

MINAEAN SP CONSTRUCTION CORP.

Interim Management Discussion and Analysis – Quarterly Highlights
September 30, 2018

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, 2018. The Quarterly Highlights have been prepared by management as of November 29, 2018 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, 2018 and 2017, the audited financial statements and related notes thereto of the Company for the years ended March 31, 2018 and 2017, 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 30, 2018.

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.

MINAEAN’S OUTLOOK FOR 2018-19

Through SP Group’s investment in Minaean, the Company has become an affiliate of the US\$6billion revenue Shapoorji Pallonji Group (SP Group) and a strategic partner with a business model to develop and execute contracts in the Americas and Africa. With SP Group’s expertise in construction and infrastructure projects related to the sectors involving Housing, Healthcare, Education, Hospitality, Stadiums and through its subsidiaries in Ports, Railways, Refineries, Bridges, Tunnels, Solar Renewable Power, and Water Purification, Minaean’s opportunity and ability to secure contracts is well defined by using its invaluable network in the Canadian market. These global contracts are developed and executed through the support of the Canadian crown corporations such as Canadian Trade Commissioners Services (TCS), Canadian Commercial Corporation (CCC) and Export Development Canada (EDC).

With the SP Group conducting business development and/or operating in fifteen African countries and seven Middle Eastern countries, Minaean is proactively expanding its business outreach into Africa and Latin American countries. In this group’s aggressive plans, Minaean’s role is to develop projects on a sole sourcing model through Government to Government negotiations in its target markets. Last fiscal year, Minaean has moved well ahead in its business development efforts in the African countries supported by CCC including Cote D’Ivoire, Ghana, Tanzania, Gabon and Cameroon, where initial introductions have been made. This is a part of a long term business plan to lay a strong foundation in these specific countries with the support of its partnership with the large and credible construction group such as SP Group.

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 Middle East Ltd., Dubai (“SPML”), which was in progress since late 2016, has now been taken over by “Steward Healthcare” of Boston, USA. This was the first contract to be executed under the strategic partnership with the SP Group to which Minaean was engaged through a consulting agreement with SPML for securing and managing the contract and has earned 0.75% of the contract value as consulting fee.

Africa

Minaean signed a Memorandum of Understanding (MOU) with the Ministry of Health (MoH) on December 10th, 2016 for the design and construction of a 140-bed Neurosciences Hospital in Abidjan with a current value of US\$80 Million. Minaean, with its partner, Alberta-based J.V.Driver International, have appointed Montreal-based architect firm, Aedifica, for the concept designs of the facility. CCC is conducting their due diligence on the project partners for submission of an official report to the Canadian Minister of International Trade prior to engaging on contract negotiations

During the official meetings held, the government of Cote D'Ivoire has requested for an Expression of Interest to be submitted by Minaean through CCC for construction of a US\$250 million budgeted University project. EDC has submitted an official confirmation to Prime Minister's office in Cote D'Ivoire indicating their willingness to finance the project. The details of this University project are now awaited.

Minaean has finalized a memorandum of understanding with the MoH, Government of Cameroon for construction of a Greenfield 200-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 been finalized and approved by the MoH and has been submitted to the President's office for approval. With the Presidential election now over, the approval on the signing of the MOU is expected shortly.

An Expression of Interest for construction of a 250-bed Cancer and General hospital in Dar-e-salam, Tanzania has been submitted and the consulting agreement for development of this project is under discussion through SP's local office.

Minaean has obtained, in principle, approval from the MoH for negotiating on a hospital project in Ghana to be executed on a concessionary basis. A Memorandum of Understanding is under negotiation with London, UK-based "DWPF", a \$4 Billion financial advisory firm for financing and operating the hospital on a PPP basis. The Memorandum of Understanding for constructing and operating the Teaching Hospital is under negotiation with the MoH, Ghana.

Latin America

With Board approval, Minaean has taken a decision to promote and develop healthcare and other 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 Colombian government for execution on a P3 model, developmental efforts in Peru is also underway. A water irrigation project is being closely followed in Colombia.

Based on the business development efforts and visits of the CEO to Costa Rica, three projects have been shortlisted for financing and execution on a sole sourcing CCC/EDC support model. To confirm their support EDC has issued a marketing letter for financing of construction of a hospital project. A follow up visit to San Jose in June 2018 has led to the issuance of an Expression of Interest to the Health Dept. for construction of a Greenfield hospital project in the state of LIMON, valued at \$80 million. Further, based on an approval, in principle, from CCC and Trade Commissioner's advice, an Expression of Interest has been submitted to the Mayor of San Jose for construction of a Tram Project with an estimated value of US\$290 million. The Canadian govt. has announced a P3 summit to be presided over in Costa Rica for which Minaean has been invited to attend. The Canadian Trade Commissioner's office has indicated the possibility of signing the Memorandum of Understanding for the hospital during this event. .

As per the request of SP Group Center in Mumbai, Minaean has been tasked in supporting the infrastructure subsidiary, AFCONS" in forming a consortium for bidding for a US\$4 Billion Bogota Metro tender. The efforts are ongoing.

Canada

Minaean has been given the go ahead for developing construction contracts in Vancouver region to be executed on a joint venture basis in partnership with a local partner with the support from SP Group's office in Dubai. The efforts on finding a suitable partner is ongoing.

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

As at September 30, 2018, there are no ongoing contracts in progress.

Six months ended September 30, 2018

For the six months ended September 30, 2018, the Company recorded a net loss of \$217,329 as compared to a net income of \$179,500 for the six months ended September 30, 2017, an increase in net income by \$37,829.

The Company did not earn revenues in the first fiscal half ending September 30, 2018 compared to \$249,821 for the first half ending September 30, 2017 from projects in Sierra Leone and Canada.

Total cost of sales was \$nil for the period ended September 30, 2018. During the period ended September 30, 2017, cost of sales was \$180,183, resulting in a gross profit of \$69,638 or 28%. Cost of sales included labor, materials and material burden and other production costs.

Overall operating expenses remained consistent between the first half of fiscal 2019 and 2018 totaling \$217,341 and \$249,150, respectively.

Notable changes within the operating expenses are as follows:

- Consulting decreased by \$4,148 as no consulting services were used in the period;
- Office and administration decreased by \$58,993 as there were less operational costs;
- Professional fees decreased by \$5,203 the Company utilized fewer services by its legal counsel and external auditors.
- Project development costs increased by \$18,203 on architectural fees for project bidding;
- Regulatory and transfer agent fees increased by \$2,809 for the Company's listing fees;
- Rent increased by \$6,132 as a result of increased rental costs;
- Travel and entertainment decreased by \$4,538 as a result of fewer travel arrangements made by the Company's CEO for business development; and
- Wages and benefits increased by \$15,432 as the Company increased staffing for business development.

Three months ended September 30, 2018

During the three months ended September 30, 2018, the Company recorded net loss of \$120,278 compared to \$132,943 for the same quarter ended September 30, 2017, a decrease in net loss by \$12,665. The decrease in net loss primarily resulted from the Company's decrease in office and administration costs by \$58,380 offset by increases in project development costs by \$18,203 and wages and benefits by \$11,427. There were no other significant variances during the second quarter.

The Company reported working capital of \$490,529 at September 30, 2018 compared to working capital of \$702,605 at March 31, 2018, a decrease in working capital by \$212,076. As at September 30, 2018, the Company had net cash on hand of \$9,573 compared to \$67,451 at March 31, 2018.

As at September 30, 2018, the Company's primary source of liquidity included cash of \$9,573, short-term investments of \$28,809, receivables of \$805,505 and holdback receivables of \$32,217. Other current assets at September 30, 2018 consisted of prepaid expenses and deposits of \$5,256.

Current liabilities as at September 30, 2018 decreased by \$390,831.

During the period ended September 30, 2018, the Company utilized \$69,332 of cash from operations and received \$5,200 from options exercised.

To-date, the other sources of funds potentially available to the Company are through the exercise of outstanding 5,464,116 stock options at an exercise price of \$0.26 per share which expire 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, 2018, the Company did not generate revenues (2017 - \$249,821) and incurred net loss of \$217,329 (2017 - \$179,500). As at September 30, 2018, the Company has an accumulated deficit of \$11,467,762 (March 31, 2018 - \$11,250,433) and working capital of \$490,529 (March 31, 2018 - \$702,605).

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 period ended September 30, 2018 and 2017 were as follows:

	2018	2017
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 (Note 10).

During the period ended September 30, 2018, the Company paid or accrued \$24,000 (2017 - \$24,000) in administrative fees to Varshney Capital Corp. ("VCC").

As at September 30, 2018, \$33,600 (March 31, 2018-\$25,200) was owed to VCC pursuant to this agreement and is included in due to related parties.

- (b) During the period ended September 30, 2018, the Company paid \$18,000 (2017 - \$12,000) in rent to a company controlled by the spouse of the CFO and director of the Company.

As at September 30, 2018, \$6,395 (March 31, 2018 - \$9,639) was owed to this company for rent. This amount has been included in accounts payable.

- (c) As at September 30, 2018, \$49,425 (March 31, 2018 - \$49,444) 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, 2018, the Company recognized \$nil (2017 -\$119,876) in revenues from a significant shareholder of the Company. As at September 30, 2018, \$676,509 (March 31, 2018 - \$876,114) was receivable from a significant shareholder of the Company.
- (e) As at September 30, 2018, \$53,541 (March 31, 2018 - \$59,400) in operating loans included in due to related parties were due to the SP Group, a shareholder of the Company. The loan is non-interest bearing and is due upon demand.

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, 2018:

1. Authorized – Unlimited common shares without par value.
2. Issued and outstanding: 58,199,883 common shares
3. Stock options outstanding: 5,464,116

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
President and CEO