GUNPOWDER
CAPITAL CORP

GUNPOWDER CAPITAL CORP.

(Formally Silver Shield Resources Corp.)

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017

November 27, 2017

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The following is Management's Discussion and Analysis ("MD&A") of the financial condition of Gunpowder Capital Corp. ("Gunpowder" or the "Company") and the financial performance for the three and nine months ended September 30, 2017. This information, prepared as of November 27, 2017, and should be read in conjunction with the unaudited condensed interim consolidated financial statements of Gunpowder for the three and nine months ended September 30, 2017, as well as the audited consolidated financial statements for the year ended December 31, 2016 and the related management's discussion and analysis (the "Annual MD&A"). The unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2017 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated.

Forward Looking Statements

This MD&A, and specifically the "Outlook" section contains or incorporates forward-looking statements within the meaning of Canadian securities legislation (collectively, "forward-looking statements"). These forward-looking statements relate to, among other things, revenue, earnings, changes in cost and expenses, capital expenditures and other objectives, strategic plans and business development goals, and may also include other statements that are predictive in nature or that depend upon or refer to future events or conditions, and can generally be identified by words such as "may", "will", "expects", "anticipates", "intends", "plans", "believes", "estimates" or similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. These statements are not historical facts but instead represent only Gunpowder Capital Corp., expectations, estimates and projections regarding future events.

Although the Company believes the expectations reflected in such forward-looking statements are reasonable, such statements are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict. Undue reliance should not be placed on such statements. Certain material assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements.

The forward-looking statements contained in this MD&A are made as at the date of this MD&A and, accordingly, are subject to change after such date. Except as required by law, Gunpowder Capital Corp., does not undertake any obligation to update or revise any forward-looking statements made or incorporated in this MD&A, whether as a result of new information, future events or otherwise.

For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, please see "Risks and uncertainties".

Overview

Listed on the Canadian Securities Exchange under the trading symbol "GPC" and on the OTCQB Markets under the trading symbol "GNPWF". Gunpowder is a newly formed Merchant Bank and Advisory Services Firm. In May 2016 Gunpowder Capital Corp. (formerly Silver Shield Resources Corp.) implemented its new business model under the leadership of a new management team.

As a merchant bank and advisory services firm, Gunpowder provides financial capital and capital markets advisory services. The Company offers a variety of financing options including mezzanine debt, bridge loans, convertible debentures and straight loans as well as equity financing. Our goal when investing is to as best as possible ensure the preservation of capital and structure upside for our stakeholders through participation opportunities such as royalties, equity or options. Our main focus with advisory services is to assist companies that are interested in going public, however, we are also involved with general capital markets advisory services and advising on mergers and acquisitions.

Business Objectives and Milestones

Gunpowder's primary focus for 2017 is to continue to grow as a merchant bank. At the end of 2016, we set goals for 2017 of:

1. Continue to grow our merchant banking and advisory services business.

2. Complete two go-public transactions with advisory clients.

On July 13, 2017, Advantagewon Oil Corp. (CSE: AOC), one of the Company's advisory clients, completed its go-public transaction.

3. Add two additional real estate properties.

During the first three quarters of 2017, the Company completed the acquisition of four tenanted properties in Windsor with a total of eleven residential rental units.

4. Continue to examine opportunities to acquire or launch two additional businesses to add to our portfolio.

During the first quarter of 2017, the Company launched its payment processing services which generated revenue of $113,955 and $204,022 for the three and nine months ended September 30, 2017, respectively.

During the third quarter of 2017, the Company invested in two rehabilitation properties in the United States and an additional rehabilitation property subsequent to September 30, 2017.

Highlights for the Quarter ended September 30, 2017

Gunpowder continues to execute on its strategic and operational initiatives as highlighted during the quarter and shortly thereafter:

On July 4, 2017, the Company declared a dividend of $0.20 per outstanding "Class – A" preferred shares to all "Class – A" preferred shareholders of record at the close of March 31, 2017and a dividend of $0.20 per outstanding "Class – B" preferred shares to all "Class – B" preferred shareholders of record at the close of March 31, 2017.

On July 6, 2017, the Company paid a dividend in-kind to the Company's common shares shareholders. The dividend in-kind consisted of 1,666,667 common shares of Advantagewon Oil Corporation.

On July 13, 2017, the Company loaned USD$165,000 to a company. The loan is in good standing and generate 18% interest per annum. In additions, certain borrowers will pay the Company a 1.5% royalty on the borrower's revenues.

On July 24, 2017, as one of the Company's advisory clients completed its go-public transaction, the Company received 3,000,000 common shares of the advisory client as part of its advisory fees. These shares were valued at $420,000 on the day of receipt.

On August 4, 2017, the Company invested in two rehabilitation properties in the United States for USD$50,000 (CDN$63,022) and USD$35,000 (CDN$44,116), respectively.

On August 2017, the Company entered into an agreement to provide advisory services to Meryllion Resources Corporation ("Meryllion") and also subscribed for 2,000,000 units of Meryllion Resources Corporation for $50,000. Each unit consist of one common share of Meryllion and one half common share purchase warrant. Each whole warrant entitles the Company to acquire one common share of Meryllion for $0.05 for a period of 18 months from the closing date.

On August 16 and 31, 2017, the Company completed the purchase of its third and fourth tenanted residential properties in London, Ontario.

During the third quarter of 2017, the Company raised $1,937,000 through the issuance of "Class – A" preferred shares at a price of $10 per share.

During the third quarter of 2017, the Company's common shares began trading on the OTCQB stock exchange under the trading symbol "GNPWF".

Additional highlights for the Nine months ended September 30, 2017

In addition to the highlights noted above for the three months ended September 30, 2017, Gunpowder attained the following initiatives during the first two quarters of fiscal 2017:

On January 3 and April 3, 2017, the Company declared a dividend of $0.20 per outstanding "Class – A" preferred shares to all "Class – A" preferred shareholders of record at the close of December 30, 2016 and March 31, 2017, respectively.

On January 16, 2017, the Company purchased a loan portfolio through issuance of 23,800 "Class – A" preferred shares. The portfolio consist of mortgages and commercial loans which are in good standing. The portfolio generates approximately 16% interest per annum.

On January 31, 2017, the Company completed the purchase of its second tenanted residential property in London, Ontario.

During the first quarter of 2017, the Company raised $1,001,400 through the issuance of "Class – A" preferred shares at a price of $10 per share. The Company also raised $335,500 through the issuance of "Class – B" preferred shares at a price of $10 per share.

On February 8, 2017, the Company entered into the ATM business through the acquisition of a 12.5% equity interest in JIT Financial Inc. ("JIT").

On April 3, 2017, the Company declared a dividend of $0.20 per outstanding "Class – B" preferred shares to all "Class – B" preferred shareholders of record at the close of March 31, 2017.

On April 19, 2017 and May 22, 2017, the Company loaned USD$78,000 and CDN$50,000, respectively, to two companies. The loans which are in good standing and generate 14% to 18% interest per annum.

On May 24, 2017, the Company completed the purchase of its third tenanted residential property in London, Ontario.

During the second quarter of 2017, the Company raised $300,100 through the issuance of common share units at a price of $0.10 per unit.

During the second quarter of 2017, the Company raised $404,500 through the issuance of "Class – A" preferred shares at a price of $10 per share.

Outlook

The third quarter of 2017 was another strong quarter for Gunpowder as we continued to build our brand and grow our asset base. We have a robust sales pipeline and hope to announce other opportunities that we have been working on in the coming quarters.

Quarterly results

The following table shows our results of operations for the last eight quarters:

	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Revenue	$ 680,501	$ 255,183	$ 94,190	$ 85,191	$ 45,336	$ 22,195	$ 12,194	$ -
Net Income (Loss)	128,132	(202,006)	(155,467)	(207,772)	(629,249)	(408,371)	(148,726)	(1,525,729)
Income (Loss) per share - basic and diluted	0.00	(0.01)	(0.01)	(0.01)	(0.03)	(0.02)	(0.01)	(0.15)
Cash	2,124,895	1,111,222	995,953	127,619	397,664	479,052	339,659	171,961
Mineral properties	-	-	-	-	954,175	954,175	954,175	2,204,175
Real estate assets	2,193,316	1,834,842	1,548,909	770,166	464,572	464,791	-	-
Loans and other investment aseets	1,891,890	1,670,349	1,172,688	907,616	417,097	338,878	283,320	-
Dividends paid to common share shareholders	216,667	-	-	-	-	-	-	-
Dividends paid to "Class - A" and "Class - B" preferred shares shareholders	80,536	72,447	40,948	14,359	11,344	5,148	-	-

Results of Operations

The following table shows the results of operations for the first three and nine months of 2017 compared to the same period last year:

	Three months ended September 30, 2017	Three months ended September 30, 2016	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Rental	$ 42,724	$ 8,451	$ 99,129	$ 8,451
Advisory services	422,500	15,649	492,516	39,774
Payment processing services	113,955	-	204,022	-
Interest	101,322	21,236	234,209	31,500
Total income	680,501	45,336	1,029,876	79,725
Management fees	80,800	28,653	290,050	171,000
Consulting and other professional fees	84,682	16,162	207,952	181,120
General, office and administrative	52,440	55,854	164,846	74,179
Transfer agent and filing fees	47,725	4,632	100,023	52,775
Property taxes and maintenance	26,025	662	70,989	2,055
Legal and audit fees	22,582	5,650	61,653	18,634
Marketing and investor relations	22,228	19,328	39,986	69,183
Non-recoverable input tax credits	1,619	-	35,835	-
Mortgage and loan interest	15,907	2,189	33,879	2,189
Share-based compensation	-	14,100	31,000	121,800
Travel and accomodations	5,998	10,685	26,657	48,149
Business development	7,997	-	7,997	-
Bank service charges	1,796	923	5,189	1,434
Net Income (loss) before other items	310,702	(113,502)	(46,180)	(662,793)
Amortization	(14,840)	(7,107)	(36,920)	(7,584)
(Write-off)/recovery of mineral properties	-	(510,442)	-	(510,442)
Realized gain on investments	66,667	-	66,667	-
Unrealized loss on investments	(223,921)	-	(208,853)	-
Accretion on notes receivable	11,379	-	34,076	-
Foreign exchange (loss) gain	(21,855)	1,802	(38,130)	(5,527)
Total other tiems	(182,570)	(515,747)	(183,160)	(523,553)
INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	$ 128,132	$ (629,249)	$ (229,340)	$ (1,186,346)

For the three months ended September 30, 2017

The following table shows revenues from the three months ended September 30, 2017 compared to the same period in the prior year:

	Q3 2017	Q3 2016	Increase/ (decrease) in $	Increase/ (decrease) in %
Rental	$ 42,724	$ 8,451	$ 34,273	406%
Advisory services	422,500	15,649	406,851	2600%
Payment processing services	113,955	-	113,955	100%
Interest	101,322	21,236	80,086	377%
Total revenues	$ 680,501	$ 45,336	$ 635,165	1401%

The Company acquired its first rental property in Q3 of 2016 and has since acquired its sixth rental property by Q3 of 2017, rental income had increased significantly in Q3 of 2017 compared to the same period of the prior year.

A significant portion of the advisory services revenue earned in Q3 2017 was related to 3,000,000 shares of Advantagewon Oil Corporation ("AOC") issued to the Company by AOC in relation to the completion of AOC's go-public transaction. These shares had a fair market value of $420,000 on the day of acquisition. Advisory services in the same period in the prior year were less.

Payment processing services were provided by the Company beginning in Q1 of 2017 and therefore $nil of the same category of revenue was earned during the same period in the prior year.

The interest earned in Q3 2017 had increased substantially ($80,086) compared to the same period of the prior year since the Company had substantially increased its portfolio in notes receivable from $228,427 at September 30, 2016 to $1,383,266 at September 30, 2017. These loans are all in good standing and bear interest rates ranging from 12% to 24%.

The following table shows operating costs from the three months ended September 30, 2017 compared to the same period in the prior year:

	Q3 2017	Q3 2016	Increase/ (decrease) in $	Increase/ (decrease) in %
Management fees	$ 80,800	$ 28,653	$ 52,147	182%
Consulting and other professional fees	84,682	16,162	68,520	424%
General, office and administrative	52,440	55,854	(3,414)	-6%
Transfer agent and filing fees	47,725	4,632	43,093	930%
Property taxes and maintenance	26,025	662	25,363	3831%
Legal and audit fees	22,582	5,650	16,932	300%
Marketing and investor relations	22,228	19,328	2,900	15%
Non-recoverable input tax credits	1,619	-	1,619	100%
Mortgage and loan interest	15,907	2,189	13,718	627%
Share-based compensation	-	14,100	(14,100)	-100%
Travel and accomodations	5,998	10,685	(4,687)	-44%
Business development	7,997	-	7,997	100%
Bank service charges	1,796	923	873	95%
Total operating costs	$ 369,799	$ 158,838	$ 210,961	133%

Operating expenses before other items for the quarter was $369,799 compared to $158,838 in the same period of the prior year.

A total of $26,025 in property taxes and maintenance and $15,907 of mortgage and loan interest were incurred in the three months ended September 30, 2017 as compared to $662 and $2,189 in the same period of 2016 as the Company acquired six additional rental properties since Q3 of 2016 and the associated expenses have increased accordingly.

Management fees of $80,800 were incurred in the three months ended September 30, 2017 compared to $28,653 in the same period of 2016 due to directors fees and an increase in fees to the management of the Company approved by the Board of Directors of the Company in 2017.

Consulting fees of $84,682 were incurred in the three months ended September 30, 2017 compared to $16,162 during the same period in the prior year. The Company hired accounting and administrative staff in Q4 2016 and Q1 2017 to meet the demands of the growing operations of the Company. The Company also incurred consulting fees related to its payment processing services beginning in Q2 2017.

Transfer agent and filing fees increased to $47,725 for the quarter ended September 30, 2016 to $4,632 for the quarter ended September 30, 2017. A significant portion of this increase is due to the efforts by the Company to be listed in the United States. The Company has incurred approximately $31,000 of costs in Q3 2017 in relation to these efforts.

Legal and audit fees increased from $5,650 for the quarter ended September 30, 2016 to $22,582 for the quarter ended September 30, 2017. This is due to the increased activity in the Company including the incorporation of a number of subsidiaries and related legal documentation.

The Company has changed its method of recording HST input tax credits during Q2 2017 in that only HST input tax credits which are deemed refundable is recorded as HST receivables. When it is reasonably estimable that a portion of the input tax credits is not eligible for refund, the amount is recorded as an expense. During the three months ended September 30, 2017, the Company recorded an expense of non-recoverable input tax credits of $1,619 compared to $nil in the same period in the prior year as this method was only adopted during Q2 2017.

Business development costs of $7,997 incurred in Q3 2017 related to investigative costs related to additional opportunities which management decided not to pursue.

For the nine months ended September 30, 2017

The following table shows revenues from the nine months ended September 30, 2017 compared to the same period in the prior year:

	Q1 to Q3 2017	Q1 to Q3 2016	Increase/ (decrease) in $	Increase/ (decrease) in %
Rental	$ 99,129	$ 8,451	$ 90,678	110%
Advisory services	492,516	39,774	452,742	1138%
Payment processing services	204,022	-	204,022	100%
Interest	234,209	31,500	202,709	644%
Total revenues	$ 1,029,876	$ 79,725	$ 950,151	1192%

The Company acquired its first rental property in Q3 of 2016 and has since acquired its sixth rental property by Q3 of 2017, rental income had increased significantly in the first nine months of 2017 compared to the same period of the prior year.

A significant portion of the advisory services revenue earned in Q3 2017 was related to 3,000,000 shares of Advantagewon Oil Corporation ("AOC") issued to the Company by AOC in relation to the completion of AOC's go-public transaction. These shares had a fair market value of $420,000 on the day of acquisition. Advisory services in the same period in the prior year were less.

Payment processing services were provided by the Company beginning in Q1 of 2017 and therefore $nil of the same category of revenue was earned during the same period in the prior year.

The interest earned in first nine months of 2017 had increased substantially ($234,209) compared to the same period of the prior year since the Company had substantially increased its portfolio in notes receivable from $$228,427 at September 30, 2016 to $1,383,266 at September 30, 2017. These loans are all in good standing and bear interest rates ranging from 12% to 24%.

The following table shows operating costs from the nine months ended September 30, 2017 compared to the same period in the prior year:

	Q1 to Q3 2017	Q1 to Q3 2016	Increase/ (decrease) in $	Increase/ (decrease) in %
Management fees	$ 290,050	$ 171,000	$ 119,050	70%
Consulting and other professional fees	207,952	181,120	26,832	15%
General, office and administrative	164,846	74,179	90,667	122%
Transfer agent and filing fees	100,023	52,775	47,248	90%
Property taxes and maintenance	70,989	2,055	68,934	3354%
Legal and audit fees	61,653	18,634	43,019	231%
Marketing and investor relations	39,986	69,183	(29,197)	-42%
Non-recoverable input tax credits	35,835	-	35,835	100%
Mortgage and loan interest	33,879	2,189	31,690	1448%
Share-based compensation	31,000	121,800	(90,800)	-75%
Travel and accomodations	26,657	48,149	(21,492)	-45%
Business development	7,997	-	7,997	100%
Bank service charges	5,189	1,434	3,755	262%
Total operating costs	$ 1,076,056	$ 742,518	$ 333,538	45%

Operating expenses before other items for the nine months ended September 30, 2017 was $1,076,056 compared to $742,518 in the same period of the prior year.

Management fees of $290,050 were incurred in the nine months ended September 30, 2017 compared to $171,000 in the same period of 2016 due to directors fees, an increase in fees to the management of the Company and a $50,000 bonus to management approved by the Board of Directors of the Company in 2017.

A total of $70,989 in property taxes and maintenance and $33,879 of mortgage and loan interest were incurred in the nine months ended September 30, 2017 as compared to $2,055 and $2,189 in the same period of 2016 for these expenses as the Company began to acquire rental properties in Q3 of 2016.

Consulting fees of $207,952 were incurred in the nine months ended September 30, 2017 compared to $181,120 during the same period in the prior year. The Company had hired a consultant in Q2 of 2016 with a cost the Company a total of $90,000 in 2016 who is no longer with tshe Company. As an offset to, the Company hired accounting and administrative staff in Q4 2016 and Q1 2017 to meet the demands of the growing operations of the Company.

General, office and administrative expenses increased from $74,179 for the nine months ended September 30, 2016 to $164,846 for the nine months ended September 30, 2017. This is largely due to the expansion of the Company's operations since Q3 2016 and the acquisition of office space and its associated costs.

The Company has changed its method of recording HST input tax credits during Q2 2017 in that only HST input tax credits which are deemed refundable is recorded as HST receivables. When it is reasonably estimable that a portion of the input tax credits is not eligible for refund, the amount is recorded as an expense. During the nine months ended September 30, 2017, the Company recorded an expense of non-recoverable input tax credits of $35,835 compared to $nil in the same period in the prior year as this method was only adopted during Q2 2017.

An increase of legal and audit fees from $18,634 in the nine months ended September 30, 2016 to $61,653 in the nine months ended September 30, 2017 is mainly due to increased activity in the Company during fiscal 2017 compared to the prior year.

Transfer agent and filing fees increased from $52,775 for the nine months ended September 30, 2016 to $100,023 for the nine months ended September 30, 2017. A significant portion of this increase is due to the efforts by the Company to be listed in the United States. The Company has incurred approximately $55,000 of costs in the first nine months of 2017 in relation to these efforts.

Liquidity and Capital Resources

The following table summarizes cash flows from the three and nine months ended September 30, 2017 compared to the same periods in the prior year :

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ (322,206)	$ (282,154)	$ 30,960	$ (720,630)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	1,824,214	269,852	3,548,295	1,690,002
CASH FLOWS (USED IN) INVESTING ACTIVITIES	(488,335)	(69,086)	(1,581,979)	(743,669)
Change in cash	1,013,673	(81,388)	1,997,276	225,703
Cash, opening balance	1,111,222	479,052	127,619	171,961
Cash, end of period	$ 2,124,895	$ 397,664	$ 2,124,895	$ 397,664

In addition to the operating activities discussed above, the Company generated $3,548,295 from financing activities (see the unaudited condensed interim consolidated financial statements for details of these transactions) and invested $1,581,979 by acquiring five residential properties and loaning out additional funds to support client growth.

As at September 30, 2017 the Company had total current assets of $3,622,073 to meet its current liabilities of $925,668.

To successfully pursue its merchant banking model, the Company plans to continue to raise debt and equity in order to pursue additional deals and build scale.

The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer dilution. If adequate financing is not available, the Company may be required to its interests in some or all of its assets / holdings or current properties and / or reduce or terminate its operations.

Additional disclosures

Critical Accounting Estimates

The preparation of financial statements requires the Company to estimate the effect of various matters that are inherently uncertain as at the date of the financial statements. Each of these required estimates varies with respect to the level of judgment involved and the potential impact on the Company's reported financial results. Estimates are deemed critical when the Company's financial condition, change in financial condition or results of operations would be materially impacted by a different estimate or a change in estimate from period to period. The Company's significant accounting policies are discussed in Note 1 of the Notes to Consolidated Financial Statements. Critical estimates inherent in these accounting policies are discussed in the following paragraphs.

Changes in Accounting Policies and Future Pronouncements

Revenue recognition

During the nine months ended September 30, 2017, the Company began provided payment processing services. Revenue earned from payment processing is recorded when earned.

Investments in associated companies

During the nine months ended September 30, 2017, the Company acquired a 12.5% interest in JIT, a newly incorporate corporation, for a nominal amount. One of the Company's officers was appointed as a director of JIT. As a result, the Company adopted an accounting policy related to investments in associated companies.

The equity method is used to account for investments in associated companies where the Company has significant influence. The share of earnings, gains and losses, realized dispositions and write downs to reflect other than temporary impairment are recognized in income. The loss in value of an investment in an associated company is considered to be other than a temporary decline when there is significant or prolonged decline in the fair value of an investment below its carrying value. The Company's proportion of dividends paid by the associated company reduces the carrying value of the investment.

The Company's share of JIT's losses for the nine months ended September 30, 2017 exceeded the Company's nominal investment in JIT and therefore JIT's losses were not recorded for the period.

Changes in accounting policies

The Company has adopted the following new standards, along with any consequential amendments, effective January 1, 2017. These changes were made in accordance with the applicable transitional provisions.

IAS 7 – Statement of Cash Flows ("IAS 7") was amended in January 2016 to clarify that disclosures shall be provided that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

IAS 12 – Income Taxes ("IAS 12") was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences.

Recent accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2017. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 2 – Share-based Payment ("IFRS 2") was amended by the IASB in June 2016 to clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB as a complete standard in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 15 - Revenue From Contracts With Customers ("IFRS 15") proposes to replace IAS 18 - Revenue, IAS 11 - Construction contracts, and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 16 – Leases ("IFRS 16") was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if IFRS 15 has also been applied.

Financial Instruments

Financial assets and financial liabilities as at September 30, 2017:

	Assets & liabilities at amortized cost	Assets & liabilities at fair value through profit and loss	Total
September 30, 2017			
Cash	$ 2,124,895	$ -	$ 2,124,895
Accounts and other receivables	60,979	-	60,979
Notes receivable	1,383,266	-	1,383,266
Investments	-	618,262	618,262
Accounts payable and accrued liabilities	(828,506)	-	(828,506)
Mortgages payable	(1,310,031)	-	(1,310,031)

The Company's has loans receivable outstanding and a significant portion of the Company's assets are currently comprised of financial instruments which can expose it to several risks, including market, liquidity, credit and currency risks. As a result of the change in business, there are new risks, objectives, policies and procedures compared to the previous year as discussed below. A discussion of the Company's use of financial instruments and their associated risks is provided below:

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 because of changes in market 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 favorable prices. In addition, a significant portion of the Company's investments are in the resource sector. The Company mitigates this risk by attempting to have a portfolio which is not singularly exposed to any one issuer, with exception to the Company having one position as at September 30, 2017 which made up of approximately 46% (December 31, 2016 – 51%) of the total equity portfolio.

For the three and nine months ended September 30, 2017, a 10% decrease in the closing price of this concentrated position would result in an estimated increase in net loss of $28,500 (2016 - $nil).

For the three and nine months September 30, 2017, a 10% decrease (increase) in the closing prices of its other portfolio investments would result in an estimated increase (decrease) in net loss of $33,000 (2016 - $nil).

Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage. As at September 30, 2017, the Company's current liabilities totaled $925,668 and cash totaled $2,124,895. The Company generates cash flow from advisory fees, loan interest payment processing services, and rental income.

The Company manages liquidity risk by reviewing the amount of cash available, to ensure that it can meet its current obligations. There is no guarantee that the Company will be able to continue to meets its current obligations.

The following summarizes the Company's contractual obligations including payments due for each of the next five years and thereafter:

	Carrying amount	Contractual cash flows	Year 1	Year 2-3	Year 4-5	Greater than 5 years
Accounts payable and accrued liabilities	$ 828,506	$ 828,506	$ 828,506	$ -	$ -	$ -
Mortgages payable	1,310,031	2,051,296	88,994	177,988	177,988	1,606,327
Loan payable	173,547	202,447	68,234	94,355	16,800	23,058
Total	$ 2,312,084	$ 3,082,249	$ 985,734	$ 272,343	$ 194,788	$ 1,629,385

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's accounts and other receivables and notes receivable.

Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and a portion of its loans receivable and investments are in United States dollars. A significant change in the currency exchange rates between the United States dollar relative to the Canadian dollar could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

<u>Contractual Obligations and Commitments</u>

The Company is party to certain management contracts. These contracts contain aggregate minimum commitments of approximately $300,000 (December 31, 2016 - $300,000) ranging from 12 to 18 months and additional contingent payments of up to approximately $240,000 (December 31, 2016 - $240,000) upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these condensed interim consolidated financial statements.

The Company has discontinued mining operations in various jurisdictions and has written down the carrying value of the related assets to nominal amounts. An estimate of the total liability, it any, for which the Company might become obligated as a result of its role as operator, guarantor or indemnifier, is not determinable, nor expected to be material, and no amount has been provided for in these condensed interim consolidated financial statements.

The Company leases its office under a lease agreement which commenced October 1, 2016, the following is a summary of its lease commitments for the term of the lease:

< 1 year from reporting date	$ 43,400
1 to 2 years from reporting date	3,761
2 to 3 years from reporting date	45,136
3 to 4 years from reporting date	45,136
	$ 137,433

Outstanding share data

As at September 30, 2017, the Company had 30,910,256 common shares issued and outstanding, 562,830 preferred "Class – A" shares issued and outstanding and 33,550 preferred "Class – B" shares issued and outstanding. In addition, the Company has 6,561,137 common share purchase warrants outstanding priced at between $0.15 and $0.25 and 2,250,000 stock options entitling the holder to acquire an additional common share by paying $0.10 to $0.12 per common share.

As at November 27, 2017, the Company had 30,910,256 common shares issued and outstanding, 562,830 "Class-A" preferred shares issued and outstanding and 33,550 "Class – B" preferred shares issued and outstanding. In addition, the Company has 6,561,137 common share purchase warrants outstanding priced at between $0.15 and $0.25 and 2,250,000 stock options entitling the holder to acquire an additional common share by paying $0.10 to $0.12 per common share.

Transactions with Related Parties

JIT Financial Inc.

During the nine months ended September 30, 2017, the Company loaned $31,538 to JIT Financial Inc. ("JIT"), in which the Company acquired a 12.5% ownership stake and as a result of this stake, appointed one of its officers to the Board of Directors, through a promissory note and a number of amendments of the promissory note. JIT is in the cash clearing business. The loan bears interest at a rate of 10% per annum and the Company charges a royalty of $0.05 per transaction on certain transactions processed by JIT. The loan is repayable on a basis of $0.25 per transaction on certain transactions processed by JIT. The loan is secured by a first charge and security interest in all of the present and after-acquired personal property and assets of the borrower pursuant to a general security agreement.

During the nine months ended September 30, 2017, the Company loaned $1,000,000 to JIT, through a promissory note and a number of amendments of the promissory note. The loan bears interest at a rate of $0.30 per transaction on certain transactions processed by JIT. The loan is secured by a first charge and security interest in all of the present and after-acquired personal property and assets of the borrower pursuant to a general security agreement.

The amounts loaned to JIT are used for JIT's cash clearing business, which uses GP Financial Services Corp.'s ("GPFS") bank accounts to hold unused funds. As at September 30, 2017, GPFS held $694,920 on behalf of JIT's unused funds and therefore had a net receivable of $336,618 from JIT (December 31, 2016 - $nil).

Other related parties
During the three and nine months ended September 30, 2017 and 2016, the Company entered into the following transactions in the ordinary course of business with related parties that are not subsidiaries of the Company.

Compensation of key management personnel of the Company
The remuneration of directors and other members of key management personnel during the period was as follows:

	Three months ended Septemeber 30,		Nine months ended September 30,	
	2017	**2016**	**2017**	**2016**
Short-term benefits	**$ 22,500**	$ 15,000	**$ 177,500**	$ 108,000
Share-based payments	**-**	7,050	**15,500**	58,252

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

As at September 30, 2017, the Company owed $5,374 (December 31, 2016 - $5,374) to an officer of the Company. These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

Off Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative financial obligations, or with respect to any obligations under a variable interest equity arrangement.

Proposed Transactions

The Company is not party to any proposed transactions that have not been disclosed elsewhere in this MD&A.

Subsequent Events

Subsequent to September 30, 2017, the Company incorporated four new wholly-owned subsidiaries, 663 Marentette Ave. Inc., 53 McClary Ave. Inc., 1 Balfour Place Inc. and 491 Louis Ave. Inc.

Subsequent to September 30, 2017, the Company purchased its seventh residential rental property at 663 Marentette Avenue, Windsor, Ontario. Total purchase price of the property was $300,000 and an aggregate $29,318 of capitalized expenses such as legal fees and other costs connected with the property purchase.

Subsequent to September 30, 2017, the Company invested in an additional rehabilitation property in the United States for USD$119,547 ($149,171).

Subsequent to September 30, 2017, the Company entered into a loan agreement with an unrelated party where the Company loaned a total of $175,000. The loan bears interest at a rate of 24% per annum has a maturity date of October 1, 2018. The loan is secured first by a second mortgage charge on the building owned by the borrower, a general security agreement and a charge against the assets of the borrower. The Company also received 116,500 common shares of the borrower.

Subsequent to September 30, 2017, the Company entered into a loan agreement with AOC where the Company loaned AOC a total of USD $200,500 ($256,961). The loan bears interest at a rate of 1% per month and is to be repaid from the net proceeds of AOC's current fundraising. The loan is secured by a first charge and security interest in all of the present and after-acquired property of the borrower and a general security agreement provided by the borrower.

Subsequent to September 30, 2017, the Company entered into an agreement to acquire a secured note of Patriot with a face value of USD $138,000 ($172,023). The secured note bears interest of 5% per annum and has a maturity date of July 1, 2020. The Company has agreed to acquire the note for USD $120,000 ($149,585).

Subsequent to September 30, 2017, the Company obtained a mortgage payable to a credit union in Windsor, Ontario for a principal amount of $105,000. The mortgage bears interest of 4.55% per annum for a term of 60 months. The amortization life of the mortgage is 240 months.

Subsequent to September 30, 2017, the Company declared and paid a dividend of $0.20 per "Class – A" preferred shares and "Class – B" preferred shares for a total of $119,276.

Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com.