MANAGEMENT'S DISCUSSION and ANALYSIS

For the three months ended December 31, 2020 and 2019

(Expressed in thousands of Canadian dollars, except share and per share amounts)

OVERVIEW

Consolidated HCI Holdings Corporation (the "Company") is an Ontario-based publicly traded company which trades on the NEX under the trading symbol CXA.H. The NEX is a separate board of the TSX Venture Exchange ("TSX-V") for issuers previously listed on the Toronto Stock Exchange or TSX-V but which no longer maintain compliance with the ongoing financial listing standards of those markets.

The following management's discussion and analysis ("MD&A") of the financial condition of the Company and its financial performance for the three-month period ended December 31, 2020 and 2019 are the views of management and should be read in conjunction with the consolidated financial statements including the related notes in the September 30, 2020 and 2019 audited consolidated financial statements. Amounts presented in this MD&A, except per share amounts, are in thousands of Canadian dollars.

The information included in this MD&A, including the 2019 comparative information, has been prepared in accordance with International Financial Reporting Standards ("IFRS") unless otherwise noted.

GOING CONCERN

These interim consolidated financial statements have been prepared on the basis of accounting principles that are applicable to a going concern. The going concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware in making its assessment, of material uncertainties related to events or conditions, such as those described below and herein, that may cast significant doubt upon the Company's ability to continue as a going concern.

During the three months ended December 31, 2020, the Company has incurred net loss of \$273 (December 31, 2019 - \$63) and as at December 31, 2020, the Company has an accumulated deficit of \$36,269 (September 30, 2020 - \$35,996) and net deficiency of assets of \$162. These circumstances create a significant doubt about the Company's ability to meet its obligations as they become due and, accordingly, the appropriateness of the use of the going concern assumption. The Company no longer has any source of revenue and continues to incur general and administrative expenses.

Management and the Board of Directors continue to consider options as to the Company's future. Whether and when the Company can successfully source capital and/or financing and successfully develop a revenue-producing profitable business with positive cash flows is uncertain. Accordingly, material uncertainty exists whether the Company can discharge its obligations, including its accounts payable and accrued liabilities and notes payable, within the next 12 months. This material uncertainty casts significant doubt upon the Company's ability to continue as a going concern. These interim consolidated financial statements do not reflect adjustments to carrying values and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments may be material.

COVID-19

On March 11, 2020, the World Health Organization declared the ongoing COVID-19 outbreak as a global health emergency. This resulted in governments worldwide enacting emergency measures to combat the spread of the virus, including the closure of certain non-essential businesses.

During the three months ended December 31, 2020, the pandemic did not have a material impact on the Company's operations. The Company has taken steps to minimize the potential impact of the pandemic including safety measures with respect to personal protective equipment, the reduction in travel and the implementation of a virtual office including regular video conference meetings. Due to the rapid developments and uncertainty surrounding COVID-19, it is not possible to predict the impact that COVID-19 will have on the Company's business, financial position and operating results in the future. In addition, it is possible that estimates in the Company's interim consolidated financial statements will change in the near term as a result of COVID-19 and the effect of any such changes could be material. The Company is closely monitoring the impact of the pandemic on all aspects of its business.

RESPONSIBILITY OF MANAGEMENT AND THE BOARD OF DIRECTORS

Management is responsible for the information disclosed in this MD&A, and has in place information systems, procedures and controls to ensure information used internally by management and disclosed externally is materially complete and reliable. In addition, the Company's Audit Committee and Board of Directors provide an oversight role with respect to all public financial disclosures by the Company, and have reviewed and approved this MD&A and the interim consolidated financial statements as at December 31, 2020 and 2020.

FORWARD-LOOKING STATEMENTS

In various places in the MD&A, there are forward-looking statements reflecting management's current expectations regarding future economic conditions, results of operations, financial performance and other matters affecting the Company. Forward-looking statements include information regarding possible or assumed future results or transactions as well as statements preceded by, followed by, or that include the words such as "believes," "expects," "anticipates," "estimates," "intends" or similar expressions. Important factors, in addition to those discussed in this document, could affect the future results of the Company and could cause those results to differ materially from those expressed in any forward-looking statements.

REVIEW OF FINANCIAL RESULTS

Financial data presented herein is expressed in thousands of Canadian dollars and is in accordance with IFRS.

Results of operations

Summary of operating results

(Unaudited, in thousands of Canadian dollars, except per share amounts)

	Three months ended December 31	
	2020	2019
Revenue	**$ 0**	$0
Loss before income taxes	**$(273)**	$(65)
Recovery of income taxes	**0**	2
Net loss for the period	**$(273)**	$(63)
Basic and diluted Loss per share	**$(0.013)**	$(0.003)

General and Administrative Expenses

	For the three months ended December 31, 2020	For the three months ended December 31, 2019
Consulting fees	$ **6**	$ -
Management fees	**-**	31
Professional fees	**37**	15
Other	**13**	19
	$ **56**	$ 65

Professional fees in 2020 increased by $22 compared to the same period in 2019 as a result of increased legal fees related to the transition to new management and extension of notes payable.

Management fees in 2020 decreased by $31 compared to the same period in 2019 due to the management transition in late 2020.

Stock-based compensation

Stock-based compensation in 2020 increased by $217 compared to the same period in 2019 as a result of stock options being grated to officers and directors of the company.

FINANCIAL CONDITION

(in thousands of dollars)

	December 31, 2020	September 30, 2020
Cash	**$ 222**	$ 277
Income taxes recoverable	**2**	2
Other assets	**27**	33
Total assets	**$251**	$312

OUTSTANDING SHARE DATA

As at February 24, 2021, the Company's authorized capital stock consists of an unlimited number of Class B, voting shares, without par value, of which 20,575,866 shares are issued and outstanding at a stated value of $35,890.

The following table presents the fully diluted shares outstanding as at February 24, 2021:

Common shares	20,575,866
Options	2,057,586
Fully diluted shares outstanding	**22,633,452**

NOTES PAYABLE

On January 14, 2020, the Company completed the private placement of unsecured promissory notes for gross proceeds of $345. The purpose of this borrowing was to provide the Company with sufficient working capital for general corporate purposes while management and the Board of Directors decide on the future direction of the Company. The promissory notes bear interest at the annual rate of 4% and are repayable without penalty at any time prior to maturity. The principal amount and all accrued and unpaid interest were due on January 14, 2021. On January 13, 2021, the terms of the notes were amended to extend the maturity date to April 14, 2021. All other terms and conditions remain in full force and effect.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows

(in thousands of dollars)

	Three months ended December 31 2020	Three months ended December 31 2019
Cash used in:		
Operating activities	**$(55)**	$(32)
Decrease in cash	**(55)**	(32)
Cash, beginning of the period	**277**	61
Cash, end of the period	**$222**	$29

Increased Cash in the period ended December 31, 2020 was due to the receipt of proceeds from private placement of unsecured promissory notes of $345 in January 2020. At December 31, 2020 the Company is facing material liquidity risk as explained above under GOING CONCERN.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions consist of management compensation, including share based compensation.

Transactions with related parties during the period were as follows:

	Three months ended **December 31 2020**	Three months ended December 31 2019
Stock based compensation	**$ 217**	$ -

During the three months ended December 31, 2019, the Company shared an office with a company in which Stanley Goldfarb is a shareholder, director and officer at an annual rental of $4. The rent expense for the three month period ended December 31, 2019 was $1. As at December 31, 2020, the Company no longer operates out of that office space.

The Company's former Chief Financial Officer provided accounting, reporting and office management functions for the Company on a month to month, fee for service basis. Total fees for the period from October 1, 2019 to December 31, 2019 were $30.

During the three months ended December 31, 2020, the Company granted options to its directors and officers entitling the purchase of 2,057,586 class B shares at a price of $0.13 per share. The options are for a five-year term, expiring on October 22, 2025, and vest on the date of grant. The Company recognized $217 (December 31, 2019 - $NIL) of stock-based payments that were recorded as contributed surplus.

RISK MANAGEMENT

Liquidity Risk

Liquidity risk is managed by maintaining cash in excess of projected needs. At December 31, 2020, the Company is facing material liquidity risk as explained above under GOING CONCERN.

The Company's contractual obligations are its accounts payable and accrued liabilities and notes payable. Uncertainty exists whether the Company can discharge these obligations within the next twelve months as explained above under GOING CONCERN.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

OUTLOOK

Management and the Board of Directors are considering options as to the Company's future as the Company had discontinued and divested substantially all of its operations, and had ceased to be actively engaged in any ongoing business in 2017. Uncertainty exists as to the Company's ability to continue as a going concern as explained above under GOING CONCERN.

Additional information relating to the Company has been filed on SEDAR and can be found at www.sedar.com