TARGET
CAPITAL INC.

2017 Management Discussion and Analysis

President's Report

It is safe to say we will not be investing in real estate development for a long time. One Langley project was a disaster, you may recall, we originally entered into the joint venture to acquire and develop the Langley project. After spending a considerable amount of funds getting the development approved (including building a show suite), the market determined it was a project that wouldn't fly. We concluded our relationship with the developer and hired a new builder to work with us to get a new modest project approved. Again, we found the market wasn't interested. We decided to sell the property and was told it would sell for around $4 million. That turned out to be a pipe dream and the property eventually sold for a little over $2 million. We had managed to lose $3 million on a $2 million real estate deal. Certainly, in these times, an incredibly bad outcome that probably put us in the record book.

After the sale had concluded, the Company was forced to sell most of its other valuable assets to raise cash to help pay out the bondholders.

We had some very frank discussions with our bondholders and came to an agreement to pay them 65 cents on the dollar in cash and give them a new prime plus 1 ¼ percent bond that would be subject to redemptions each time the Corporation has $400,000 of cash on hand. We have $1,771,175 in bonds outstanding and so anticipate 5 redemptions over the next several years. On that note, if you review the Statement of Financial Position for the year, it shows total bonds payable of $1,349,769. The amount presented on the Statement of Financial position is not the true amount and has been adjusted, as per International Financial Reporting Standards ("IFRS"). The adjustment can be viewed under note 10 of the financial statements. The requirement is that we must adjust our liabilities and assets to their fair value, which in our case resulted in a discount.

The company is now in a position to look forward. We have drastically reduced our monthly operating expenses to around $12,000 per month including interest.

We have seen renewed interest in corporate entities, approaching us to be their controlling shareholder. By Target Capital holding controlling interest in these entity companies, those companies are able to raise funds from deferred tax plans. Private companies normally cannot issued debt securities that are eligible for deferred plans.

Target typically charges these companies an annual fee for being the controlling shareholder of ½ of 1% of the amount of capital outstanding. The company does not commit its capital or management to these companies. With recent changes to the Ontario Securities Act, we expect that there will be increased interest in the Target controlled entities.

Subsequent to year end, Craig Skauge, resigned as Director and President of the Company. He has recently taken on the position of President of Olympia Trust Company and wanted to devote his full attention to his new position. Rick Skauge, CEO, has now been appointed as the President of the Company. There's an old adage that states, "If you ain't got nothing, you've got nothing to lose." That just about sums up our current position. We do have a positive cash flow and reduced costs going into the new fiscal year. We do have a future, but we don't have much to lose. Under those circumstances, we will be looking to acquire additional capital that could take the Company in a completely new direction. It is safe to say that until the bondholders are paid out, the shareholders do not have much of a position. It's also safe to say that once we get out of this hole, we will have a chance to recover shareholder value.

Management Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") is provided to enable a reader to assess the financial position and results of operations of Target Capital Inc. (the "Company", "Corporation", or "Target") for the year ended March 31, 2017.

This MD&A should be read in conjunction with Target's consolidated financial statements for the year ended March 31, 2017, as well as the MD&A found in Target's 2016 Annual Report, together with the audited consolidated financial statements and accompanying notes found therein. Target's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

This document presents the views of management as at June 19, 2017. Additional information on Target can be found on SEDAR at www.sedar.com.

Information contained in the Management Discussion and Analysis ("MD&A") is presented on the same basis as the financial statements and was prepared in accordance with International Financial Reporting Standards (IFRS) and is presented in Canadian dollars, Target's functional currency.

Forward-looking statements

The MD&A contains forward-looking statements and information within the meaning of applicable securities legislation. A statement we make is forward-looking when it uses what we know today to make a statement about the future. Forward-looking statements may include words such as *anticipate, believe, could, expect, intend, may, objective, plan and will.* The forward-looking statements contained or incorporated by reference in this Management Discussion and Analysis are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict. Target cautions readers against placing reliance on forward-looking statements when making decisions, as the actual results could differ appreciably from the opinions, plans, objectives, expectations, forecasts, estimates and intentions expressed in such forward-looking statements, due to various material factors. These factors include, among other things, capital market activity; changes in government monetary, fiscal and economic policies; changes in interest rates, inflation levels and general economic conditions; legislative and regulatory developments; competition; credit ratings; scarcity of human resources; and technological environment.

Forward-looking statements include, but are not limited to, statements with respect to (1) Capacity to deliver results (2) Risk framework (3) Liquidity (4) Trade receivables and (5) Income taxes. All statements, other than statements of historical fact, which address activities, events or developments that we expect or anticipate will or may occur in the future, are forward-looking statements. We include forward-looking statements because we believe it is important to communicate our expectations to our investors. However, all forward-looking statements are based on management's current expectations of future events and are subject to risk and uncertainty.

There have been no events or circumstances that have occurred during the period to which the MD&A relates, or to a period that is not yet complete, that are reasonably likely to cause actual results to differ materially from the forward-looking information identified in this MD&A.

The Company does not undertake to update any forward-looking statements, whether oral or written, made by itself or on its behalf, except to the extent required by securities regulations. The foregoing list of factors is not necessarily exhaustive.

Business Overview

Target was incorporated on June 8, 1993, under the Business Corporations Act of Alberta. The Company makes investments in a majority of the voting shares of certain private companies. The Company receives its revenues from interest income and investment company fees. Its principal expense is interest on its outstanding bonds.

The Company listed its shares on the TSX-Venture exchange (Symbol "TCI") on December 19, 2008 and on the Canadian Securities Exchange (CSE) on July 8, 2014 (Symbol "TCI").

Our investment business

Since its inception, Target has made strategic investments in companies that show strong potential for future growth. Historically, these have been 'buy and hold' type investments; however, over the last three years Target has also made some short-term investments. These investments include listed companies, small start-up operations, and land development corporations.

Starting in 2009, Target began acquiring controlling interests in private companies. The nature of the Company's investment in the controlled private companies ("CPC") enables the debt securities of the companies to be eligible for Deferred Plans. A Deferred Plan is a registered retirement savings plan, registered education savings plan, registered retirement income fund, a locked-in retirement account or a tax-free savings account. The promoters managing these companies use the capital raised at their own discretion, without reliance on the management or resources of Target. Target's management and capital are not committed to these controlled private companies.

Target earns fees from each company for enabling these companies to raise funds from Deferred Plans. The annual fee is generally the greater of $2,500 or 0.5% of the total capital raised by each private company from Deferred Plans. The controlled private companies have raised capital via investments from Deferred Plans varying in size from nil to several million dollars.

Target does not consolidate these controlled private companies for accounting purposes. This is because Target has agreements with these companies that restrict Target's profits to the fees that it charges and its losses to the initial investment made and because Target is not the primary beneficiary of the success or failure of these private companies.

On December 1, 2015 the Company acquired from Eyelogic Systems Inc. (an affiliated entity) a portfolio of 53 Controlled Private Companies ("CPC") and associated controlling shareholder agreements and royalty agreements for an aggregate price of $75,000.

Our land development business

Target's land development business comprises two investments; Bearspaw Tree Farm and Industrial Avenue Development Corporation.

On March 24, 2017, the Company sold its interest in Bearspaw Tree Farm for aggregate proceeds of $448,000, which was used to fund cash payments made to Target's bondholders during the bond exchange which occurred on the same date. The shares were sold at a price of $80 per share, the same price as Bearspaw Tree Farm's tender offer to shareholders.

In March 2016, the Landing at Langley project was put up for sale. The sale of the project closed at January 31, 2017. An offer of $2.135 million was received in October 2016 and an impairment was recognized to bring the asset down to fair value. On January 31st, 2017, the sale was closed.

Bond exchange

During March 2017, the Company received all signed agreements from bondholders to exchange their outstanding bonds for partial cash repayments and a new bond issuance. TSX Venture approval was received. On March 24, 2017, the Company completed a bond exchange, which entailed partial redemptions and issuance of a new bond with an interest rate of prime plus 1.25%. The new bond bears no maturity date and will be partially redeemed when the Corporation has a cash balance of $400,000 or more.

Holders of outstanding Target bonds with an aggregate face value of less than $10,000, agreed to settle and release Target with respect to all amounts owed with respect to such outstanding Target bonds in return for payment equal to the aggregate face value of the outstanding Target bonds.

Holders of outstanding Target bonds with an aggregate face value greater than $10,000, agreed to settle and release Target with respect to all amounts owed with respect to such outstanding Target bonds in return for the issuance of a new Target bond with a face value equal to 35% of the aggregate face value of the outstanding Target bonds held and a cash payment equal to 65% of the aggregate face value of the outstanding Target bonds held.

At issuance, the calculated estimated fair value of the new bonds payable was based on a discount rate of 15%.

Results of Operations for the year ended March 31, 2017

SUMMARY OF FINANCIAL RESULTS FOR THE YEAR ENDED			
($ thousands, except EPS)	**March 31, 2017**	March 31, 2016	Variation 17 to 16
Total revenue	**866**	972	(11%)
Total expenses	**(775)**	(973)	(20%)
Other income (expense)	**(565)**	(1,350)	(58%)
Net (loss) before tax	**(474)**	(1,351)	(65%)
Income tax expense (recovery)	**39**	(49)	>100%
Net earnings (loss)	**(513)**	(1,302)	(61%)
Net earnings (loss) attributable to owners of the Company	**(452)**	(1,246)	(64%)
Net earnings (loss) per share – Basic and	**(0.12)**	(0.32)	(63%)

Overview

Target's total revenue decreased 11% or $106,485 to $865,710 from $972,195 mainly due to lower dividend revenue and a reduction in trailer fees.

Total operating expenses decreased 20% or $198,249 to $775,040 from $973,289 due to lower salaries and wages, general administration, professional fees, interest on line of credit, and royalty payments.

Other income and expenses decreased to $564,964 due to impairment loss on property under development, offset from the settlement of bonds including bond discount.

As a result, Target reports a decrease in net loss before tax of $788,753 resulting in a loss of $512,814 compared to a loss of $1,301,804 in the comparative year.

Revenue

Controlled private company fees

Controlled private company ("CPC") fees increased 3% to $722,157 from $703,008 due to new clients' revenues offsetting decrease from older companies. On December 1, 2015, Target purchased a portfolio of CPC's from Eyelogic Systems Inc. (an affiliated entity).

Dividends

Dividend revenue decreased 40% to $129,168 from $215,020 due to the sale of 55,000 Olympia shares that occurred on September 8, 2015. The decrease in the number of shares impacted the year's dividend from Olympia. On March 24, 2017, the Company sold its remaining holdings of Olympia shares and therefore, will no longer receive dividends going forward.

Trailer fees

Trailer fee revenue decreased 100% to $nil from $35,806 due to the December 21, 2015 sale of all trailer fee rights to Olympia Benefits Inc. (an affiliated entity).

Expenses

Interest on bonds

Interest on bonds decreased slightly to $342,791 from $348,817 due to the bond exchange which occurred on March 24, 2017.

Salaries and wages

Salaries and wages decreased 36% to $123,190 from $193,652 due to fewer administrative staff, reduction in severance payments, reduced performance bonuses, as well as a reduction in compensation paid to the Chief Executive Officer and the President. Beginning September 15, 2015; both the CEO and President voluntarily reduced their compensation to zero. In the current fiscal year, Target had paid a retirement allowance for a departing executive.

Bad debts

Total bad debt expenses were decreased 75% to $26,050 from $102,547 in the comparative period. Bad debt expense relates to allowances made for receivables from controlled private companies and the actual write-off of accounts that were deemed uncollectable.

Professional fees

Professional fees increased 6% to $49,111 from $46,421. The increase was a result of legal counsel involvement required to assist with the bond exchange.

Interest on line of credit

Interest on the line of credit decreased 100% to $nil from $21,002, as the Company did not draw on the facility in the current fiscal year.

Royalties

Royalties increased 307% to $47,828 from $11,746. As part of the CPC portfolio purchase from Eyelogic Systems on December 1, 2015, Target capital purchased the royalty agreement from Eyelogic. Consequently, no Royalty payments were required to be paid to Eyelogic during the fourth quarter. During the current fiscal year, an agreement was entered into whereby the company agreed to pay a royalty to Transparent Investments for revenues collected from new clients introduced to the Company.

Other Income

Impairment loss on properties under development

The Company reviewed capitalized redevelopment costs for Industrial Avenue Development Corporation (“IADC”) and recorded an impairment in the amount of $1,685,326 for unrecoverable costs exclusively associated with The Landing development, including: administration and project management, architectural drawings, legal, insurance, marketing, show suite, and interior design.

Gain on sale of securities

On September 8, 2015, Target sold 55,000 Olympia shares for a realized gain on disposition of $149,050. On March 24, 2017, Target sold the remaining 55,200 Olympia shares for a realized gain on disposition

Gain on Sale of trailer fee rights

On December 21, 2015, Target sold its investment in trailer fee rights to Olympia Benefits Inc. for a realized gain on disposition of $42,610.

Settlement on bond exchange

The interest accrued from period leading up to the bond exchange was written-off on March 24, 2017, as per the bond exchange agreements. At issuance of the new bond, the calculated estimated fair value of the new bonds payable was based on a discount rate of 15%. A discount of $421,406 was calculated and was included in the settlement on bond exchange. The total interest written off during the bond exchange was $501,535.

Results of Operations for the three months ended March 31, 2017

SUMMARY OF FINANCIAL RESULTS FOR THE YEAR ENDED			
($ thousands, except EPS)	**March 31, 2017**	March 31, 2016	Variation 17 to 16
Revenue			
Controlled private company fees	**$ 211,940**	$ 211,940	$ 211,940
Dividends	**46,368**	46,368	46,368
Interest	**4,066**	4,066	4,066
Total revenue	**262,374**	245,038	7%
Expenses			
Interest on bonds	**81,009**	90,591	(11%)
Salaries and wages	**26,321**	29,602	(11%)
General and administration	**16,343**	18,787	(13%)
Rent	**4,102**	17,233	(76%)
Professional fees	**14,351**	15,450	(7%)
Directors' fees	**8,175**	8,975	(9%)
Amortization of equipment and leasehold improvements	**6,988**	8,686	(20%)
Bad debt (recovery)	**(13,595)**	8,243	(>100%)
Royalties	**5,826**	5,737	2%
Amortization of intangible assets	**3,652**	3,634	<1%
Interest on line of credit	**-**	106	(100%)
Total expenses	**153,172**	207,044	(26%)
Other income	**1,035,643**	-	>100%
Net earnings before tax	**1,144,845**	37,994	>100%
Income tax recovery	**58,547**	795	(>100%)
Net earnings	**$ 1,086,298**	$ 37,199	>100%
Net earnings attributable to:			
Owners of the Company	**$ 1,088,968**	$ 37,199	>100%
Non-controlling interest	**(2,670)**	-	>100%
	$ 1,086,298	$ 37,199	>100%
Net earnings per share – Basic & Diluted	**0.28**	0.01	>100%

Overview

Target's total revenue increased 7% to $262,374 from $245,038 in the comparative quarter due to higher CPC fees and dividends.

Total expenses decreased 26% to $153,172 from $207,044 due to lower salaries and wages, general and administrative expenses, royalties, and interest on line of credit.

As a result, Target net earnings for the fourth quarter increased to $1,211,238 from $37,944 reported in the comparative quarter, mainly due to the one-time adjustment made for the settlement of the bonds exchange.

Revenue

Controlled private company fees

Controlled private company ("CPC") fees increased slightly to $211,940 from $204,113 as Target gained numerous CPCs in the period and therefore an increased revenue based on new capital raising fees.

Dividends

Dividend revenue increased 29% to $46,368 from $35,880 due to an increase from Olympia dividends and timing of receipt. On March 24, 2017, Target sold its remaining shares in Olympia.

Expenses

Salaries and wages

Salaries and wages decreased 11% to $26,321 from $29,602 due to fewer administrative staff, as well as a reduction in compensation paid to Chief Executive Officer and the President. Beginning September 15, 2015; both the CEO and President voluntarily reduced their compensation to zero.

General and administrative

General and administrative expenses decreased 13% to $16,343 from $18,787 due to lower corporate registry, shareholder services, and office supplies expenses.

Bad debts

Bad debts decreased to a recovery of $13,595 from an expense of $8,243 in the comparative quarter.

Bad debt expense relates to allowances made for receivables from controlled private companies and the actual write-off of accounts that were deemed uncollectable. In the quarter, Target recovered on accounts that had been previously written off.

Rent

Office rent decreased 76% to $4,108 from $17,233. The office allocation was re-adjusted and the Company renewed its lease for five years at a lower cost.

Interest on line of credit

Interest expense decreased 100% to $nil from $106. Target did not draw on the line of credit in the current fiscal period.

Royalties

Royalties increased to $5,836 from $5,737. During the fiscal year a contract was made to pay a royalty to Transparent Investments for revenues collected from new clients introduced to the Company.

Comparison of financial condition at year end with the prior year-end

The table summarizes the financial condition of the company as at March 31, 2017 compared to the comparative year ended March 31, 2016:

COMPARISON OF FINANCIAL CONDITION			
($ thousands)	**March 31, 2017**	March 31, 2016	Variation
Cash	**$ 317**	$ 69	>100%
Marketable securities	**-**	1,160	(100%)
Accounts receivable	**312**	440	(29%)
Advances Receivable	**50**	50	0%
Total current assets	**682**	1,720	(60%)
Investments and advances	**75**	1,244	(94%)
Property under development	**-**	3,623	(100%)
Equipment and leasehold improvements	**16**	45	(64%)
Controlled private companies	**64**	64	0%
Controlling shareholder agreements	**24**	39	(38%)
Deferred income tax asset	**-**	5	(100%)
TOTAL ASSETS	**861**	6,740	(87%)
Short-term bonds	**-**	5,118	(100%)
Accounts payable and accrued liabilities	**88**	87	1%
Income tax payable	**43**	30	43%
Interest payable	**2**	160	(99%)
Current portion of mortgage	**-**	75	(100%)
Total current liabilities	**133**	5,470	(98%)
Long-term bonds	**1,350**	-	>100%
Mortgage	**-**	925	(100%)
Total long-term liabilities	**1,350**	925	46%
TOTAL LIABILITIES	**1,483**	6,395	(77%)
NET ASSETS (LIABILITIES)	**$ (622)**	$ 345	(>100%)

Marketable securities declined 100% due to the sale of the remaining 55,200 Olympia shares for total proceeds of $1,600,800. Target Capital utilized the proceeds to fund cash payments for the bond exchange which occurred on March 24, 2017.

COMPARISON OF FINANCIAL CONDITION		
	March 31, 2017	March 31, 2016
Balance as at beginning of fiscal year	**$ 3,623,556**	$ 4,810,620
Additions – development expenditures	**198,077**	368,806
Impairment of Charleston expenditures	**-**	(1,209,192)
Impairment of The Landing expenditures	**(1,564,226)**	-
Impairment on disposition of display suite	**(121,100)**	(332,178)
Asset dispositions	**(2,135,000)**	(14,500)
Other Adjustment	**(1,307)**	-
Balance as at end of fiscal year	**$ -**	$ 3,623,556

On October 14, 2014, the Company acquired an additional 46% interest in Industrial Avenue Development Corporation ("IADC"), bringing its total interest to 96%. The remaining 4% non-controlling interest represents an equity interest owned by outside parties. The share of net assets of subsidiaries attributable to non-controlling interests is presented as a component of equity.

The property under development consisted of both land held in Langley, British Columbia and capitalized development costs accumulated over prior years' development. The project consisted of a 78 unit five story, wood frame residential development called "The Landing at Langley".

Included in development expenditures is capitalized mortgage interest in the amount of $nil (March 31, 2016 - $50,560).

The Company reviewed capitalized development costs for Industrial Avenue Development Corporation ("IADC") and recorded an impairment of $1,209,192 in 2015 for unrecoverable costs exclusively associated with The Charleston development including: administration and project management, architectural drawings, legal, insurance, marketing, show suite, and interior design. The Charleston was a 15 story, mixed-use residential and commercial property redevelopment in Langley, BC. The work product from the above identified costs was not utilized or transferred to The Landing at Langley project.

The Corporation received an offer in October 2016 for $2,135,000 and the sale concluded on January 31, 2017. The asset was impaired to the value of the asset sale.

Quarterly Results

The following table presents the most recent quarterly results along with the previous 8 quarters:

QUARTERLY COMPARISON									
	2017				2016				2015
($ thousands)	**31-Mar-17**	31-Dec-16	30-Sep-16	30-Jun-16	**31-Mar-16**	31-Dec-15	30-Sep-15	30-Jun-15	**31-Mar-15**
Total revenue Total expenses	**1,298** **(153)**	322 (243)	127 (1,778)	155 (202)	**245** **(207)**	359 (1,473)	195 (273)	215 (561)	**354** **(222)**
Earnings (loss) before income taxes	**1,145**	79	(1,651)	(47)	**38**	(1,114)	(78)	(346)	**132**
Net Earnings (loss)	**1,086**	73	(1,645)	(27)	**37**	(785)	(15)	(240)	**101**
Net Earnings (loss) - Per share	**0.28**	0.02	(0.41)	(0.01)	**0.01**	(0.20)	(0.00)	(0.06)	**0.03**

Due to the nature of Target's business, certain revenues are consistent and earned on a regular basis, such as dividend revenue and loan interest; however other types of revenue are unpredictable due to timing, such as CPC fees and special dividends. As a result, Target's quarterly performance has varied significantly.

Outstanding Share Data

The following table indicates the common shares and stock options issued and outstanding at June 19, 2017, March 31, 2017 and March 31, 2016; indicating no changes.

OUTSTANDING SHARE DATA			
	June 19, 2017	March 31, 2017	March 31, 2016
Common Shares	**3,851,863**	3,851,863	3,851,863
Stock Options	**-**	-	-
Weighted average number of shares outstanding during the period Basic and Diluted	**3,851,863**	3,851,863	3,851,863

Business Risks

Leadership

Target is dependent on members of its senior management and operational staff. A loss of one or more of these individuals could adversely affect Target's business. Target has minimized the impact of losing any one individual by cross-training senior management and operational staff to assume a variety of roles within the Company.

Financing

The Company has sufficient cash facilities to pay all amounts due within the next year.

Regulation

The Company is subject to various laws and regulations; any changes to these statutes, or court decisions, regarding their application could negatively impact the Company. Specifically, Target's investments in controlled private companies are reliant on regulations under the Income Tax Act, and there can be no assurance that the Government will not adopt laws or regulatory requirements that could adversely affect this line of business.

Credit risk

Credit risk arises from the Company's accounts receivable due from customers. There is always the potential that a customer will fail to perform its financial obligations. The Company has a significant number of customers, thus minimizing the concentration of risk. Target is committed to a policy of closely monitoring the Company's risk and exposure in the area of accounts receivable. During the year ended March 31, 2017, the Company expensed $26,050 (March 31, 2016 - $102,547) in uncollectable accounts receivable balances.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Management regularly reviews future cash requirements to ensure adequate funds are available. At quarter end, Target had a current ratio of 5.14:1, an increase from the 0.31:1, ratio at the previous year end.

Related Party Transactions

(a) During the year, the Company entered into transactions with the following related parties:

Bearspaw Tree Farm Inc., Common management
Controlled private companies, Subsidiaries
Exempt Experts Inc. ("Exempt"), Common management
Eyelogic Systems Inc. ("Eyelogic"), Common management
National Exempt Markets Association ("NEMA"), Common management
Olympia Financial Group Inc. ("OFGI"), Common management
Olympia Benefits Inc. ("OBI"), Common management
OrganicKidz Inc. ("OKI"), Significant common share holdings
Tarman Inc. ("Tarman"), Common management
Transparent Investments Inc. ("Transparent"), Common management

(b) Transactions

On December 1, 2015; the Company acquired from Eyelogic Systems Inc. a portfolio of 53 Controlled Private Companies ("CPC") and associated controlling shareholder agreements and royalty agreements for an aggregate price of $75,000.

On December 18, 2015 the Company received from Eyelogic Systems Inc. a return of capital distribution in the amount of $90,987. This amount was applied against the book value of Eyelogic Systems and is considered a non-taxable distribution for income tax purposes.

On December 21, 2015; the Company sold its contractual interests in Trailer Fees to Olympia Benefits Inc. for proceeds of $143,774.

On March 24, 2017, the Company sold its shares in Olympia Financial Group Inc. for proceeds of $1,600,800.

On March 24, 2017; the Company sold its investment in Bearspaw Tree Farm at $80 per share for proceeds of $448,000.

The following table summarizes the related party transactions that occurred during the year ended:

	March 31, 2017	March 31, 2016
Revenue		
Controlled private company fees		
Controlled private companies	**$ 722,157**	$ 703,008
Exempt Experts	**9,632**	-
Dividends		
Olympia Financial Group Inc.	**129,168**	215,020
Interest income		
OrganicKidz Inc.	**12,500**	16,295
Trailer fees		
Olympia Benefits Inc.	**-**	35,806
G&A and Rent Reimbursements		
Exempt Experts	**79,557**	167,618
NEMA	**7,748**	6,999
Olympia Financial Group	**118,861**	70,644
Eyelogic Systems Inc.	**-**	22,865
	$ 1,079,623	$ 1,238,255
Expenses		
General and Administration		
Olympia Financial Group Inc.	**$ 8,530**	$ 21,426
Olympia Benefits Inc.	**11,599**	6,015
Eyelogic Systems Inc.	**-**	658
Bad Debt		
Controlled private companies	**26,050**	102,547
Royalties		
Eyelogic Systems Inc.	**-**	(6,412)
Tarman Inc.	**23,274**	17,273
Transparent Investments Inc.	**14,972**	-
Management Fees		
Tarman Inc.	**-**	12,000
	$ 84,425	$ 153,507

These transactions are in the normal course of operations and have been valued at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

(c) Accounts receivable, notes receivable and related party loans include amounts receivable from:

	March 31, 2017	March 31, 2016
Controlled private companies	**$ 329,203**	$ 278,967
Bad debt allowance for controlled private companies	**(108,503)**	(122,504)
OrganicKidz Inc.	**127,123**	126,274
Exempt Experts Inc.	**82,019**	133,835
Olympia Financial Group Inc.	**6,450**	13
NEMA	**1,083**	525
	$ 437,375	$ 417,110

(d) Accounts payable and accrued liabilities include amounts payable to:

	March 31, 2017	March 31, 2016
Olympia Financial Group Inc.	**$ 3,360**	$ 572
Tarman Inc.	**15,371**	-
Transparent Investments Inc.	**405**	-
	$ 19,136	$ 572

(e) Key management compensation

Key management compensation includes the Company's directors, the CEO, CFO, and President. Since September 2015, the CEO and the President have not received compensation for their services.

For the year ended,	**March 31, 2017**	March 31, 2016
Salaries and employee benefits	**$ 81,148**	$ 94,910
Directors' compensation	**43,126**	40,175
	$ 124,274	$ 135,085

Selected Financial Data

The following table provides selected annual information of Target for the years 2015 through to 2017.

3 YEAR HISTORICAL REVIEW			
For the year ended,	**2017**	2016	2015
Operating Results			
Revenue	**$ 865,710**	$ 972,195	$ 1,142,566
Expenses	**775,040**	973,289	1,168,898
Other Income (Expense)	**(564,964)**	(1,349,710)	-
Net income (loss)	**(512,814)**	(1,350,804)	(26,332)
Total comprehensive income	**(916,569)**	(1,987,621)	35,109
Earnings (loss) per share (basic and diluted)	**(0.12)**	(0.32)	0.01
Financial Position			
Current assets	**682,381**	1,719,874	4,017,033
Total assets	**861,393**	6,739,621	10,379,353
Current liabilities	**132,812**	5,469,617	5,637,713
Total liabilities	**1,482,582**	6,739,617	7,838,919
Equity (deficiency)	**$ (621,189)**	$ 345,004	$ 2,540,434

Corporate Information

Directors

Anne Louise Bartlett[1,2,3]
Gerard Janssen[1,2,3]
Brian Newman[1,2,3]
Rick Skauge
Greg Walter[1,2,3]

Officers

Rick Skauge
Chief Executive Officer
Royce Lee
Chief Financial Officer

Board Committees

1 Audit Committee
2 Corporate Governance and
Nomination Committee
3 Compensation Committe

Head Office

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Fax: 403-264-9740
http://www.targetcapitalinc.com

Transfer Agent

CST Trust Company
Suite 600, The Dome Tower
333 - 7th Avenue SW
Calgary, Alberta T2P 2Z1
Tel: 1-800-387-0825

Auditors

Kenway Mack Slusarchuk Stewart LLP Chartered Accountants
Suite 1500, 333 - 11th Avenue SW
Calgary, Alberta T2R 1L9

Suite 1020, 140 - 10th Avenue SE,
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