



Management's Discussion and Analysis of Financial Condition and Results of Operations as at November 29th, 2017.

The following is management's discussion and analysis ("MD&A") of Chinook Tyee Industry Limited's (the "Company" or "Chinook") financial condition and results of operations for the nine months ended September 30, 2017, and should be read in conjunction with the unaudited condensed consolidated financial statements and related notes for the same reporting period. The MD&A will also outline the economic operating conditions and how these influence Chinook Tyee Industry Limited's business activities.

All references herein refer to the unaudited condensed consolidated financial statements and related notes for the nine months ended September 30, 2017, and except where otherwise indicated, all financial information is expressed in Canadian dollars ("C\$"). Unless otherwise indicated, reference to the "Company" or "Chinook" means Chinook Tyee Industry Limited and its subsidiaries. The financial year is the calendar year. Reference to a "fiscal year" means the Company's year commencing on January 1st of that year and ending on December 31st of that year. For example, fiscal 2017, means the period beginning January 1st, 2017 and ending December 31st, 2017. Reference to "reported quarter" means the nine calendar months commencing on January 1st of that year and ending on September 30th of that year. In addition, reference will be made to "Notes", which refers to the Notes to the Unaudited Condensed Consolidated Financial Statements. References to Statements of "Financial Position", "Income or Loss" and "Cash Flows, refers to Condensed Consolidated Interim Statements of Financial Position, Comprehensive Loss and Cash Flows, respectively.

The Company files reports and other information on the System for Electronic Document Analysis and Retrieval ("SEDAR") in Canada at www.sedar.com. The Company's website is www.chinooktyee.com

Forward-Looking Statements

This document contains forward-looking statements. The Company's representatives may also make forward-looking statements orally from time to time.

Statements in this document that are not historical facts, including statements about the Company's beliefs and expectations, recent business and economic trends constitute forward-looking statements. Forward-looking statements include, without limitation, statements regarding the outlook for future operations, forecasts of future revenue and expenditures, market conditions, specifically the Canadian and German stock markets or other business plans. Forward-looking statements include statements regarding the intent, belief or current expectations of the Company, primarily with respect to the results of operations, financial position or cash flows of the Company.

The statements are based on current plans, estimates, and projections and are subject to change. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, and the Company undertakes no obligation to update publicly any changes in light of new information or future events.

Shareholders and potential investors are cautioned that any such forward-looking statements are not guarantees and involve risks and uncertainties, and that actual results may differ from those in the forward-looking statements as a result of various factors such as general economic and business conditions particularly in North America and Europe, including changes in interest rates, actions by government authorities in Canada, Germany or the European Union, including changes in government regulation, political conditions in Europe and future decisions by the Company's directors or officers in response to changing conditions, the ability to execute prospective business plans and misjudgments in the course of preparing forward-looking statements.

Material factors and assumptions underlying the Company's expectations regarding forward-looking statements include, among others: the ability of the Company to obtain financing on acceptable terms, that the Company will be able to maintain appropriate levels of liquidity in order to make investments when attractive opportunities arise, stability in the global economic environment particularly in Canada and Germany and broadly in regard to North America and the European Union, and Canadian and German interest rates and that interest rates and foreign exchange rates, particularly in regard to the Canadian dollar and Euro, will not vary materially from current levels.

Shareholders and potential investors are advised that these cautionary remarks expressly qualify in their entirety all forward-looking statements attributable to the Company or persons acting on its behalf contained in this MD&A.

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The Company will review its forward-looking statement when it files its year-end financial results for the year ending December 31st, 2017.

This forward-looking statement dated November 29th, 2017, references CSA Staff Notice 51-330 Guidance regarding the Application of Forward-Looking Information Requirements under National Instrument 51-102 Continuous Disclosure Obligations dated November 20th, 2009.

Accounting Policy

Financial information for the nine months ended September 30, 2017, and 2016 presented and discussed in this MD&A is prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”)¹.

The Company prepares consolidated financial statements which, in addition to Chinook as operating parent company, incorporates all material subsidiaries in which the Company is deemed to have control or influence over (IFRS 10), which includes Mercury Partners & Company plc (“MPC”). MPC and its European joint investment partner (“EJIP”) equally fund and own 50% of the share capital of an investment-joint-venture, which is accounted for using the equity method of accounting² (“MPC- JV”).

During the year, the Company reduced its deficit by \$720,788³ as an offset against share capital for financial presentation purposes.

The Company

Chinook is a financial service company listed on the TSX Venture Exchange (“TSXV”) with total assets of approximately \$2.7-million⁴ and 3,405,932 common shares outstanding.

Chinook’s assets include cash and its 50% ownership and \$2.4-million investment loan receivable⁵ to MPC-JV. No value is attributed to the carrying value of MPC-JV. Chinook reports its financial results in Canadian dollars while its investments are in Euros⁶. Cash⁷ is generally held in Canadian dollars, US dollars or Euros (“€”).

MPC-JV owns approximately, 1.9-million shares of Solidare Real Estate Holding plc (XETRA, Frankfurt Stock Exchange: SRH) and a 59% share ownership in Taiga Atlas plc (“TA”), whose assets include cash, a non-performing €10-million loan to a real estate development company in Dusseldorf, Germany and approximately 1-million shares of InCity Immobilien AG (Frankfurt Stock Exchange: IC8). The non-performing real estate loan receivable has been and remains subject to court proceedings, and ultimate collection may not occur for several years. TA is actively pursuing repayment of the real estate loan.

The status of the equity markets in Canada and Germany, in particular, the TSXV and the Frankfurt Stock Exchange, may affect the financial performance of the Company. In addition, as the Company’s cash and assets are held in Canadian dollars and Euros and to a lesser extent in US dollars, high annual inflation in Germany, the European Union, and Canada may affect the financial performance and condition of the Company. A majority of the Company’s assets have an economic interest in Germany, therefore the fluctuation between the Canadian dollar and the Euro may affect financial performance. The economic health of the economies of Germany and the European Union may also affect the financial performance of the Company. Generally, the status of the real estate property markets in Germany and in particular Dusseldorf, Germany may affect the financial position of the Company.

Chinook is a reporting issuer in the Canadian provinces of British Columbia, Alberta, Ontario, and Québec.

¹ See Note 2, “Basis of Presentation”.

² See Note 3, “Significant Accounting Policies” and Note 5, “Investment Loan Receivable”.

³ See “Statements of Financial Position” and Note 7, “Capital and Other Components of Equity”.

⁴ See “Statements of Financial Position”.

⁵ See Note 5, “Investment Loan Receivable”.

⁶ See Note 3, “Significant Accounting Policies”.

⁷ See Note 11, “Financial Instruments”.

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Summary of Quarterly Results

The following selected financial data as reported by the Company for the past eight business quarters have been summarized from the Company's unaudited quarterly financial statements and are qualified in their entirety by reference to, and should be read in conjunction with, such financial statements.

	2017				2016			2015
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
	(In thousands, except per share amounts)							
Revenue	- \$	- \$	- \$	1 \$	- \$	\$ 22	\$ 1	\$ 1
Loss	(42)	(115)	(89)	(165)	(63)	(76)	(49)	(244)
Loss per share, basic and diluted	\$ (0.01)	\$ (0.03)	\$ (0.03)	\$ (0.05)	\$ (0.02)	\$ (0.02)	\$ (0.02)	\$ (0.07)

Liquidity and Capital Resources

The following analysis of the Company's liquidity and capital resources for the nine months ended September 30, 2017, includes a comparison to the corresponding, comparative nine months ended September 30, 2016.

The Company's principal sources of capital are its available cash and public market financing on the TSXV. The Company believes it has sufficient cash to maintain its liquidity and does not anticipate any major expenditures or use of funds during the year⁸.

The Company's tangible assets⁹ are its \$2.4-million investment loan receivable, long-term investments of \$43,800 consisting of Canadian listed stocks and cash of \$246,164. During the first nine months of the year, the Company received \$362,500 in investment loan repayments.

As at September 30, 2017, the Company's total debt consisted of trade and other payables of \$17,246¹⁰.

The Company's recurring cash requirements include corporate governance and public company expenses, which totaled \$62,874¹¹ during the year to date and some general and administration expenses.

The statement of cash flows shows the structure of and changes in each cash and cash equivalent and is broken down into operating activities, investing activities and financing activities. Cash decreased at the end of the reported quarter to \$246,164 from \$272,295. Operating activities used cash of \$338,977 to predominantly finance operating losses while investing activities generated cash of \$318,100 from the repayment of the loan receivable. MPC invested \$44,400 in Canadian stocks during the year.

Total assets and shareholders' equity declined as a result of the comprehensive loss incurred during the reported period.

Summary of Reported Period Results

For the nine months ended September 30, 2017.

The following analysis of the Company's operating results for the nine months ended September 30, 2017, includes a comparison to the corresponding, comparative nine months ended September 30, 2016.

The Company earns interest from its cash holdings and investment loan receivable. The Company's subsidiary, MPC occasionally earns fees from merchant banking. Income for the current and comparative period was immaterial. Expenses increased to \$247,095 compared to \$210,503 due to overall higher expenses for the reported period. General and administration expenses¹² totaled \$184,221 and included professional fees of \$31,270, office and supplies of \$67,742, rent and insurance of \$30,245 and salaries and benefits of \$54,964.

⁸ See Note 10, "Capital Management".

⁹ See "Statements of Financial Position".

¹⁰ See Note 6, "Trade and Other Payables".

¹¹ See "Statements of Comprehensive Loss" and Note 9 "Related Party Transactions".

¹² See Note 8, "General and Administration Expenses".

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The Company's loss for the period increased to \$246,871 compared to a loss of \$188,003 in previous year due to overall higher expenses and lower revenues. Basic and diluted loss per common share was \$0.07 and \$0.06 for the respective periods.

Due to foreign currency translation differences between Canada and Europe, the Company reported a comprehensive income gain of \$83,394 for the year to date.

Summary of Reported Period Results

For the three months ended September 30, 2017.

The following analysis of the Company's operating results for the three months ended September 30, 2017, includes a comparison to the corresponding, comparative three months ended September 30, 2016.

Income in the current and comparative reporting period was immaterial. Expenses decreased to \$42,607 compared to \$62,846 a year earlier. General and administration expenses¹³ totaled \$36,332 and included office and supplies of \$21,792, rent and insurance of \$7,909 and salaries and benefits of \$11,120.

The Company reported a loss of \$42,398 compared to a loss of \$62,795 for the comparative period while basic and diluted loss per common share was \$0.01 and \$0.02 for the respective periods.

Disclosure of Outstanding Share Data

The Company's weighted average and shares outstanding as at the reported period were 3,405,932 common shares and no dilutive securities were either granted or issued in the past five years.

No stock options have been granted or issued options to date under the Company's stock option plan.

Transactions Between Related Parties¹⁴

Chinook has a related party relationship with its subsidiaries, with shareholders who own more than 10% of the shares of the Company, Executive Officers and the Company's Directors.

Accordingly, during the nine months ended September 30, 2017, the Company paid independent board meeting and service fees of \$25,975 (2016 - \$27,175) to independent directors of the Company and paid or accrued professional fees of \$27,170 (2016 - \$22,650) to its Chief Financial Officer's consulting company for accounting services.

Included in accounts payable at September 30, 2017 is \$7,039 owing to two officers of the Company for accounting fees and expenses incurred on behalf of the Company.

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¹³ See Note 8, "General and Administration Expenses".

¹⁴ See Note 9, "Related Party Transactions".