June 30, 2015

The Company's net loss totaled \$6,819 for the three months ended June 30, 2017, with basic and diluted loss per share of \$0.01, versus a loss of \$5,079 for the three months ended June 30, 2016, with basic and diluted loss per share of \$0.00. Activities for the three months ended June 30, 2017, principally related to general and administrative of \$6,497 and Qualifying Transaction investigation costs of \$322.

During the quarter, the Company continued its search for a suitable business or asset to merge with or acquire. For the three months ended June 30, 2017, costs directly related to these activities amounted to \$322 (three months ended June 30, 2016 - \$nil). These activities did not lead to the execution of any agreements for a Qualifying Transaction and the Company's search continues.

General and administrative costs of \$6,497 consisted of administrative of \$484, professional fees and disbursements of \$3,593 and transfer agent, listing and filing fees of \$2,420. In the Q4 2016 comparative period, net loss principally related to administrative of \$422, professional fees and disbursements of \$2,288 and transfer agent, listing and filing fees of \$2,369.

### **Capital Resources**

The following financings have been completed by the Company:

<b>Date</b>	<b>Gross Proceeds</b>	<b>Type of Transaction</b>
October 10 and 13, 2011	\$500,000	Private Placement
December 20, 2011 <sup>(1)</sup>	\$250,000	Offering

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(1) On December 20, 2011, the Company completed the Offering by issuing 1,250,000 common shares at a price of \$0.20 per common share pursuant to Policy 2.4.

**Selected Quarterly Information**

A summary of selected information for each of the quarters presented below is as follows:

Three Months Ended	Net Revenues (\$)	Net Loss	
		Total (\$)	Basic and Diluted Loss per Share (\$) <sup>(9)</sup>
June 30, 2017	-	(6,819) <sup>(1)</sup>	(0.01)
March 31, 2017	-	(34,178) <sup>(2)</sup>	(0.03)
December 31, 2016	-	(9,504) <sup>(3)</sup>	(0.01)
September 30, 2016	-	(4,768) <sup>(4)</sup>	(0.00)
June 30, 2016	-	(5,079) <sup>(5)</sup>	(0.00)
March 31, 2016	-	(5,080) <sup>(6)</sup>	(0.00)
December 31, 2015	-	(6,740) <sup>(7)</sup>	(0.01)
September 30, 2015	-	(14,095) <sup>(8)</sup>	(0.01)

Notes:

(1) The Company's net loss totaled \$6,819 for the three months ended June 30, 2017, with basic and diluted loss per share of \$0.01. During the quarter, the Company continued its search for a suitable business or asset to merge with or acquire. For the three months ended June 30, 2017, costs directly related to these activities amounted to \$322. Net loss also included professional fees and disbursements of \$3,593 and transfer agent, listing and filing fees of \$2,420. All other expenses related to general working capital purposes.

(2) The Company's net loss totaled \$34,178 for the three months ended March 31, 2017, with basic and diluted loss per share of \$0.03. During the quarter, the Company continued its search for a suitable business or asset to merge with or acquire. For the three months ended March 31, 2017, costs directly related to these activities amounted to \$28,430. Net loss also included professional fees and disbursements of \$2,190 and transfer agent, listing and filing fees of \$3,087. All other expenses related to general working capital purposes.

(3) The Company's net loss totaled \$9,504 for the three months ended December 31, 2016, with basic and diluted loss per share of \$0.01. Net loss included professional fees and disbursements of \$6,730 and transfer agent, listing and filing fees of \$2,102. All other expenses related to general working capital purposes.

(4) The Company's net loss totaled \$4,768 for the three months ended September 30, 2016, with basic and diluted loss per share of \$0.00. Net loss included professional fees and disbursements of \$1,981 and transfer agent, listing and filing fees of \$2,316. All other expenses related to general working capital purposes.

(5) The Company's net loss totaled \$5,079 for the three months ended June 30, 2016, with basic and diluted loss per share of \$0.00. Net loss included professional fees and disbursements of \$2,288 and transfer agent, listing and filing fees of \$2,369. All other expenses related to general working capital purposes.

(6) The Company's net loss totaled \$5,080 for the three months ended March 31, 2016, with basic and diluted loss per share of \$0.00. Net loss included professional fees and disbursements of \$2,065 and transfer agent, listing and filing fees of \$2,596. All other expenses related to general working capital purposes.

(7) The Company's net loss totaled \$6,740 for the three months ended December 31, 2015, with basic and diluted loss per share of \$0.01. Net loss included a recovery of professional fees and disbursements of \$283 and transfer agent, listing and filing fees of \$6,593. All other expenses related to general working capital purposes.

(8) The Company's net loss totaled \$14,095 for the three months ended September 30, 2015, with basic and diluted loss per share of \$0.01. Net loss included professional fees and disbursements of \$8,634 and transfer agent, listing and filing fees of \$5,001. All other expenses related to general working capital purposes.

(9) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

### **Off-Balance Sheet Arrangements**

As of the date of this filing, the Company 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 Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

### **Proposed Transactions**

Although the Company has commenced the process of identifying potential acquisitions with a view to completing a Qualifying Transaction, the Company has not yet entered into a definitive agreement.

### **Risk Factors**

An investment in the common shares of the Company is highly speculative and involves numerous and significant risks. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A before making an investment decision. If any of the following risks actually occurs, the business, financial condition or results of operations of the Company could be harmed. In such an event, the trading price of the common shares could decline and prospective investors may lose part or all of their investment.

### **No Operating History**

The Company was incorporated on July 13, 2011, has not commenced commercial operations and has no assets other than cash and prepaid and other assets. The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future. Until completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions. 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. Even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction.

### **Possible Trading Suspension or Delisting**

The Exchange may suspend from trading or delist the securities of the Company in the event the Company fails to meet continued listing requirements of the Exchange. Suspension from trading of the common shares may, and delisting of the common shares will, result in the regulatory securities authorities issuing an interim cease trade order against the Company. In addition, delisting of the common shares will result in the cancellation of all of the currently issued and outstanding common shares of the Company held by Insiders. Trading in the common shares of the Company may be halted at other times for other reasons, including for failure by the Company to comply with the policies of the Exchange.

### **Halt of Trading**

Upon public announcement of a potential Qualifying Transaction, trading in the common shares of the Company will be halted and will remain halted until Completion of the Qualifying Transaction, or sooner pursuant to Policy 2.4. Neither the Exchange nor any securities regulatory authority passes upon the merits of the potential Qualifying Transaction.

### **Exchange May Not Approve a Qualifying Transaction**

Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval as such terms are defined in Policy 2.4. Notwithstanding that a transaction may meet the definition of a Qualifying Transaction; the Exchange may not approve a Qualifying Transaction:

- (a) if the Company fails to meet the initial listing requirements prescribed by Policy 2.1 – Initial Listing Requirements of the Exchange upon Completion of the Qualifying Transaction;
- (b) if, following Completion of the Qualifying Transaction, the Company will be a finance company or a mutual fund as defined under applicable securities laws;
- (c) the consideration proposed to be paid by the Company in connection with the Qualifying Transaction is not acceptable to the Exchange; or
- (d) for any other reason at the sole discretion of the Exchange.

### **Approval by the Majority of the Minority**

Where Majority of the Minority Approval is required, unless the shareholder has the right to dissent and be paid fair value in accordance with the applicable corporate or other law, a shareholder who votes against a proposed Non-Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Company of fair value for the common shares.

### **Dilution**

If the Company issues treasury shares to finance acquisition or participation opportunities, control of the Company may change and subscribers may suffer dilution of their investment.

### **Directors and Officers**

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company but will be devoting such time as required to effectively manage the Company. Some of the directors and officers of the Company are engaged and will continue to be engaged in the search for assets or businesses on their own behalf or on behalf of others such that conflicts may arise from time to time. As a consequence of such conflicts, the Company may be exposed to liability and its ability to achieve its business objectives may be impaired.

### **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 directors and officers. The loss of any of its directors or officers could have a material adverse effect upon the business and prospects of the Company.

### **Foreign Acquisition**

In the event the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

### **Loans or Advances**

Subject to prior acceptance from the Exchange, the Company may be permitted to loan or advance up to an aggregate of \$250,000 (\$25,000 without prior Exchange approval) of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Company will be able to recover the loan or advance.

### **Volatile Financial Markets**

The volatility occurring in the financial markets is a significant risk for the Company. As a result of the market volatility, investors are moving away from assets they perceive as risky to those they perceive as less so. Issuers like the Company are considered risk assets and as mentioned above are highly speculative. The volatility in the markets and investor sentiment may make it difficult for the Company to

access the capital markets in order to raise the capital it will need to fund its current level of expenditures and identify, evaluate and close a Qualifying Transaction.

### **New Accounting Policies**

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. In the current circumstances, it does not expect any of these to have a material impact on the unaudited condensed interim financial statements.

### **Financial Instruments**

#### **Fair Values**

At June 30, 2017, the Company's financial instruments consist of cash and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments. The Company classifies its cash as loans and receivables and its account payable and accrued liabilities as other financial liabilities.

#### **Credit Risk**

The Company is not exposed to any significant credit risk.

#### **Interest Rate Risk**

The Company is not exposed to any significant interest rate risk.

#### **Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

### **Capital Management**

The Company's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares. The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

Pursuant to the policies of the Exchange, the proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company not related to the identification and evaluation of a Qualifying Transaction. These restrictions apply until completion of the Qualifying Transaction by the Company as defined under the policies of the Exchange.

### **Outlook**

For the immediate future, the Company intends to identify and evaluate potential Qualifying Transactions. The Company continues to monitor its spending and will amend its plans based on business opportunities that may arise in the future.

### **Share Capital**

As of the date of this MD&A, the Company had 5,000,000 issued and outstanding common shares. In addition the Company had 450,000 stock options issued to officers and directors of the Company exercisable for 450,000 common shares at \$0.20 per common share until December 20, 2021. Therefore, the Company had 5,450,000 common shares on a fully diluted basis.

### **Additional Disclosure for Venture Issuers Without Significant Revenue**

	<b>Year Ended June 30, 2017 \$</b>	<b>Year Ended June 30, 2016 \$</b>
<b>General and Administrative</b>		
Administrative	2,098	1,731
Professional fees and disbursements	14,494	12,704
Transfer agent, listing and filing fees	9,925	16,559
<b>Total</b>	<b>26,517</b>	<b>30,994</b>