

**DATINVEST INTERNATIONAL LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the six months ended June 30, 2018**

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The following discussion and analysis, prepared as of August 27, 2018, should be read together with the audited financial statements for the year ended December 31, 2017 and related notes attached thereto, which are in accordance with International Financial Reporting Standards. All amounts are stated in Canadian dollars unless otherwise indicated. This Management's Discussion and Analysis ("MD&A") provides relevant information on the operations and financial condition of Datinvest International Ltd. (the "Company") during the year ended December 31, 2017.

**Forward-Looking Statements**

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerable from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. The Company assumes no obligation to update its forward-looking statements to reflect results, changes in assumptions or changes in other factors affecting such statements. Additional information related to Datinvest International Ltd. is available for view on SEDAR at [www.sedar.com](http://www.sedar.com).

**The Company**

The Company has no business or operations and continues to be designated as "Inactive" by the TSX Venture Exchange since September 28, 2001. The Company is currently reviewing new projects. The Company's shares are trading under the symbol DAI.H and are regulated by the NEX polices.

On December 31, 2017, the Company wrote off the advances to Agri Leaf for a total amount of \$37,186.

Effective January 11, 2018, the Company consolidated its shares on a 10 old for 1 new basis.

On January 31, 2018, the Company completed a private placement whereby it issued 4,000,000 units for gross proceeds of \$500,000. Each unit consists of one common share of the Company and one common share purchase warrant entitling the holder to acquire an additional common share at a price of \$0.15 for a period of twelve months. All of the securities issued under the private placement are subject to a four-month hold period. A finder's fee of \$40,000 was paid.

On March 16, 2018, the Company granted 500,000 stock options with an exercise price of \$0.41 and expiring on March 16, 2023.

**Selected Annual Information**

	Years ended December 31,		
	2017	2016	2015
Revenue	\$ -	\$ -	\$ -
Loss of the year before extraordinary items	\$ 125,057	\$ 194,970	\$ 82,515
Basic and Diluted Loss per Share	\$ 0.006	\$ 0.010	\$ 0.004
Loss for the Year	\$ 125,057	\$ 194,970	\$ 82,515
Total Assets	\$ 76,793	\$ 205,372	\$ 391,055
Liabilities (L.T.)	\$ -	\$ -	\$ -
Cash dividends	\$ -	\$ -	\$ -

## Results of Operations

### Results of Operations for the three months ended June 30, 2018 and 2017

The net loss for the three months ended June 30, 2018 was \$35,377 compared to \$19,241 for the same period in 2017, representing an increase of \$16,136. The increase was a result of the Company incurring additional professional fees and consulting fees in relation to the acquisition of Exxel Pharma Inc.

The net losses during the three months ended March 31, 2018 and 2018 are summarized below:

	2018		2017	
Consulting fee	\$	20,000	\$	15,000
Office		77		38
Professional fees		9,035		1,187
Transfer agent & filing fees		6,265		3,452
Interest income		-		(436)
Net loss for the period	\$	35,377	\$	19,241

### Results of Operations for the six months ended June 30, 2018 and 2017

The net loss for the six months ended June 30, 2018 was \$288,430 compared to \$39,159 for the same period in 2017, representing an increase of \$249,271. The increase was a result of the Company incurring additional professional fees and consulting fees in relation to the acquisition of Exxel Pharma Inc. and granting stock options during the period and thus incurring a \$202,842 charge to stock based compensation.

The net losses during the six months ended June 30, 2018 and 2018 are summarized below:

	2018		2017	
Consulting fee	\$	50,000	\$	30,000
Office		144		111
Professional fees		16,377		1,395
Transfer agent & filing fees		19,067		8,521
Stock based compensation		202,842		-
Interest income		-		(868)
Net loss for the period	\$	288,430	\$	39,159

## Summary of Quarterly Results

	2018	2018	2017	2017	2017	2017	2016	2016
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Total revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loss for the Period	\$ 35,377	\$ 253,053	\$ 69,087	\$ 16,811	\$ 19,241	\$ 19,918	\$ 99,538	\$ 18,128
Basic Loss per Share	\$ 0.01	\$ 0.04	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Diluted Loss per Share	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Working Capital	\$420,263	\$455,630	\$ 45,851	\$ 114,938	\$ 131,749	\$ 150,990	\$ 170,808	\$ 246,647

*The March 31, 2018 loss included a \$202,842 stock based compensation expense.*

*The December 31, 2017 loss included a \$37,186 write-off of loans receivable.*

*The December 31, 2016 loss included a write-off of \$22,210 resulting from uncollectable historical GST receivables and \$47,280 write-off of loans receivable.*

## **Liquidity and Capital Resources**

### **Working Capital**

As at June 30, 2018, the Company has a working capital surplus of \$420,263 (December 31, 2017: \$45,851) and deficit of \$3,588,078 (December 31, 2017: \$3,299,648).

The Company has no commitment for capital expenditures as of August 29, 2018.

### **Cash and Cash Equivalents**

On June 30, 2018 the Company had cash of \$431,637 (December 31, 2017 - \$71,363).

### **Cash Used in Operating Activities**

Cash used by operating activities during the six months ended June 30, 2018 was \$99,726 (2017: \$40,587) due to the operating expenditures. Cash was mostly spent on management fees, consulting fees, professional fees, office, and transfer agent and filing fees.

### **Cash from Financing Activities**

Cash from financing activities during the six months ended June 30, 2018 was \$460,000 (2017: \$0) due to the Company completing a private placement and raising \$460,000 after share issuance costs.

## **Going Concern**

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern as at June 30, 2018 the Company had not yet achieved profitable operations, has accumulated losses of \$3,588,073 since its inception, a working capital surplus of \$420,263 (December 31, 2017: \$45,851) and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent on its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they become due.

## **Off-Balance Sheet Arrangements**

The Company is not committed to any off-balance sheet arrangements.

## **Outstanding Share Data as August 29, 2018**

5,979,310 Common Shares (after consolidation of 10 to 1 common shares)

4,000,000 Warrants exercisable at \$0.15 expiring January 31, 2019

500,000 Stock Options exercisable at \$0.41 expiring March 16, 2023

## **Proposed Transactions**

There are no proposed transactions that the Company has not previously disclosed.

## **Critical Accounting Estimates, Judgments and Uncertainties**

The Company makes estimates about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

## **Critical Accounting Estimates and Assumptions**

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year.

## **Critical Accounting Judgments**

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments.

### *Recovery of deferred tax assets*

Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

The Company has not recorded any deferred tax assets.

## **Transactions with Related Parties**

None.

## **Recent Accounting Pronouncements**

### **New or revised standards and amendments to existing standards not yet effective**

- New standard IFRS 9, Financial Instruments, classification and measurement is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, “Financial Instruments: Recognition and Measurement.” IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit and loss. This standard is effective for years beginning on or after January 1, 2018.
- IFRS 15 – Revenue from Contracts with Customers (“IFRS 15”). The IASB issued IFRS 15, Revenue from Contracts with Customers, which provides a single principle-based framework to be applied to all contracts with customers. IFRS 15 replaces the previous revenue standard IAS 18, Revenue, and the related Interpretations on revenue recognition. The standard scopes out contracts that are considered to be lease contracts, insurance contracts and financial instruments. The new standard is a control-based model as compared to the existing revenue standard which is primarily focused on risks and rewards. Under the new standard, revenue is recognized when a customer obtains control of a good or service. Transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the good or service. This standard is effective for reporting periods beginning on or after January 1, 2018.
- IFRS 16 was issued in January 2016 and specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16’s approach to lessor accounting substantially unchanged from its predecessor, IAS 17. This standard is effective for reporting periods beginning on or after January 1, 2019.

The Company is currently assessing the impact that these standards will have on the Company’s financial statements. The Company plans to adopt these standards as soon as they become effective for the Company’s

reporting period.

**Management Responsibility**

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible to ensure that information disclosed externally, including the financial statements and Management Discussion and Analysis (MD&A), is complete and reliable.

Management has evaluated the effectiveness of the Company's disclosure controls and procedures and has concluded that they are operating effectively. It is important to recognize that the Company has very limited administrative staffing. As a result, internal controls which rely on segregation of duties in many cases are not appropriate or possible. The Company relies heavily on senior management review and approval to ensure that the controls are as effective as possible.