GLOBAL CARE CAPITAL INC.
(FORMERLY RESINCO CAPITAL PARTNERS INC.)

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(EXPRESSED IN CANADIAN DOLLARS)

INTRODUCTION

The following management discussion and analysis ("MD&A") of the results of operations and financial condition of Global Care Capital Inc. (formerly Resinco Capital Partners Inc.) ("Global" or the "Company") for the years ended December 31, 2019 and 2018 and up to the date of this MD&A, has been prepared to provide material updates to the business operations, financial condition, liquidity and capital resources of the Company since its last management discussion and analysis for the years ended December 31, 2018 and 2017.

This MD&A should be read in conjunction with the Annual MD&A and the audited financial statements for the years ended December 31, 2019 and 2018.

All financial information in this MD&A is derived from the Company's financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts are expressed in Canadian Dollars unless otherwise indicated.

The effective date of this MD&A is June 15, 2020.

DESCRIPTION OF BUSINESS

Global was incorporated under the laws of British Columbia on May 25, 2004. The Company's shares are listed for trading on the Canadian Securities Exchange ("CSE") under the ticker symbol "RIN", the Frankfurt Stock Exchange under the symbol L6V1.F and on the United States OTC stock market's OTC Pink, under the symbol RSCZF. The registered office of the Company is Suite 810 – 789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2.

Global is a global investment company which specializes in providing early stage financing to private and public companies in the medical marijuana, pharmaceutical, technology, and mining sectors. The Company engages in new, early stage investment opportunities in previously underdeveloped assets and obtaining significant positions in early stage investment opportunities that adequately reflect the risk profile.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

OPERATIONAL HIGHLIGHTS

ReFormation Pharmaceuticals Corp.

On February 6, 2019, through the Company's wholly owned investment ReFormation Pharmaceuticals Corp. ("ReFormation"), appointed Sir Marc Feldmann to ReFormation's advisory board. Mr. Feldmann is a preeminent immunologist and a professor at the University of Oxford. He is the co-founder of ReFormation with Jagdeep Nanchahal. During Mr. Feldmann's career, his research breakthrough on inflammation led to the creation of some of the world's top-selling drugs like Humira and Remicade. He holds a MBBS degree from the University of Melbourne and Ph.D. in Immunology at the Walter and Eliza Hall Institute of Medical Research.

On February 20, 2019, Mr. Jagdeep Nanchahal was appointed as Chief Science Officer of the Company. Mr. Nanchahal is a surgeon scientist and professor at the University of Oxford, focusing on defining the molecular mechanisms of common diseases and translating his finding through to early phase clinical trials. He undertook his PhD, whilst a medical student in London. His research focused on promoting tissue generation by targeting endogenous stem cells and reducing fibrosis. He is the co-founder of ReFormation with Marc Feldmann.

OPERATIONAL HIGHLIGHTS (continued)

On March 15, 2019, ReFormation entered into a right of first negotiation with 180 Therapeutics LP. ("180"). 180 is a clinical stage biopharmaceutical company focused on the discovery and development of novel biological therapies for the treatment of fibrosis. In partnership with 180, the Company will work with 180 to develop the effectiveness of the HMGB1 molecule; this molecule primes to body's stem cells to accelerate repair and regeneration following injuries. ReFormation has agreed to fund the project of up to US $1,200,000. On March 15, 2019 the Company advanced $1,200,780 to 180 on behalf of ReFormation. The loan is due on demand and non-interest bearing.

Gen X Biosciences Corp.

On August 13, 2019, the Company entered into a Letter of Intent ("LOI") with Gen X Biosciences Corp. ("Gen X") to complete a business combination by way of a reverse takeover ("RTO") of the Company by shareholders of Gen X. Upon completion of the RTO, the combined entity would continue to carry on the business of Gen X.

Trading of the Company's common shares was halted on August 13, 2019 as a result of the proposed RTO. Trading of the Company's shares resumed on April 6, 2020.

The closing of the RTO was subject to receipt of all necessary approvals, including without limitation regulatory approval for the listing of the common shares of the Resulting Issuer on the Canadian Securities Exchange. The proposed RTO was an arm's length transaction and was effective on August 12, 2019.

In connection with the RTO, Gen X intended to complete a private placement to raise aggregate gross proceeds of not less than $2,000,000 (the "Offering"). The proposed private placement was to consist of 3,333,333 Subscription Receipts at a price of $0.60 per Subscription Receipt. Each Subscription Receipt would have entitled the holder to receive, upon satisfaction of certain escrow release conditions and without payment of additional consideration, one Resulting Issuer Share. The final terms of the Offering were to remain subject to final negotiation between Gen X and the private placement investors. Net proceeds from the Offering would have been used to fund the build out of Gen X's Long Beach, California, USA facility and for general working capital purposes.

Gen X failed to complete the Offering by October 31, 2019, with the proposed transaction being completed by December 31, 2019. Subsequent to year-end, the Company received a written notice confirming the termination of the LOI and the proposed RTO contemplated therein. Gen X's indebtedness for the August 13, 2019 promissory note to the Company is due on demand.

ViralClear Rapid Test Corp

Subsequent to year-end, on April 17, 2020, the Company acquired all of the issued and outstanding shares of ViralClear Rapid Test Corp. d/b/a ViraxClear ("ViralClear"). ViralClear, through its joint venture with a Hong Kong partner, focuses on marketing and distributing novel products that address significant healthcare needs with a specific target on the novel coronavirus (COVID-19), such as rapid testing.

ViralClear focuses on commercializing novel products that address significant healthcare needs with a specific target on the novel coronavirus (COVID-19). The company's main focus is marketing its ViralClear Rapid IgM-IgG Combined Antibody Test. The ViralClear Rapid IgM-IgG Combined Antibody Test for COVID-19 is a lateral flow immunoassay used to qualitatively detect both early and late marker IgG/IgM antibodies.

On May 20, 2020, ViralClear, through its joint venture Shanghai Biotechnology Devices Ltd., signed a Letter of Intent with Phyto Pharma Ltd., for the supply of 5,000 FDA Registered and CE marked infrared thermometer units for sale in North Africa, with a signed purchase order. In addition, ViralClear has secured supply of the infrared thermometers through Hong Kong based Venus Health Consulting Limited ("Venus") for the Guofengtai brand of thermometers.

On June 10, 2020, the Company announced that ViralClear, through its joint venture, Shanghai Biotechnology Devices Ltd., has now launched its Employee Protection Equipment ("EPE") kit, which will help business owners protect their employees from the transmission of viral infections, such as COVID-19. ViralClear will distribute the EPE kits through its newly launched sales platform, ViralCare, www.viraxcare.com.

OPERATIONAL HIGHLIGHTS (continued)

Acquisition of High Standard Health Care Ltd. common shares

Subsequent to year-end, on June 5, 2020, the Company acquired 70% of the issued and outstanding common shares of High Standard Health Care Ltd. ("High Standard"), pursuant to a Share Purchase Agreement dated May 29, 2020 (the "Transaction").

On June 5, 2020, the Company issued of 27,000,000 common shares to High Standard shareholders with a fair market value of $6,885,000 and 3,000,000 common share purchase warrants in consideration for the Transaction. Each warrant permits the holder to acquire one common share of the Company at a price of $0.375 until June 5, 2021.

In addition, the Company will pay $5,000,000 cash or issue common shares ("Performance Shares") at the discretion of the Company at the time a Milestone Target is met for every $14,300,000 in gross revenue generated by High Standard effective upon High Standard reaching $21,430,000 in revenue ("Milestone Targets") up to a maximum of $286,000,000 in gross revenue or 20 Milestone Targets on or before May 31, 2025 for total value of up to $100,000,000 if all Milestone Targets are achieved. The Company may issue up to 26,500,000 Payment Shares in satisfaction of met Milestone Targets.

On June 5, 2020, the Company granted 1,000,000 share options to an officer of High Standard exercisable at a price of $0.285 per share until June 5, 2025 as consideration for the acquisition of High Standard.

High Standard Health Care specializes in procuring personal protective equipment ("PPE") including but not limited to respiratory masks, hand sanitizer, gowns, infrared thermometers and face shields and has been active in procurement during COVID-19 for hospitals, municipalities, long-term care facilities, fire departments and police departments. High Standard works with trusted supply partners globally that provide favorable terms and real time shipments during a time where PPE is scarce and difficult to procure.

Share consolidation

Subsequent to year-end, on March 13, 2020, the Company completed a share consolidation of its share capital on a 25:1 basis. As a result of the share consolidation, the 122,331,000 common shares issued and outstanding were consolidated to 4,893,235 common shares. All common shares and per share amounts have been restated to give effect to the share consolidation.

Resignations and appointment

Subsequent to year-end, on January 13, 2020, the Company announced the resignations of Mr. Theo. van der Linde as Chief Financial Officer and Mr. Eugene Beukman as Corporate Secretary. The Company would like to thank Messrs. van der Linde and Beukman for their contributions to the Company and wishes them well in their future endeavours.

On April 15, 2020, the Company announced the appointment of Mr. James Henning as Chief Financial Officer.

James Henning is a Chartered Professional Accountant and the Founder and President of Corpfinance Advisors Inc. since 1984. Mr. Henning has solid expertise and practical experience in valuating businesses in a broad range of industries. He has assisted companies in financing, public offerings, and restructuring. Areas of expertise include manufacturing, telecommunications, software, biomedical, oil & gas services and renewable energy industries. Mr. Henning has served as a Chief Financial Officer and Director for a number of TSX Venture Exchange and Canadian Securities Exchange listed companies over the past several years.

OPERATIONAL HIGHLIGHTS (continued)

Company name and symbol changes

Subsequent to year-end, on April 15, 2020, the Company changed its name from Resinco Capital Partners Inc. to Global Care Capital Inc. Effective April 17, 2020, the Company's common shares began trading under the new name and the ticker symbol "HLTH" on the Canadian Securities Exchange.

The Company engaged in due diligence and research procedures in search of new, early stage investment opportunities in the healthcare sector to diversify and strengthen its existing portfolio. The name and ticker symbol change reflect an initiative to align the Company brand with this new strategic focus.

KEY INVESTMENT PORTFOLIO DESCRIPTION

ViralClear Rapid Test Corp.

Pursuant to the terms of the Share Purchase Agreement with ViralClear, Global Care Capital issued 24,000,000 common shares of the Company (each a "Consideration Share") to the vendors in return for a 100% interest in ViralClear. At closing, the ViralClear option holders exchanged their outstanding ViralClear options (the "ViralClear Options") for replacement Global Care Capital options (each a "Global Care Capital Option"). Each ViralClear Option was exchanged for a Global Care Capital Option on a 1:1 basis for an aggregate of 2,900,000 Global Care Capital Options. Of the aggregate number of Global Care Capital Options to be issued, 2,400,000 Global Care Capital Options have an exercise price of $0.50 per Global Care Capital common share until April 15, 2022; and 500,000 Global Care Capital Options have an exercise price of $0.20 per Global Care Capital common share until April 15, 2022. Upon completion of the transaction, ViralClear became a wholly owned subsidiary of the Company.

As a major investment into the healthcare sector, ViralClear presents a tremendous opportunity. The novel coronavirus has become a worldwide pandemic that requires serious intervention for countries to return to status quo. The Company is not making any express or implied claims that it has the ability to treat the COVID-19 virus at this time. ViralClear is a start-up company in the newly created COVID-19 antibody test market and has commenced sales and distribution of its test kits in Mexico.

As a distributor, ViralClear's focus on commercialization targets the marketing and distribution portion of the value chain. ViralClear's manufacturing partner, Shanghai Liangrun Biomedicine Technology Co., Ltd., has production capacity of one million test kits per week at their factory in Shanghai, China.

On April 20, 2020, ViralClear, obtained Emergency Use Authorization (EUA) by the Food and Drug Administration ("FDA") for the COVID-19 test kits it distributes and markets. ViralClear's tests can be used by clinical laboratories certified under Clinical Laboratory Improvement Amendments (CLIA). ViralClear's COVID-19 test kit also has CE marking allowing sales to the European Community, and to other global markets that accept a CE marking as valid regulatory approval following routine local product registration.

CannBioRx Life Sciences Corp. (formerly Katexco Pharmaceuticals)

Katexco was a pre-clinical pharmaceutical cannabis company and was developing innovative, orally available therapies harnessing endocannabinoid and nicotine receptors to treat inflammatory diseases. Katexco was led by a world class management team with a proven track record and the research is grounded in more than 20 years of academic and industrial research with primary operations at the Stanford University in California.

Katexco, 180 Therapeutics and CannBioRex amalgamated into an entity called CannBioRx Life Sciences Corp ("CannBioRx"). CannBioRx signed a definitive business combination agreement with KBL Merger Corp. IV (NASDAQ:KBLM) ("KBLM"), KBLM is a blank check company that completed its IPO in June 2017, raising $115 million with the goal of identifying and acquiring a company with strong value proposition in the U.S. healthcare or health-care related wellness industry.

KEY INVESTMENT PORTFOLIO DESCRIPTION (continued)

CannBioRx Life Sciences Corp. (formerly Katexco Pharmaceuticals) (continued)

CannBioRx has three synergistic programs that operate at the intersection of the biotech and cannabis industries:

- A clinical-stage program focused on the discovery and development of novel therapies to treat fibrosis. This fully enrolled Phase 2b program expects results in Dupuytren's disease during the fourth quarter of 2020.
- A preclinical cannabinoid program focused on the development and commercialization of unique pharmaceutical-grade cannabinoids for arthritis, pain, diabetes and obesity.
- A preclinical program developing innovative, orally available therapies harnessing the brain's nicotinic receptors to treat inflammatory diseases, such as ulcerative colitis, gout and multiple sclerosis.

ReFormation

ReFormation Pharmaceuticals Corp is a Medical Marijuana Pharmaceutical company headquartered in Toronto, Ontario with its Research and Development team at the University of Oxford in London, UK. The company is focused on an innovative approach to repair vital organs by combining cannabinoids and an endogenous trigger of repair (HMGB1). ReFormation is based on disruptive technology which will deliver a first in class therapeutic. Reformation has identified a molecule that primes the body's own stem cells from a diverse range of tissues to accelerate repair and regeneration following acute or chronic injury. ReFormation's research pipeline will deliver further IP based on composition of matter and has a comprehensive work package of testing in animal models of diseases where no comparative treatment exists. ReFormation Pharmaceuticals is led by world class scientist, CEO and CSO, Professor Jagdeep Nanchahal, of the University of Oxford. Reformation entered into a letter agreement with 180 Therapeutics LP ("180 Therapeutics") (the "Agreement") pursuant to which 180 Therapeutics will provide ReFormation the right of first negotiation in the event 180 Therapeutics completes its currently contemplated exclusive intellectual property agreement with the University of Oxford (the "Program"). Under the terms of the Agreement, 180 Therapeutics will negotiate exclusively under the right of first negotiation with ReFormation (the "ROFN") regarding a strategic transaction that would result in the acquisition of the Program or provide for an exclusive licensing, partnering or collaboration transaction between ReFormation and 180 Therapeutics. In consideration for the ROFN, ReFormation will pay US$900,000 with a further US$300,000 in tranches over the following 12 months. ReFormation has the option to extend the ROFN with 180 Therapeutics for an additional cash consideration of US$1,800,000 payable in two equal tranches.

Website: https://www.reformationpharma.com/

Global Gaming Technologies Corp.

Global Gaming Technologies Corp. is a gaming industry holding company that provides investment exposure to digital interactive entertainment in emerging technologies, such as Augmented Reality, Virtual Reality, and Artificial Intelligence, in addition to eSports and traditional game platforms, such as mobile and console. It is focused on gamifying content using visual cinematics across all platforms. The Company's strategy is to publish games and content that are immersive in storytelling, bold in design, and technologically innovative. The Company is managed by game and film industry pioneers. It is headquartered in Toronto, Canada with its primary game studio in Los Angeles, California. GGAM is listed on the Canadian Securities Exchange ("CSE") and its common shares trade under the ticker symbol "GGAM.U". On December 31, 2019, the Company impaired its investment in Global to $Nil due to the fact that Global needs to raise significant money to settle its debt and the uncertainty of its ability to raise these funds in a timely manner, resulting in $392,544 of impairment expense.

Metaverse Capital Corp.

On June 20, 2019, the Company received 5,058,583 common shares of Metaverse Capital Corp. valued at $101,172 as a stock dividend. On December 31, 2019, the Company impaired its investment to $Nil due to the fact that the Metaverse is delisted, resulting in $101,172 of impairment expense.

EQUITY TRANSACTIONS

On January 15, 2019, the Company issued 1,160,000 common shares with a fair value of $7,105,000 pursuant to the acquisition of ReFormation. The Company issued 81,200 common finders' fee shares with a fair value of $497,350, which was measured on the basis of the Company's observable market price.

The Company also issued 6,800 common shares pursuant to a warrant exercise for gross proceeds of $18,250. The Company re-allocated $88,405 from share-based payments reserve to share capital.

Subsequent to year-end, on April 9, 2020, the Company completed a non-brokered private placement of 25,000,000 units (the "Units" and each individually, a "Unit") for gross proceeds of $2,500,000 (the "Offering"). Each Unit is comprised of one common share of the Company at a price of $0.10 per common share and one-half of one common share purchase warrant at a price of $0.20. Each whole warrant will be exercisable for a period of 24 months from the closing of the Offering. In connection with the private placement, the Company incurred $194,425 in transaction costs and issued 1,944,250 finder warrants to arm's length individuals. Each finder warrant will be exercisable for a period of 24 months at a price of $0.10.

The Company intends to use the net proceeds of the Offering for pursuing investment opportunities and general corporate purposes.

TRENDS AND INVESTMENT STRATEGY

Global is focused on early-stage investment opportunities in private and public companies. The Company recognizes two enterprise value enhancers; (1) the transition from private to public assets, and; (2) investing in assets which have been over-looked and have not realized their latent potential.

Engagement of this strategy has resulted in increases in the value of the Company's portfolio historically, however the depressed state of the junior market sector has affected all publicly traded entities over the last several years. All forms of financing continue to be very constrained for early stage companies and this has resulted in the quantity of financings to be severely reduced and arduous to complete successfully.

Due to the depressed state on the junior markets, the Company reviewed potential opportunities in Block Chain and Technology sector and is now focused on potential investments in the Cannabis Pharmaceutical Sector. In particular, the Company is reviewing early stage investment opportunities in previously underdeveloped life and sciences and biotech companies with a specific focus on Cannabis Pharma.

The Company evaluates its portfolio on a regular basis and is actively reviewing new opportunities for investment.

INVESTMENTS SUMMARY

	December 31, 2019		December 31, 2018	
	Cost $	Fair value $	Cost $	Fair value $
Public Company Investments	7,714,020	23,850	8,193,265	674,259
Private Company Investments	12,602,000	462,001	5,497,000	4,035,000
Total	20,316,020	485,851	13,690,265	4,709,259

As at December 31, 2019, the Company held public company investments with a fair value of $23,850 compared to $674,259 at December 31, 2018, a decrease of 96%. The decrease is primarily due to the $392,544 impairment expense on 720,000 shares the Company held in Global Gaming Technologies Corp. (formerly Blockchain Technology Inc.) at December 31, 2019. On March 19, 2019, Global Gaming Technologies reverse-split its issued and outstanding shares on a 10:1 basis. The number of shares stated reflect the reverse-split. An additional $101,172 impairment expense was recorded on the Company's investment of 5,058,583 shares in Metaverse Capital Corp.

INVESTMENTS SUMMARY (continued)

The decrease in the fair value of the Company’s investments is also attributed to the sale of several investments, as described below.

During the year ended December 31, 2019, the Company sold 25,000 common shares of Lithium Americas Corp. (“LAC”) for gross proceeds of $102,898, 200,000 common shares of Bearing Lithium Corp. (“BRZ”) for gross proceeds of $45,986, 9,984 shares of Lions Bay Mining Corp. (“LBM”) for gross proceeds of $1,218, and 113,333 common shares of Global Gaming Technologies Corp. for gross proceeds of $7,694.

As at December 31, 2019, the Company held private company investments with a fair value of $462,001, compared to $4,035,000 at December 31, 2018, a decrease of 88%. This decrease is mainly attributed to the acquisition and impairment of ReFormation Pharmaceuticals Corp.(“ReFormation”) as discussed below.

On January 16, 2019, the Company entered into an Amalgamation Agreement (“Amalgamation Agreement”) to acquire the remaining 52% of ReFormation, a medical cannabis company developing innovative, first-in-class therapies to repair vital organs and stem cells. The Company previously acquired 48% of ReFormation’s outstanding shares on October 22, 2018 by issuing 1,080,000 common shares with a fair value of $3,645,000. Pursuant to the terms of the Amalgamation Agreement, ReFormation amalgamated with the Company’s wholly owned subsidiary, 1189879 B.C. Ltd. As consideration, the Company issued 1,160,000 common shares with a fair value of $7,105,000. The Company issued 81,200 finder common shares with a fair value of $497,350.

On December 31, 2019, the Company recognized a write down in fair value in ReFormation to $1, resulting in $10,749,111 of impairment expense.

Management believes that once ReFormation / 180T’s research and development efforts achieve technological feasibility and can commence clinical trials, the company’s intellectual property will have accreted significant value and at such time, will recognize an increase in fair value.
During the year ended December 31, 2019, the quantity of CannBioRx common shares held was reduced to 263, as a result of CannBioRx completing a share consolidation.

A $72,000 increase in fair value of the Company’s 263 common shares of CannBioRx at December 31, 2019, offset a portion of the unrealized loss on investments held in private companies.

RESULTS FROM OPERATIONS

Year ended December 31, 2019 compared to year ended December 31, 2018

The Company’s net realized loss on disposal of investments for the year ended December 31, 2019 was $59,743, compared to $46,371 during the year ended December 31, 2018. The net realized loss on disposal of investments for the years ended December 31, 2019 and 2018 is due to the sale of certain public company investments as described in the investments summary section above.

In addition, the Company recorded a net change in unrealized gain on investments for the year ended December 31, 2019 of $61,789, compared to a net change in unrealized loss on investments of $3,654,133, for the year ended December 31, 2018. The change in unrealized gain is due to fluctuations in the valuation of the Company’s investments.

The Company’s net loss and comprehensive loss for the year ended December 31, 2019 was $12,693,058 compared to $7,347,543 for the year ended December 31, 2019. Overall, the Company had limited activity during the current fiscal year due to limited working capital.

RESULTS FROM OPERATIONS (continued)

The key differences in expenses between the years ended December 31, 2019 and 2018 were as follows:

- The most significant component of the current years' net loss is the $11,243,715 impairment expense. The impairment expense is comprised of $10,7549,999 on the Company's investment in ReFormation, $392,544 on its investment in Global Gaming, and $101,172 on its investment in Metaverse.
- Consulting fees decreased by $804,295, from $1,220,200 in 2018 to $415,905 in 2019. The decrease is due to changes in various consultants and management during 2019. The Company has limited cash reserves and management decided to cut costs to preserve cash during 2019.
- Corporate development decreased by $527,669, from $1,193,991 in 2018 to $666,322 in 2019. During the comparative year the Company had spent $451,530 on an advertising and communication program in Europe which resulted in significantly lower corporate development fees in 2019. Corporate development fees in 2019 are comprised of expenditures on media, public relations and other forms of communication to create public awareness.
- Office and miscellaneous expenses decreased by $1,927 from $90,184 in 2018 to $88,257 in 2019. The main components of these expenditures are travel expenses of $2,462 (2018 - $26,686), website development and hosting of $19,991 (2018 - $761), rent of $27,450 (2018 - $23,100), and $17,500 (2018 - $Nil) for furniture, equipment, fixtures, and utilities at the Company's Toronto office.
- Professional fees increased by $36,968, from $126,965 in 2018 to $163,933 in 2019. The 2019 expense is comprised of $69,675 (2018 - $90,365) for legal fees, audit fees of $39,322 (2018 - $15,600),$54,796 (2018 - $Nil) for corporate fees associated with due diligence and other work done in connection with the various acquisitions, and other professional fees of $140 (2018 – $21,000).
- Regulatory and transfer agent fees decreased by $56,570, from $78,784 in 2018 to $22,214 in 2019. The Company was in the process of completing a listing statement with the Canadian Securities Exchange during the comparative year.
- Transaction costs increased by $497,350 in 2019, compared to $Nil in the year ended December 31, 2018. The increase is primarily attributed to the 81,200 finders' fee shares valued at $497,350 issued in connection with acquisition of ReFormation.
- Share based compensation of $Nil (2018 - $946,923) was recognized on the grant of Nil (2018 – 172,560) share options.
- During the year ended December 31, 2019, the Company earned investment income of $9,254 (2018 - $21,657) which is comprised of interest revenue of $5,642 (2018 - $21,657) from a redeemed guaranteed investment certificate,$3,477 (2018 - $Nil) earned on the promissory note due from Gen X, and $135 (2018 - $Nil) interest earned on a cash deposit held with a brokerage firm.

Three month period ended December 31, 2019 ("Q4/2019") compared to three month period ended December 31, 2018 ("Q4/2018")

During Q4/2019, the Company incurred a net loss of $10,874,242 compared to $3,576,456 in Q4/2018.

The key differences in expenses between Q4/2019 and Q4/2018 were as follows:

- The most significant component of the net loss in Q4/2019 was the $11,243,715 impairment expense. The impairment expense is comprised of $10,7549,999 on the Company's investment in ReFormation, $392,544 on its investment in Global Gaming, and $101,172 on its investment in Metaverse.
- In Q4/2019, the Company recorded an unrealized gain on investments of $491,780 compared to a net unrealized loss of $3,985,181 during Q4/2018.
- Corporate development in Q4/2019 was $Nil (Q4/2018 - $821,341). During Q4/2018 the Company spent $451,530 on an advertising and communication program in Europe and the remaining balance on independent firms helping to develop the Company's business.
- Consulting fees decreased by $555,307, from $625,032 in Q4/2018 to $69,725 in Q4/2019. The decrease is due to changes in various consultants and management during Q4/2019. The Company has limited cash reserves and management decided to cut costs to preserve cash during Q4/2019.

SELECTED ANNUAL INFORMATION

The Company's selected financial information for the past three fiscal years is as follows:

For the years ended	December 31, 2019 $	December 31, 2018 $	December 31, 2017 $
Statement of operations			
Net investment income (loss)	82,357	(3,678,847)	229,718
Net loss for the year	(13,018,237)	(7,347,543)	(60,493)
Loss per share – basic and diluted	(2.69)	(3.50)	(0.01)
Balance sheet			
Total assets	1,854,606	7,058,155	8,850,610

In fiscal 2017, the Company completed private placements totaling 1,599,600 common shares for gross proceeds of $4,509,236. The Company paid $781,829 in finder's fees and issued 127,012 finder's warrants valued at $3,422,557 in connection with the private placements.

During the year ended December 31, 2018, the Company acquired 48% of ReFormation by issuing 1,080,000 common shares with a fair value of $3,645,000. The remaining 52% of ReFormation was purchased by the Company in the 2019 fiscal year through the issuance of 1,160,000 common shares valued at $7,105,000. On December 31, 2019, the Company impaired its investment in ReFormation to $Nil, resulting in $10,750,000 of impairment expense.

An additional 600,000 common shares with a fair value of $1,200,000 were issued in fiscal 2018 to acquire 100% of Vancity Green List Inc. At December 31, 2019, the fair value of Vancity was $Nil.

SUMMARY OF QUARTERLY RESULTS

	December 31, 2019	**September 30, 2019**	**June 30, 2019**	**March 31, 2019**
Net investment gain (loss)	494,049	$(20,980)	$(155,812)	$(234,900)
Loss and comprehensive loss	(10,874,242)	(136,333)	$(712,416)	$(1,295,256)
Earnings (loss) per share – basic and diluted	(2.24)	(0.03)	(0.25)	(0.25)

	December 31, 2018	**September 30, 2018**	**June 30, 2018**	**March 31, 2018**
Net investment loss	$(2,056,964)	$(1,473,744)	$(96,161)	$(51,978)
Loss and comprehensive loss	(3,576,456)	(1,650,608)	$(1,299,913)	$(820,566)
Earnings (loss) per share – basic and diluted	(1.25)	(1.00)	(0.50)	(0.50)

The quarterly financial information for 2019 and 2018 are presented in accordance with IFRS.

The Company has been negatively affected by poor stock market performance, volatile commodity prices and weakened global economic performance. Due to an investment portfolio which is weighted in early-stage companies, quarter-to-quarter performance is affected by volatility in the stock markets. The amount and timing of expenses and availability of capital resources vary substantially quarter to quarter, depending on the level of investment activities being undertaken at the time.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2019, the Company had cash and cash equivalents of $14,498 and working capital of $1,600,357, compared to $6,997,994, respectively as at December 31, 2018. Since the Company's inception, operations have been financed through the issuance of equity securities and the sale of the Company's investments.

The Company began the year with cash and cash equivalents of $2,338,545. In the year ended December 31, 2019, the Company used net cash of $1,149,313 on operating activities, used $1,192,984 on investing activities and received $18,250 from financing activities related to the exercise of warrants during the year.

During the year ended December 31, 2019, the Company sold 25,000 common shares of Lithium Americas Corp. ("LAC") for gross proceeds of $102,898, 200,000 common shares of Bearing Lithium Corp. ("BRZ") for gross proceeds of $45,986, 9,984 shares of Lions Bay Mining Corp. ("LBM") for gross proceeds of $1,218, and 113,333 common shares of Global Gaming Technologies Corp. for gross proceeds of $7,694.

As at December 31, 2019, the Company had investments valued at $485,851. Funding for the Company's operations is generated from the sale of investments in its portfolio and private placements. Most of the value of the portfolio of investments is comprised of two private companies. Subsequent to December 31, 2019, the Company raised $2,500,000 from the sale of 25,000,000 units. Each unit is comprised of one common share and one half share purchase warrant. While the Company has been successful in securing financing, there can be no assurance that it will be able to do so in the future.

CASH FLOWS – OPERATING ACTIVITES

Net cash used in operating activities during the year ended December 31, 2019 was $1,149,313 (2018 - $2,557,802) which mainly consisted of cash spent for general working capital, corporate development, consulting and professional fees for investment opportunities.

CASH FLOWS – FINANCING ACTIVITES

Total net cash generated during the year ended December 31, 2019 was $18,250 (2018 - $4,191,144). During fiscal 2019, $18,250 (2018 - $15,000) was received from exercise of 6,800 (2018 – 4,000) warrants. The Company had received $4,176,144 for a share subscription in the comparative year.

CASH FLOWS – INVESTING ACTIVITES

During the year ended December 31, 2019, the Company received $157,796 (2018 - $535,378) from the sale of investments. On March 15, 2019, $1,200,780 was loaned to 180 Therapeutics LP on behalf of ReFormation to develop the effectiveness of the HMGB1 molecule. An additional $150,000 was loaned to Gen X on August 13, 2019 for working capital purposes. In the comparative period $3,187,393 was invested into cannabis pharma investment opportunities.

CONTRACTUAL OBLIGATIONS

As at December 31, 2019, the Company had no contractual obligations.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation was not party to any off-balance sheet arrangements as of December 31, 2019.

RELATED PARTY TRANSACTIONS

The Directors and Executive Officers of the Company are as follows:

Alexander Somjen	Director, Chief Executive Officer & President
James Henning	Chief Financial Officer (appointed April 15, 2020)
Theo van der Linde	Chief Financial Officer (resigned on January 13, 2020)
Eugene Beukman	Corporate Secretary (resigned on January 13, 2020)
Troy Grant	Director
Maciej Lis	Director

The following directors and/or senior officers transacted with the Company in the reporting year. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis. The aggregate value of transactions relating to key management personnel were as follows:

	December 31, 2019 $	December 31, 2018 $
Consulting fees paid to the CEO	203,400	108,900
Share based compensation	-	131,700
Consulting fees to a former corporate secretary	-	6,300
Rent, accounting and corporate fees paid to a company controlled by the corporate secretary	95,721	112,917
Consulting fees paid to companies controlled by the CFO	47,250	51,450
Total	346,371	411,267

As at December 31, 2019, there was $132,150 (December 31, 2018 - $14,832) due to current officers and management of the Company and a loan receivable of $1,200,780 (December 31, 2018 - $Nil)) due from ReFormation Pharmaceuticals Corp. ReFormation Pharmaceuticals is a wholly-owned subsidiary of the Company.

CHANGES IN ACCOUNTING POLICIES

IFRS 16, Leases

The Company adopted IFRS 16, Leases, on January 1, 2019. All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, from the perspective of the lessee, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 Leases and, instead, introduces a single lessee accounting model. When applying that model, a lessee is required to recognize assets and liabilities. A lessor continues to classify its leases as operating leases or finance leases, and accounts for those two types of leases differently. There was no material impact on the Company's financial statements upon adoption of this standard.

IFRIC 23 – Uncertainty over Income Tax Treatments

In June 2017, the IASB issued IFRIC 23, Uncertainty over Income Tax Treatments. This interpretation specifies that if an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, it shall determine the tax result consistently with the tax treatment used or planned to be used in its income tax filing. If it is not probable, the entity shall reflect the effect of uncertainty for each uncertain tax treatment by using either of the following methods, depending on which one the entity expects to better predict the resolution of the uncertainty:

CHANGES IN ACCOUNTING POLICIES (continued)

IFRIC 23 – Uncertainty over Income Tax Treatments (continued)

- Most likely amount: single most likely amount in a range of possible outcomes;
- Expected value: sum of the probability-weighted amounts in a range of possible outcomes.

The Company adopted IFRIC 23, Uncertainty over Income Tax Treatments, on January 1, 2019. There was no material impact on the Company's financial statements upon adoption of this standard.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

The Company's financial instruments consist of cash and cash equivalents, loans receivable, investments and accounts payable and accrued liabilities. The carrying value of loans receivable, and accounts payable and accrued liabilities approximates their fair value due to the short-term nature. Cash and cash equivalents are recorded at fair value using Level 1 of the fair value hierarchy. Investments are recorded at fair value using Level 1 to 3 of the fair value hierarchy.

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 -	Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.
Level 2 -	Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.
Level 3 -	Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The following table presents the Company's investments, measured at fair value on the statements of financial position and categorized into levels of the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	$	$	$	$
December 31, 2019	23,849	-	462,001	485,851
December 31, 2018	674,259	-	4,035,000	4,709,259

The Company holds investments in Pembrook, CannBioRx (formerly Katexco), ReFormation, Metaverse and Vancity Green, all private company investments are considered Level 3. The fair value of investments in Level 3 for Pembrook is determined by referring to the most recent equity financing the investee undertook during the year or by taking a weighted average of the net assets of the private company and the value of its historical share issuance transactions. The fair value of investments for CannBioRx (formerly Katexco) is based on the most recently completed private placement. The fair value for ReFormation and Vancity Green is based on the Company's most recent financings or transactions and assessed for whether there have been any adverse changes from the date of acquisition. All changes in fair value of these private company investments are recognized in profit or loss on the statements of loss and comprehensive loss.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial instruments (continued)

The amounts included in profit or loss are comprised entirely of unrealized gains and losses. There were no transfers between levels during the year.

The following table reconciles the Company's Level 3 fair value investments:

Level 3	Year ended December 31, 2019 $	Year ended December 31, 2018 $
Balance, beginning of year	4,035,000	180,000
Additions	7,105,000	5,045,000
Unrealized (loss)/gain	72,000	(1,190,000)
Impairment expense	(10,749,999)	-
Balance, end of year	462,001	4,035,000

Risk management

The Company is or may be subject to certain risks including interest rate risk, currency risk, credit risk and market risk. Risk management strategies may expose the Company to further gains or losses, but serve to stabilize future cash flows, reduce the volatility of operating results and increase overall financial strength.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

Interest rate risk

The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risks on cash and cash equivalents and on the Company's obligations are not considered significant.

Currency risk

The Company has foreign investments and is therefore subject to currency risk. Management believes these investment and transaction amounts are not significant and there are no material foreign currency commitments. The currency risk is therefore manageable and not significant. The Company does not currently use any derivative instruments to reduce its exposure to fluctuations in foreign currency exchange rates.

Credit risk

Credit risk is the risk associated with the inability of a third party to fulfil its payment obligations. The Company is exposed to the risk that third parties that owe money or securities in connection with services provided, or for other purposes, will default on their underlying obligations.

Prior to accepting any service engagement or providing any loan, the Company assesses future recoverability by examining the entities' financial conditions, properties and assets, business development activities and management. The Company manages its exposure to credit risk by reviewing the outstanding balances on an ongoing basis, monitoring the amount attributable to each counterparty, and the length of time taken for amounts to be settled. Where necessary, management takes appropriate action to follow up on those balances considered overdue.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the Company will have insufficient cash resources to meet its financial obligations as they become due. The Company's liquidity and operating results may be adversely affected if the Company does not have access to the capital markets, whether as a result of a downturn in general market conditions or related to matters specific to the Company, or if the value of the Company's investments decline, resulting in lower proceeds and/or losses on disposition. The Company generates cash flows primarily from the disposition of its investments and from its financing activities. The Company's investments focus on early-stage companies which can at times be relatively illiquid and if the Company decides to dispose of certain securities, it may not be able to do so at favorable prices at that time, or at all. However, the Company has sufficient marketable securities which are freely tradable and relatively liquid to fund its obligations as they become due under normal operating conditions such that, in the absence of overall market disruptions or exceptional circumstances, liquidity risk can be minimized.

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates and equity and commodity prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices. The Company's investments are primarily concentrated in early-stage companies, which results in exposure to higher volatility than broader market investments and indexes. The Company's investments are accounted for at fair value and are sensitive to changes in market bid prices, such that changes in market prices result in a proportionate change in the carrying value of the Company's investments. A 10% change in the fair values of the Company's investments at December 31, 2019 would have a $48,000 (2018- $470,000) impact on operations.

Concentration risk

The Company is subject to concentration risk due to the nature of the Company's operations as an investment company and the number of investments held in the portfolio which consists primarily of early-stage companies and their related technologies. As a result, the investment portfolio is directly exposed to the risks associated with companies operating in these industry sectors.

As at December 31, 2019, approximately 95% (2018 - 87%) of the fair value of the Company's investment portfolio consisted of investments in two companies with the largest single investment comprising 56% (2018 - 77%) of the total portfolio value.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had the following outstanding share data:

Common shares	56,543,235
Warrants	14,444,250
Finders warrants	Nil
Share options	5,106,023

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Statements in this MD&A – Highlights other than purely historical information, including statements relating to the Company's future plans and objectives or expected results, constitute forward-looking statements. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements include, among others, statements pertaining to:

- The price of medical cannabis
- The lack of control over operations of the Company's investment operations;
- The fluctuations in the price of the Company's shares and the share price of the Company's investments;
- The Company's ongoing investment strategy; and
- The Company's ability to generate cash flow.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Accordingly, readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date of this MD&A –Highlights and, other than as required by applicable securities laws, the Company assumes no obligation to update or revise them to reflect new events or circumstances.

ADDITIONAL INFORMATION

Additional information is available on SEDAR at www.sedar.com, or by contacting the Company's corporate office at Suite 810 – 789 West Pender Street, Vancouver, BC, Canada V6C 1H2, or by emailing the Company at alex@resincocp.com.

RISK FACTORS

This section discusses factors relating to the business of Company that should be considered by both existing and potential investors. The information in this section is intended to serve as an overview and should not be considered comprehensive and the Company may face risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to the Company's business have the potential to influence its operations in a materially adverse manner.

Sector Specific Investment Risks

The Company seeks a high return on investment opportunities on its cannabis pharmaceuticals, mining and natural resource and block chain technology sectors ("Sectors"). Thus, the Company is exposed to investment risks relating to these Sectors which is generally more volatile than the overall market. Investing in these Sectors can be speculative in nature and the value of the Company's investments may be subject to significant fluctuations. Such businesses entail a degree of risk, regardless of the skill and experience of the corporation's management. The assets, earnings and share values of corporations involved in the cannabis pharmaceuticals, natural resource and block chain development, are subject to risks associated with the world prices of various cannabis related products, natural resource and cryptocurrencies, forces of nature, economic cycles, commodity prices, exchange rates, royalty and taxation changes and political events. Government restrictions, such as price regulations, production quotas, royalties and environmental protection, can also be factors.

RISK FACTORS (continued)

Regulatory Risks

The Company's Investment Partners in the cannabis pharmaceutical sector operate in a new industry which is highly regulated, highly competitive and evolving rapidly. As such, new risks may emerge, and management may not be able to predict all such risks or be able to predict how such risks may result in actual results differing from the results contained in any forward-looking statements. The Company's Investment Partners incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company's Investment Partners and, therefore, on the Company's prospective returns.

The industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond the control of the Company and its Investment Partners and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce the Company's and its Streaming Partners' earnings and could make future capital investments or the Company's and its Streaming Partners' operations uneconomic. The industry is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants and which cannot be reliably predicted.

Change in Law, Regulations and Guidelines

The Company's Investment Partners are subject to a variety of laws, regulations and guidelines relating to marketing, acquisition, manufacture, management, transportation, storage, sale and disposal of cannabis pharmaceuticals and cannabis pharmaceutical related products but also laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Changes to such laws, regulations and guidelines may cause adverse effects to the Company's investments in the cannabis pharmaceutical sector.

Jurisdictions Outside of Canada

The Company intends to invest into early-stage global cannabis pharma related companies with operations and business that may be outside of Canada's jurisdiction. There can be no assurance that any market for the Company's Investment Partners products will develop in any such foreign jurisdiction. The Company may face new or unexpected risks or significantly increase its exposure to one or more existing risk factors, including economic instability, changes in laws and regulations and the effects of competition. These factors may limit the Company's capability to successfully invest in foreign cannabis pharmaceutical entities and may have a material adverse effect on the Company's business, financial condition and results of operations.

Political and Economic Instability

The Company may be affected by possible political or economic instability. The risks include, but are not limited to, terrorism, military repression, extreme fluctuations in currency exchange rates and high rates of inflation. Changes in medicine and agriculture development or investment policies or shifts in political attitude in certain countries may adversely affect the Company's business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, distribution, price controls, export controls, income taxes, expropriation of property, maintenance of assets, environmental legislation, land use, land claims of local people and water use. The effect of these factors cannot be accurately predicted.

RISK FACTORS (continued)

Limited Operating History

The Company has limited operating history as an investment company, and has had limited success investing in mining, block chain technology and cannabis pharmaceutical sectors. The Company and its business prospects must be viewed against the background of the risks, expenses and problems frequently encountered by companies in the early stages of their development, particularly companies in new and rapidly evolving markets such as the cannabis pharmaceuticals and blockchain market. There is no certainty that the Company will be able to operate profitably.

Additional Requirements for Capital

Substantial additional financing may be required if the Company is to be successful in developing a diversified and material portfolio of investments. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated investments.

Key Personnel

The Company is dependent upon the continued availability and commitment of its management, whose contributions to immediate and future operations are of significant importance. The loss of any such management could negatively affect the Company's business operations. From time to time, the Company will also need to identify and retain additional skilled management to efficiently operate its business. Recruiting and retaining qualified personnel is critical to the Company's success and there can be no assurance of its ability to attract and retain such personnel. If it is not successful in attracting and training qualified personnel, the Company's ability to execute its business model and growth strategy could be affected, which could have a material and adverse impact on its profitability, results of operations and financial condition.

Lack of Control or significant influence over Companies in which the Company Invests

In certain cases, the Company invests or may invest in securities of companies that the Company does not control or influence. These investments will be subject to the risk that the company in which the investment is made may make business, financial or management decisions with which the Company does not agree or that the majority stakeholders or management of the company may take risks or otherwise act in a manner that does not serve the Company's interests. If any of the foregoing were to occur, the values of investments by the Company could decrease and the Company's financial condition and cash flow could suffer as a result.

Due Diligence

The due diligence process undertaken by the Company in connection with investments that it makes or wishes to make may not reveal all relevant facts in connection with an investment. Before making investments, the Company will conduct due diligence investigations that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence investigations, the Company may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence investigations and making an assessment regarding an investment, the Company will rely on resources available, including information provided by the target of the investment and, in some circumstances, third party investigations. The due diligence investigations that are carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such investigation will not necessarily result in the investment being successful.

RISK FACTORS (continued)

Fluctuations in the Value of the Company and the Common Shares

The net asset value of the Company and market value of its common shares will fluctuate with changes in the market value of the Company's investments. Such changes in value may occur as the result of various factors, including general economic and market conditions, the performance of corporations whose securities are part of the Company's investment portfolio and changes in interest rates which may affect the value of interest-bearing securities owned by the Company. There can be no assurance that shareholders will realize any gains from their investment in the Company and may lose their entire investment.