

MINAEAN SP CONSTRUCTION CORP.

Interim MD&A - Quarterly Highlights

For the six months ended September 30, 2017

The Quarterly Highlights of Minaean SP Construction Corp. (the “Company” or “Minaean”) provide a summary of the activities, results of operations and financial condition of the Company as at and for the six months ended September 30, 2017. The Quarterly Highlights have been prepared by management as of November 29, 2017 and should be read in conjunction with the condensed interim consolidated financial statements and related notes thereto of the Company for the six months ended September 30, 2017 and, 2016, the audited financial statements and related notes thereto of the Company for the years ended March 31, 2017 and 2016, which were prepared in accordance with International Financial Reporting Standards (“IFRS”), and the annual Management Discussion and Analysis (“MD&A”) of the Company prepared by management as of July 26, 2017.

Forward-looking statements

Certain statements contained in the following Quarterly Highlights constitute forward-looking statements. Such forward-looking statements include, but are not limited to statements regarding the Company’s ability to identify and pursue a suitable business opportunity and its ability to raise sufficient financing to continue its operations. These forward-looking statements involve a number of known and unknown risks, uncertainties and other factors including financial, operational, environmental and political risks, general equity and market conditions. The outcome of these factors may cause the actual results and performance of the Company to be materially different from any plans or results expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Projects

Malta

The construction work on the project developed by Minaean involving the construction of a new 225 bed acute care facility at Gozo Hospital and refurbishing another 320-bed St. Luke’s hospital contract in Malta for Shapoorji Pallonji International, Dubai (“SPML”) is in progress since late 2016. The construction contract awarded to SPML is based on a PPP model where a 30 year concession has been awarded to VGH Holding, a Malta registered company, with the concessionaire guaranteed with the annual payments for operating the hospitals by the Government of Malta. The ground breaking ceremony was conducted on August 5, 2016 and the construction of the Bart’s Medical College is almost under completion. This is the first contract to be executed under the strategic partnership with the SP Group and Minaean will earn its revenues through a consulting agreement with SPML for securing the contract. VGH operates these hospitals in partnership with Boston, USA based Partners Healthcare International, a model which will be replicated on the PPP projects under development by VGH.

Minaean has signed a Memorandum of Understanding with VGH Holding Ltd. for developing/replicating the Malta launched PPP Model in Africa and Latin America where the company will earn revenues through similar consulting agreements by securing construction contracts for SPML in these countries. Minaean has commenced a dialogue on the development of healthcare projects on PPP basis in Ghana and Namibia in Africa. The preliminary evaluation of the project in Ghana is in process and Memorandum of Understanding with the Ministry of Health is under discussion. The proposal is to expand Baptist Medical Centre for construction and operation of a 600/800 Bed Tertiary hospital focusing on mental care at Nalerigu, Northern part of Ghana bordering Ivory Coast and Burkina Paso, also to refurbish and expand Ghana’s leading 1,600 bed Korle-Bu Hospital in Accra.

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Africa

Based on the Memorandum of Understanding (MOU) signed with the Ministry of Health (MoH) on December 10th, 2016 for design and construction of a 160-bed Neurosciences Hospital in Abidjan, Minaean has completed the initial concept designs and submitted a proposal for construction of the facility for a value of US\$75 million. Initial meetings along with CCC and EDC with the MoH in Abidjan, Cote D'Ivoire were held in May 2017 and as per the request for amendments by MoH, architects, Aedefica, from Montreal have been authorized to officially resubmit the proposal for commencing the contract negotiations. CCC and EDC have officially communicated their intentions to engage with MoH on the construction of this hospital and a financial term sheet has been submitted to the Ministry of Finance through the Ministry of Health late August 2017. The contract will be executed through a special purpose vehicle formed by Minaean with Alberta based J.V. Driver International, a \$1.2Billion revenue Canadian corporation with expertise in construction and infrastructure projects.

Minaean has finalized a memorandum of understanding with the Ministry of Health, Government of Cameroon for construction of a Greenfield 300-bed hospital project (Cancer and General) on a Build, Finance and Maintain model, a similar concept to that of Cote D'Ivoire. CCC's and EDC's in principle go ahead has been obtained. This MOU has gone for clearance from the Minister of Economy for issue of a sovereign guarantee for loan repayment to EDC.

An Expression of Interest for construction of a 250-bed Tertiary care hospital in Dar-e-Salaam, Tanzania has been submitted and consulting agreement for development of this project has been signed through SP's local office for development of this project.

Dialogue for developing a hospital construction project in Namibia has been commenced through the Canadian Government Trade Office upon receiving, in principle, approvals to proceed from CCC and EDC. The intentions will be officially communicated by the Canadian embassy during the meetings planned in September 2017. Minister of Health, Namibia has announced the need for support in expanding their healthcare facilities in Namibia based on which the project development efforts have been launched. SP's Africa Business Centre will be undertaking the development of this project during the next few months.

All the above projects are supported by Africa Business Centre (ABC), a business development cell of the Shapoorji Pallonji Group who are regularly in communication with Minaean for providing support.

Latin America

With Board approval, Minaean has taken a decision to promote and develop healthcare projects in Latin America. The Company's visit to Colombia as a part of EDC's trade mission in November 2015 has laid the foundation for discussions with the provincial government of Huila Province of Colombia for execution of a "Water Irrigation Project" through a similar SPV model. Official request from the Government of Huila has been submitted through the Canadian Trade Office in Bogota to CCC and their response with their willingness to support, subject to preconditions, has been submitted. The approximate \$200 million project will mark the entry of the Company into the Latin American market. Top management of SPML visited Lima, Peru recently for taking a market survey and have taken a decision to invest into setting up a local office in Lima. The process is currently ongoing and contract negotiations are likely to start shortly. Minaean is also working on developing hospital projects in Peru and Colombia.

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India

Minaean, as a leader of the Canadian consortium along with its Indian counterpart “AFCONS Infrastructure Co.”, a wholly owned subsidiary of SP Group, signed a Memorandum of Understanding with “Industries Commissionerate of Govt. of Gujarat” for the Promotion, Financing and Development of Petroleum and Petrochemical complex with storage facilities at Jambusar, Gujarat, India. Minaean will be working towards finalizing the Canadian consortium during the next few months and move this prospect to a project study stage.

MHIPL will be the execution arm of Canadian consortium. The Company currently operates on an outsourced model focusing on its core strengths in engineering, execution and contract management.

A Memorandum of Understanding has been recently signed by CCC with the municipality of Kalyan-Dombivali in Maharashtra, Mumbai, India for the construction of a smart city, a project initiated by SP Group in close coordination with Trade Commissioner of Canada in Mumbai. This project will be executed by a consortium formed by Minaean along with other Canadian corporations, planning of which will be carried out in due course upon organization of financing arrangements.

As at September 30, 2017, there are no ongoing contracts in progress.

Analysis of the Company’s financial performance and conditions

For the six months ended September 30, 2017, the Company recorded net loss of \$179,500 as compared to a net loss of \$150,834 for the six months ended September 30, 2016, an increase in net loss by \$28,666.

The Company earned revenues totaling \$249,821 for the first half of 2017 from projects in Sierra Leone and North America compared to \$488,666 for the first half of 2016 for projects in India, an overall decrease of \$238,845.

Total cost of sales was \$180,183 for the period ended September 30, 2017, resulting in a gross profit of \$69,638 or 27.9%. In comparison, cost of sales was \$472,183 for the first quarter ended September 30, 2016, resulting in a gross profit of \$16,483 or 3.4%. Cost of sales included labor, materials and material burden and other production costs.

Overall operating expenses increased by \$58,165 primarily due to increased office and administration, wages and benefits and consulting services.

Increases within the operating expenses are as follows:

- Consulting fees by \$4,148 in connection to business development services for Cameroon;
- Office and administration by \$48,126 primarily due to a penalty imposed by the Reserve Bank of India, India’s central bank, on late reporting of historical foreign intercompany transfer activities as required by Indian regulatory rules.
- Wages and benefits by \$14,513 as a result of a new hire for business development.

Offsetting these increases were decreases in the following:

- Amortization by \$2,513 as the Company sold its equipment in the prior year;
- Professional fees by \$1,663 as the Company reported the balance of the 2016 audit fees in the first half of the comparative period;
- Regulatory and transfer agent fees by \$2,749 as there were no corporate restructure costs in the current period;
- Rent by \$3,111 as the Company reduced its rental facilities in India;

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The Company reported working capital of \$243,171 at September 30, 2017 compared to working capital of \$427,372 at March 31, 2017, a decrease in working capital by \$184,201. As at September 30, 2017, the Company had net cash on hand of \$48,874 compared to \$79,510 at March 31, 2017.

As at September 30, 2017, the Company's primary source of liquidity included cash of \$48,874, short-term investments of \$20,699, receivables of \$419,011 and holdback receivables of \$89,714. Other current assets at September 30, 2017 consisted of prepaid expenses and deposits of \$13,837.

Current liabilities as at September 30, 2017 increased by \$60,077.

During the period ended September 30, 2017, the Company utilized \$41,326 of cash from operations.

To-date, the other sources of funds potentially available to the Company are through the exercise of various outstanding 5,601,616 stock options at an exercise price between \$0.13 per share and \$0.26 per share which expire between May 28, 2018 and August 30, 2020.

The Company's continuing operations are dependent upon its ability to either secure additional equity capital or generate consistent cash flow from operations in the future. During the period ended September 30, 2017, the Company generated \$249,821 (2016 - \$488,666) in revenues and incurred net loss of \$179,500 (2016 - \$150,834). As at September 30, 2017, the Company has an accumulated deficit of \$11,574,973 (March 31, 2017 - \$11,395,473) and working capital of \$243,171 (March 31, 2017 - \$427,372).

Related party transactions

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include executive and non-executive directors. The remuneration of directors and other key management personnel during the periods ended September 30, 2017 and 2016 were as follows:

	2017	2016
Management salaries	\$ 60,000	\$ 60,000
Total	\$ 60,000	\$ 60,000

The Company entered into the following related party transactions:

- (a) On October 1, 2014, the Company entered into an administrative agreement for administrative services in exchange for a monthly fee of \$4,000 plus applicable tax.

During the period ended September 30, 2017, the Company paid or accrued \$24,000 (2016 - \$24,000) in administrative fees to VCC.

As at September 30, 2017, \$8,400 (March 31, 2017-\$Nil) was owed to VCC pursuant to this agreement.

- (b) During the period ended September 30, 2017, the Company paid \$12,000 (2016 - \$12,000) in rent to a company controlled by the spouse of the CFO and director of the Company.

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- (c) As at September 30, 2017, \$15,478 (March 31, 2017- \$25,513) was included in due to related parties for amounts owing to the CEO and director of the Company.
- (d) During the period ended September 30, 2017, the Company recognized \$119,876 (2016 -\$nil) in revenues from a significant shareholder of the Company. As at September 30, 2017, \$594,975 (March 31, 2017 - \$625,588) was receivable from a significant shareholder of the Company. Of the amount receivable, \$135,000 (March 31, 2017 - \$135,000) is included in long-term receivables.
- (e) As at September 30, 2017, \$57,337 (March 31, 2017 -\$61,620) in operating loans included in due to related parties were due to the SP Group, a shareholder of the Company.

Unless otherwise specified above, amounts due to related parties are unsecured and have no specified interest rate or terms of repayment.

Summary of Outstanding Share Data as at November 29, 2017:

- 1. Authorized – Unlimited common shares without par value.
- 2. Issued and outstanding: 58,159,883 common shares
- 3. Stock options outstanding: 5,601,616

Additional disclosures pertaining to the Company's management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors, thank you for your continued support.

"Mervyn Pinto"

Mervyn Pinto

Director