

ITOK CAPITAL CORP.
(also referred to as “ITOK” or the “Corporation”)

Management’s Discussion & Analysis

The following discussion and analysis should be read in conjunction with the financial statements for the year ended December 31, 2018 prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). Additional information regarding the Company is available on SEDAR at www.sedar.com.

All dollar figures included therein and in the following discussion analysis are quoted in Canadian dollars unless otherwise noted.

Date: August 14, 2019

This management’s discussion and analysis (“MD&A”) is dated August 14, 2019 and is in respect of the period ended December 31, 2018. The discussion in this management’s discussion and analysis focuses on this period. Estimates and forward-looking information are based on assumptions of future events and actual results may vary from these estimates. This MD&A is prepared in conformity with National Instrument 51- 102F1 and has been approved by the Board of Directors.

Disclaimer for Forward-Looking Statements

This MD&A contains forward-looking statements relating to future events. In some cases, forward-looking statements can be identified by such words as “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “believe” or similar expressions. These statements represent management’s best projections, but under reliance should not be placed upon them as they are derived from numerous assumptions. These assumptions are subject to known and unknown risks and uncertainties, including the business risks discussed in the MD&A which may cause actual performance and financial results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted.

Status of the Corporation

ITOK Capital Corp., (the “Corporation”) was incorporated under the laws of the Province of Ontario on January 21, 2005 and is classified as a Capital Pool Company as defined in Policy 2.4 (“Policy 2.4”) of the TSX Venture Exchange (the “Exchange”).

The Corporation has not commenced commercial operations and has no assets. The Corporation’s current business is to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction (as described in “Policy 2.4”). Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a non-arm’s length Qualifying Transaction is also subject to “majority of the minority approval” in accordance with Policy 2.4. The Corporation has not conducted commercial operations other than to enter into discussions for the purpose of identifying potential acquisitions or interests as more particularly described below.

On May 2, 2008, the Corporation completed its initial public offering (the “offering”) of 1,000,000 Common Shares (the “Common Shares”) at a purchase price of \$0.30 per Common Share by way of a prospectus, filed in the Provinces of Alberta, British Columbia, and Ontario, for gross proceeds of \$300,000.

Research Capital Corporation (“Research”) acted as agent in connection with the Offering. For its services, Research received a cash commission equal to 10% of the gross proceeds, was paid a corporate finance fee of \$10,000 as well as options to purchase up to 100,000 Common Shares at an exercise price of \$0.30 per Common Share, exercisable within twenty-four (24) months from the listing of the Common Shares on the Exchange.

In addition, the Corporation granted options to its Officers and Directors to purchase up to 166,667 Common Shares at an exercise price of \$0.30 per Common Share for a period of up to five (5) years from the date of the closing of the Offering. The options expired on May 2, 2012.

Upon the closing of the Offering, there were 1,666,667 Common Shares issued and outstanding, of which 666,667 Common Shares were being held in escrow.

The Common Shares were admitted for trading on the Exchange under the trading symbol "ITK.P" at the opening of the market on May 7, 2008.

On May 10, 2010, ITOK voluntarily halted trading of its shares on the Exchange pending announcement of a proposed Qualifying Transaction pursuant to the policies of the Exchange (the "Qualifying Transaction").

On May 12, 2010, trading in the Common Shares was suspended for failure to complete a Qualifying Transaction within the time prescribed by TSX Venture Exchange Policy 2.4. The Corporation was required to complete a Qualifying Transaction, delist or transfer its listing to the NEX board of the Exchange (“NEX”) prior to May 9, 2010.

Pursuant to the resolution at the Annual General Meeting of Shareholders held on July 29, 2010, the Corporation's listing was transferred to NEX on August 11, 2010, the Corporation's Tier classification changed from Tier 2 to NEX, and the Filing and Service Office changed from Toronto to NEX.

As of August 11, 2010, the Corporation is subject to restrictions on share issuances and certain types of payments as set out in the NEX policies. Further to the TSX Venture bulletin dated May 11, 2010, trading in the shares of the Corporation remains suspended. Members are prohibited from trading in the securities of the Corporation during the period of the suspension or until further notice.

The trading symbol for the Corporation changed from ITK.P to ITK.H. There is no change in the Corporation's name, no change in its CUSIP number and no consolidation of capital. The symbol extension differentiates NEX symbols from Tier 1 or Tier 2 symbols within the TSX Venture market.

As a condition of the move to the NEX, 50%, or 333,335 Common Shares originally issued to the Directors of the Corporation were cancelled, as approved by the shareholders of the Corporation at the Annual General Meeting in accordance with Majority of the Minority Approval (as defined in TSX Venture Exchange Policy 2.4).

Until completion of a Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. Except as described in the Corporation's final prospectus dated March 28, 2008, filed on SEDAR, the funds raised pursuant to the Corporation's initial public offering and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan, or direct investment in a potential acquisition.

Selected Financial Information

The following table sets out selected audited financial information (in Canadian dollars) for our company, which has been prepared in accordance with IFRS:

Year ended December 31,	2018	2017	2016
Total assets	\$Nil	\$Nil	\$Nil
Total liabilities	\$344,668	\$315,794	\$286,773
Net loss and comprehensive loss for the period	\$(28,874)	\$(29,021)	\$(196,759)
Basic and diluted loss per share for the period	\$(0.03)	\$(0.03)	\$(0.20)
Weighted average number outstanding	1,000,000	1,000,000	1,000,000

Results of Operations

For the year ended December 31, 2018, the Corporation incurred operating expenses of \$28,874 compared to \$29,021 in December 31, 2017. The decrease in expenses was due to \$Nil in accretion expense recorded in relation to the convertible debenture during the year ended December 31, 2018 compared to \$4,075 during the year ended December 31, 2017. This was partially offset by an increase in accounting fees due to additional billings received in bringing the Corporation's recorded up to date.

Disclosure of Outstanding Share Data

The Corporation's authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of non-voting Preferred Shares without par value.

As of December 31, 2018 and August 14, 2019, the Company had 1,333,332 common shares issued and outstanding and no non-voting Preferred Shares outstanding.

As at December 31, 2018 and August 14, 2019, the Corporation had 333,332 common shares held in escrow.

Liquidity and Capital Resources

On May 7, 2007, the Corporation issued 666,667 Common Shares to its three (3) Directors at \$0.15 per share for proceeds of \$100,000, of which 333,335 Shares have been cancelled as noted above.

On May 2, 2008, the Corporation completed an initial public offering pursuant to a prospectus filed in Ontario, British Columbia and Alberta. The Corporation issued 1,000,000 Common Shares at \$0.30 per share for gross proceeds of \$300,000 upon completion of the offering. The funds raised pursuant to the Corporation's initial public offering (amounting to gross proceeds of \$300,000) and any other issuances of securities will be utilized only for the identification and evaluation of assets or businesses and to obtain shareholder approval for a proposed Qualifying Transaction.

Furthermore, no more than the lesser of \$210,000 and 30% of the gross proceeds raised may be used to cover prescribed costs of listing and filing fees, other costs of the issue of securities of the Corporation and administrative and general expenses of the Corporation. These restrictions apply until completion of a Qualifying Transaction by the Corporation as defined under the policies of the TSX Venture Exchange.

On March 23, 2015, the Corporation issued \$90,000 convertible debentures, bearing simple interest rate of 12% per annum with maturity date on December 31, 2017. The holder at any time may convert all or any part of the outstanding principal and accrued interest into units at a conversion price of \$0.05 per unit. Upon issuance, a debt discount of \$10,871 was recorded to equity and is being accreted over the remaining life of the debenture. As at December 31, 2018 and 2017, the carrying value of the convertible debenture was \$90,000 and had accrued interest payable totaling \$40,732 and \$29,932, respectively.

As at December 31, 2018, the Corporation had net working deficit of \$344,668 comprised of trade and other payables. Management believes that the Company's cash will not be sufficient to meet its working capital requirements for the next twelve month period.

Off-Balance Sheet Arrangements

The Corporation has no off-balance sheet arrangements.

Directors and Officers

As of the date of this MD&A, the Company's directors and officers are as follows:

Sinclair Stevens, Chief Executive Officer and Director
Muhammad Azimuddin, Director
Charles McMillan, Director

Transactions with Related Parties

None.

Financial Instruments

The Corporation's financial instruments consist of accounts payable and loans payable. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from the financial instruments and that the fair values of these instruments approximate their carrying values due to their short term nature and floating interest rates.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation's cash and receivables are exposed to credit risk. The Corporation reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. As at December 31, 2018, the Corporation is not exposed to any significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Corporation addresses its liquidity through equity financing obtained through the sale of common shares and the exercise of warrants and options. While the Corporation has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Included in the loss for the year in the financial statements is interest expense on loans payable. The Corporation has debt instruments at fixed rates and is therefore not exposed to risk in the event of interest rate fluctuations. As at December 31, 2018, the Corporation is not exposed to any significant interest rate risk.

Capital Risk Management

The Corporation's capital currently consists of common shares. In the management of capital, the Corporation includes the components of shareholder' deficiency, cash, trade and other payables and loans payable. Total shareholders' deficiency at December 31, 2018 was \$(344,668). Its principal source of cash is from the issuance of common shares. The Corporation'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 Corporation 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 Corporation may attempt to issue new shares.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or business for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares issued in the IPO may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Corporation. These restrictions apply until the completion of a Qualifying Transaction.

Critical Accounting Estimates

This MD&A is based on the financial statements which have been prepared in accordance with IFRS. The preparation of the financial statements requires that certain estimates and judgments are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances.

In the process of applying the Corporation's accounting policies, management has made the following judgment, which has the most significant effect on the amounts recognized in the financial statements.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the range of business relationships and the long-term nature of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Corporation establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Deferred tax assets, if any, are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk, and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Going concern

The Corporation's ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent upon the Corporation's ability to obtain the ongoing support of its lenders, investors, obtain profitable operations, and raise additional capital. These audited financial statements do not include any adjustments to the carrying value and classification of assets and liabilities that would necessary should the Corporation not be able to continue as a going concern, and such adjustments could be material.

New Accounting Pronouncements

Effective January 1, 2018, the following standards were adopted without any material impact on the financial statements.

IFRS 9 – Financial Instruments (“IFRS 9”):

The Corporation adopted IFRS 9 effective January 1, 2018 on a retrospective basis and applied the transitional provisions, so that any adjustments would be recorded in opening retained earnings at July 1, 2018. IFRS 9, addresses the classification, measurement and recognition of financial assets and financial liabilities.

The adoption of IFRS 9 supersedes the guidance relating to the classification and measurement of financial instruments in IAS 39, Financial Instruments: Recognition and Measurement (IAS 39).

IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition: (i) those measured at fair value through profit and loss, (ii) those measured at fair value through other comprehensive income and (iii) those measured at amortized cost. Measurement and classification of financial assets is dependent on the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. For financial liabilities, the IFRS 9 requirements are similar to those of IAS 39. The main distinction is that, in cases where the fair value option is chosen for financial liabilities, the portion of a fair value change relating to an entity’s own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

IFRS 9 introduces a single expected credit loss model for calculating impairment for financial assets, which is based on changes in credit quality since initial recognition. The adoption of the expected credit loss impairment model did not have a significant impact on the Corporation’s financial statements and did not result in a transitional adjustment.

The Corporation has no hedges on its financial statements for the reporting period.

The Corporation has concluded that the adoption of IFRS 9 did not require any transitional adjustments to the classification or measurement of the Corporation’s financial assets and financial liabilities.

IFRS 2 – Share-based Payments (“IFRS 2”):

In June 2016 the Board issued the final amendments to IFRS 2 which amended (a) the effects that vesting conditions have on the measurement of a cash-settled share-based payment; (b) the accounting for modification of the terms of a share-based payment that changes the classification of the transaction from cash-settled to equity settled; and (c) classification of share-based payment transactions with net settlement features. The adoption of IFRS 2, effective January 1, 2018, did not have a material impact on the Corporation’s financial statements.

IFRS 15 - Revenue from Contracts with Customers ("IFRS 15"):

In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. The adoption of IFRS 15, effective January 1, 2018, did not have any impact on the Corporation's financial statements as the Corporation does not currently have revenue.

Standards Issued but Not Yet Effective

The standards and interpretations that are issued, but not yet effective, up to the date of authorization of these financial statements are disclosed below. Management anticipates that all of the pronouncements will be adopted in the accounting policy for the first period beginning after the effective date of the pronouncement.

Information on new standards, amendments and interpretations that are expected to be relevant to the financial statements is provided below:

IFRS 16 – Leases ("IFRS 16")

On January 13, 2017, the IASB published a new standard, IFRS 16, eliminating the current dual accounting model for lessees, this new standard replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15.

At the date of the approval of the financial statements, a number of other standards and interpretations were in issue but not yet effective.

The Corporation considers that these new standards and interpretations are either not applicable or are not expected to have a significant impact on the Corporation's financial statements.

Subsequent Events

None.

Additional information

Additional information about the Corporation is available on SEDAR at www.sedar.com.