

**TransGlobe Internet and Telecom Co., Ltd.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Nine-month Period ended August 31, 2020

The following Management Discussion and Analysis ("MD&A") of TransGlobe Internet and Telecom Co., Ltd. ("TTI" or the "Company" or "TransGlobe") for the nine-months ended August 31, 2020 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its MDA for the year ended November 30, 2019.

This Interim MD&A has been prepared in compliance with section 2.2 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual consolidated financial statements for the years ended November 30, 2019 and 2018, together with the notes thereto, and unaudited interim financial statements for the nine months ended August 31, 2020, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

For the purposes of preparing this Interim MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

The address of the Company's head and registered office is 108 West Cordova Street, Vancouver, B.C., V6B 0G6.

This MD&A is dated as of September 21, 2020.

**Additional Information**

Additional information relating to the Company is on the System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com).

**Overall Performance**

TransGlobe Internet and Telecom Co., Ltd. (the "Company" or "TTI" was incorporated under the laws of British Columbia, Canada and was in the business of providing Voice-Over Internet Protocol ("VOIP") long distance telephone services until November 30, 2012, when it became inactive. The TTI shares were originally listed and posted for trading on the Exchange on March 21, 2000 and the trading symbol was

"TTI.H". Trading in the TTI shares was suspended by the TSX Venture Exchange on November 6, 2012 due to the issuance by a cease trade order by the British Columbia Securities Commission for TTI's failure to file its interim financial statements and accompanying management's discussion and analysis for the period ended August 31, 2012.

### **Cease Trade Order**

Due to a lack of capital, TransGlobe failed to file its interim financial statements for the period ended August 31, 2012 and accompanying management's discussion and analysis ("MD&A") within the time period prescribed by applicable securities legislation as a result of which the British Columbia Securities Commission (the "BCSC") issued a cease trade order (the "BCSC CTO") against TransGlobe on November 6, 2012. In response to the BCSC CTO, the Exchange suspended TransGlobe's shares from trading on November 6, 2012 (the "Suspension Order"). The Alberta Securities Commission (the "ASC") subsequently issued a cease trade order (the "ASC CTO" and together with the BCSC CTO, the "TransGlobe CTO") against TransGlobe on May 2, 2013.

The Company applied for partial revocation of the Cease Trade Order, and on February 7, 2020, the British Columbia Securities Commission and the Alberta Securities Commission granted a partial revocation of the Cease Trade Order, solely to permit the Company to complete a non-brokered private placement for aggregate gross proceeds of up to \$145,000, through the issuance of up to 145,000,000 common shares in the capital of the Company (each, a "Common Share") at a price of \$0.001 per Common Share (the "Offering"). The Company completed the Offering pursuant to the partial revocation on May 27, 2020, raising \$145,000 through the issuance of 145,000,000 Common Shares. The Cease Trade Order was fully revoked by the British Columbia Securities Commission and the Alberta Securities Commission on August 24, 2020.

### **Changes to Board of Directors and Management**

On December 13, 2019, the Company announced that Soon Kim and that Youn Soo Lee had resigned as the directors and officers of the Company. The Company has appointed Binyomin Posen as director, Chief Executive Officer and Chief Financial Officer. In addition, Yazeed Esnan and Jack Wortzman were appointed to the Board in order to fill the vacancies created by the foregoing resignations.

### **Financial Performance**

#### **Selected Annual Financial Information**

The table below summarizes key operating data for the last three fiscal years.

	Year Ended November 30, 2019 (Audited) \$	Year Ended November 30, 2018 (Audited) \$	Year Ended November 30, 2017 (Unaudited) \$
Total assets	Nil	Nil	Nil
Total liabilities	597,198	569,948	542,698
Revenue	Nil	Nil	Nil

Net loss	(27,250)	(27,250)	(20,000)
Net loss per share	(0.003)	(0.003)	(0.002)
Weighted average shares outstanding	10,287,588	10,287,588	10,287,588

### Selected Quarterly Financial Information

The following quarterly results for the eight most recent quarters have been prepared in accordance with IFRS as listed below.

Three Months Ended	Cash	Current Liabilities	Net (Loss)	(Loss) Per Share	Weighted Average Shares Outstanding
August 31, 2020	\$ 132,410	\$ 641,298	\$ (35,871)	(0.00)	155,287,588
May 31, 2020	138,470	611,198	(13,530)	(0.00)	16,661,214
February 29, 2020	-	604,698	(7,000)	(0.00)	10,287,588
November 30, 2019	-	597,198	(12,250)	(0.00)	10,287,588
August 31, 2019	-	584,948	(5,000)	(0.00)	10,287,588
May 31, 2019	-	579,948	(5,000)	(0.00)	10,287,588
February 28, 2019	-	574,948	(5,000)	(0.00)	10,287,588
November 30, 2018	-	569,948	(12,250)	(0.00)	10,287,588

### Three months ended August 31, 2020 compared to the three months ended August 31, 2019

In the August 2020 period, accruals have been made for legal expenses incurred to rehabilitate the Company's listing, interest expense on convertible debentures, audit fees and financial statement presentation. In 2019, accruals were made for interest expense.

### Nine months ended August 31, 2020 compared to the nine months ended August 31, 2019

Most of the 2020 expenses were incurred in the August quarter and related to legal costs to rehabilitate the Company's listing. Other 2020 accruals have been made for interest expense on convertible debentures, audit fees and financial statement presentation. Expenses to securities commissions were incurred in the 2020 period. In 2019, accruals were made for interest expense.

Very late in the May 2020 quarter, the Company raised \$145,000 via a private placement.

### Related Party Transactions

Related parties include directors, officers, close family members, certain consultants and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. There was no remuneration of directors and key management personnel of the Company for the years ended November 30, 2019 and 2018.

The amounts due to the shareholders are non-interest bearing, unsecured and due on demand.

Soon Kim, the previous CEO of the Company, held convertible debt of \$100,000 and interest of \$50,000, and shareholder loans of \$81,166 at August 31, 2020 and at November 30, 2019. Soon Kim, or companies controlled by Soon Kim, held payables and accruals of \$127,304 at August 31, 2020 and at November 30, 2019. Youn Soo Lee, the previous CFO of the Company, held convertible debt of \$100,000 and interest of \$50,000 and shareholder loans of \$74,227 at August 31, 2020 and at November 30, 2019.

All amounts due to related parties are unsecured, non-interest bearing and payable on demand. On December 13, 2019, all previous related parties resigned their positions and were replaced. The balances to the prior related parties remained outstanding at August 31, 2020.

## **Financial Condition**

### **Cash Flow**

At August 31, 2020, the Company held cash of \$132,410. The operating loss of \$56,401 was mostly financed through accounts payable and shareholder loans. Working capital changes resulted from interest of debt and from accruals for professional fees required to bring the Company into compliance with regulatory commissions.

Cash of \$145,000 was raised on May 27, 2020. The proceeds of the Offering will be applied towards the payment of outstanding fees owed to the Company's auditors and consultants, filing fees, accounting and bookkeeping fees, professional fees and general working capital. Cash has been applied as follows:

Financial statement preparation	\$ 4,000
Public company costs	7,583
Office expenses	718
HST	289
	<hr/>
	12,590
Cash on hand	132,410
	<hr/>
	\$145,000

These expenditures are within expectations. The Company may need to access additional capital to fully rehabilitate the Company and pursue a corporate transaction.

### **Critical Accounting Estimates and Changes in Accounting Policies**

All significant critical accounting estimates are fully disclosed in Note 3 of the consolidated financial statements for the period ended August 31, 2020 and the year ended November 30, 2019.

### **Liquidity and Capital Resources**

The working capital deficit of as of August 31, 2020 was \$509,888 compared to a working capital deficit of \$597,198 as of November 30, 2019. The Company's principal source of liquidity as of August 31, 2020 was cash of \$132,410 (November 30, 2019 - \$nil) and current liabilities of \$641,298 compared to \$597,198 as of November 30, 2019.

While management believes that with the change in directors and management, the Company will be able to access sufficient funds to meet its obligations and short term working capital requirements, and to accomplish its short term plans, the Company plans to continue to monitor closely its use of its available cash, while conditions in the capital markets continue to make it difficult for early stage companies to raise additional capital. The Company may require substantial additional capital to fund any new project or to advance discussions with potential corporate opportunities.

Historically, the Company has used the net proceeds from issuances of its securities to provide sufficient funds for it to meet its near-term exploration and development plans and other contractual obligations when due. However, given the current market conditions affecting the junior mining sector, the current trading price of the Company's common shares and other uncertainties discussed herein, there can be no assurance that the Company will be able to obtain sufficient additional funds on favorable terms, or at all, in order to carry out its objectives. As mentioned elsewhere in this MD&A, the Company is evaluating various strategic alternatives and, if it decides to pursue any such alternative, it may also require additional funds to carry out its strategic plans in amounts that cannot be determined as of the date hereof, which funds may also be unavailable to the Company on favorable terms or at all.

### **Financial Instruments and Financial Risk Factors**

International financial reporting standards require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the statement of financial position date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. At August 31, 2020 and November 30, 2019, the Company has no financial instruments carried at fair value to classify in the fair value hierarchy.

As at August 31, 2020 and November 30, 2019, carrying amounts of cash and cash equivalents, amounts receivable, and accounts payable and accrued liabilities on the statement of financial position approximate fair market value because of the limited term of these instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from previous periods.

(a) Credit Risk

The Company's credit risk is primarily attributable to cash and cash equivalents. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to cash and cash equivalents, and financial instruments included in amounts receivable is remote.

(b) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet its obligations when due. At August 31, 2020, the Company had cash and cash equivalents of \$132,410 (November 30, 2019 - \$nil) available to settle current liabilities of \$641,298 (November 30, 2019 - \$597,198). All of the Company's accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms.

Following the full revocation of the cease trade orders, the Company plans to mitigate its liquidity risk by obtaining additional financing, approaching creditors to convert their debt to equity, and asserting limitation periods under the *Limitations Act, 2000* with respect to outstanding claims against the Company.

(c) Market Risk

The Company is exposed to the following market risks:

(i) Interest Rate Risk

The Company has no cash and cash equivalents balances and no variable interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit

certificates issued by banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(ii) Foreign Exchange Risk

The Company's functional currency is the Canadian dollar but major purchases may be transacted in Canadian dollars and United States dollars. As at August 31, 2020, the Company holds no foreign currency balances (November 30, 2019 – \$nil) which is subject to foreign currency risk.

(iii) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

(d) Sensitivity Analysis

The Company may hold balances in United States dollars that give rise to foreign exchange risk. Based on management's knowledge and experience of the financial markets, the Company does not believe there would be any material movements as a result of changes in interest rates. A 10% change in the Canadian dollar exchange rate as at August 31, 2020 compared to these currencies, with all other variables held constant, would not materially impact the Company's net loss.

**Off-Balance Sheet Arrangements**

At August 31, 2020, there were no off-balance sheet arrangements.

**Outstanding Share Data**

The Company had no warrants or stock options outstanding at the date of this MDA, at August 31, 2020, or at November 30, 2019. Our common shares issued and outstanding were as follows:

<b>September 21, 2020</b>	<b>August 31, 2020</b>	<b>November 30, 2019</b>
155,287,588	155,287,588	10,287,588

**Risk Factors**

Until a business combination is completed, the Company's risk factors are those related to a successful corporate transaction. The ability of the Company to continue operations is dependent upon its ability to

find and close a corporate transaction. Other risk exposures and the impact on the Company's financial instruments are summarized below.

The risks, objectives, policies and procedures from previous years have been adjusted to reflect the pursuit of a corporate transaction.

### **Dependence on Key Individuals**

The Company's business and operations are dependent on retaining the services of a small number of key individuals. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these individuals. The loss of one or more of these individuals could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key individuals.

### **Capital Management**

The Company considers its capital to consist of shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the pursuit of a corporate transaction. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company will continue to assess corporate opportunities with the intent to realize value.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. A significant change in the Company's approach to capital management subsequent to the year ended November 30, 2019 was the change to officers and directors. The incoming group is currently pursuing alternatives to finance the Company. The Company and its subsidiary are not currently subject to externally imposed capital requirements.

### **COVID-19**

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

## Corporate Transactions

The Company will pursue corporate transactions with the ultimate goal to effect a business combination. There is no assurance that such a transaction could be reached or, even if a transaction is entered into, the transaction will close on the disclosed terms or at all.

There have been no other changes in the risks, objectives, policies and procedures from previous years other than disclosed elsewhere herein. Please refer to the section entitled "Risks Factors" in the Company's Annual MD&A for the fiscal year ended November 30, 2019, available on SEDAR at [www.sedar.com](http://www.sedar.com).

## Cautionary Note Regarding Forward-Looking Statements

This MD&A contains certain "forward-looking information" 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", "budgeted", "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. 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 statements.

Forward-looking statements in this MD&A include, but are not limited to, statements with respect to: the Company's ability to access sufficient funds to meet its obligations and short-term working capital requirements; the Company's ability to accomplish its strategic plans and complete a successful corporate transaction; and the mitigation of liquidity risk through obtaining additional financing on favourable terms or at all.

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. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Forward-looking statements are inherently 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. The risks and other factors include, but are not limited to: the need for additional financing; reliance on key personnel; the potential for conflicts of interest among certain officers, directors or promoters with certain other projects; the effects of the global COVID-19 pandemic on the Company; the Company's dependence on debt and equity financing; the absence of dividends; competition; dilution; the volatility of the Company's common share price and volume; and the additional risks identified in the "Risk Factors" section of this MD&A or other reports and filings with applicable Canadian securities regulations.

Forward-looking statements are based upon certain assumptions and other important factors which could prove to be significantly incorrect. The Company has made assumptions regarding, among other things:

present and future business strategies; conditions in general economic and financial markets; the environment in which the Company will operate in the future; cash flow; timing and amount of capital expenditures; future operating costs; and the Company's ability to obtain financing on acceptable terms.

The Company is pursuing a course of action to pursue a corporate transaction. This course of action may require additional capital. There is no guarantee that the Company will be successful in finding a corporate transaction, or if such transaction is found, that the transaction can be successfully completed. There is no guarantee that, should additional funds be required, such funds would be available to the Company on terms acceptable to the Company.

The above summary of risks and assumptions related to forward-looking statements is included in this MD&A in order to provide readers with a more complete perspective on the future operations of the Company. Readers are cautioned that this information may not be appropriate for other purposes.

All forward-looking statements herein are expressly qualified by this cautionary note. 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.