

# **WOLF'S DEN CAPITAL CORP.**



## **Interim Management's Discussion and Analysis – Quarterly Highlights**

For the Three Months Ended March 31, 2020

(Financial information expressed in Canadian dollars unless otherwise noted)

## **Introduction**

The following Interim Management's Discussion & Analysis ("Interim MD&A") of Wolfpack Brands Corporation ("Wolfpack" or the "Company") for the three months ended March 31, 2020 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management's discussion & analysis, being the Management's Discussion & Analysis ("Annual MD&A") for the fiscal year ended December 31, 2019. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Annual MD&A, audited annual consolidated financial statements of the Company for the years ended December 31, 2019 and 2018 together with the notes thereto, and unaudited condensed interim consolidated financial statements of the Company for the three months ended March 31, 2020, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim consolidated financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee ("IFRIC"). The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of July 16, 2020, unless otherwise indicated.

For the purposes of preparing this Interim MD&A, management, in conjunction with the Board of Directors, (the "Board") considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Wolfpack common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity. This Interim MD&A contains forward-looking statements that involve risks and uncertainties. The Company's actual results may differ materially from those discussed in forward-looking statements as a result of various factors, including those described under "Forward- looking Statements".

Further information about the Company and its operations is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Cautionary Note Regarding Forward-Looking Information**

This Interim MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Interim MD&A speak only as of the date of this Interim MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this Interim MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
The Company expects to complete a share exchange agreement with Danavation Technologies Inc., which constitutes a reverse takeover.	The shareholders of Danavation Technologies Inc. will approve the transaction.	The shareholders may reject the transaction if the terms are not favourable.
The Company's cash position at March 31, 2020 is anticipated to be sufficient to fund its operating expenses for the twelve months ending March 31, 2021. The Company expects to complete an equity financing.	The Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company.	Ongoing uncertainties relating to the COVID-19 virus; timing and availability of external financing on acceptable terms; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff; availability of permits; market competition.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Wolf's Den ability to predict or control. Please also make reference to those risk factors referenced in the "Risks and uncertainties" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Wolf's Den actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

## Historical information

The Company was incorporated under the *Business Corporations Act* (British Columbia) on June 4, 2007 under the name "Green Park Capital Corp."

In March 2008, the Company completed an initial public offering of 3,000,000 common shares. The Company's shares began trading on the TSX Venture Exchange (the "**Exchange**") on March 24, 2008 under the trading symbol "GRP.P". Prior to March 24, 2011, the Company was classified as a Capital Pool Company ("**CPC**") within the meaning ascribed by the Exchange.

In March 2010, the Company entered into a letter agreement to purchase all of the issued and outstanding securities of 0854742 B.C. Ltd. ("**0854742**"). The acquisition of 0854742, then known as Josephine Mining Corp., constituted the Company's Qualifying Transaction under the policies of the Exchange. 0854742 was at arm's length to the Company at the time of the Qualifying Transaction.

On March 24, 2011, the Company completed its Qualifying Transaction when its wholly-owned subsidiary, 0890810 B.C. Ltd., amalgamated with 0854742. After the Qualifying Transaction, the Company's sole activities related to the acquisition and exploration of certain mining projects in Oregon. In connection with the Qualifying Transaction, the Company changed its name to Josephine Mining Corp., ceased to be a CPC and commenced trading as a Tier 2 mining issuer on the Exchange on March 29, 2011. On commencement of trading, the Company's trading symbol changing from "GRP.H" to "JMC".

On May 11, 2015, the Company was halted from trading on the Exchange as a result of the issuance of cease trade orders being issued by the British Columbia Securities Commission, the Alberta Securities Commission and the Ontario Securities Commission (the "CTOs"). The CTOs were imposed due to the failure of the Company to file its annual audited consolidated financial statements, its MD&A and related certifications for the year ended December 31, 2014. The Company filed its audited annual consolidated financial statements for the years ended December 31, 2017 and 2018, the related MD&A and required certifications, and has otherwise met its continuous disclosure obligations pursuant to securities laws and the revocation orders granted by the securities regulators. On May 28, 2019, the CTOs were revoked by the British Columbia Securities Commission, the Alberta Securities Commission and the Ontario Securities Commission, and the Company was subsequently permitted to resume normal trading activities.

On January 29, 2019, the sole director and officer of the Corporation resigned following the appointment of a new board of three directors and new management to see the Company through the next stage of its development. Richard Buzbuzian, one of the director appointees, was also appointed President, Chief Executive Officer and Chief Financial Officer. Mr. Buzbuzian is a principal of Buzbuzian Capital Corp. ("BCC"), a company which provided the funding necessary to see the Company through the CTO revocation process.

On June 1, 2019, Richard Buzbuzian resigned as Chief Executive Officer of the Company and Koby Smutylo was appointed as Chief Executive Officer. Richard Buzbuzian was appointed Executive Chairman of the Company on this date as well.

On June 25, 2019, the Company received shareholder approval regarding the amendment of the Company's articles permitting it to consolidate its shares by resolution of the Board of Directors.

On July 4, 2019, Koby Smutylo was appointed to the board of directors of the Company. On July 18, 2019, Danny Gravelle resigned from the board of directors of the Company.

On July 18, 2019, the Company changed its name from "Josephine Mining Corp." to "Wolfpack Brands Corporation", and completed a consolidation of its common shares on a 100:1 basis. The Company also transitioned from a mining issuer to an early-stage investment company with a primary focus on the cannabis industry.

On August 21, 2019, pursuant to a debt settlement, the Company issued an aggregate of 100,500,000 common shares in the capital of the Company to settle an aggregate debt of \$502,500. The common shares issued had been valued at a price of \$0.05 based on the share price of shares issued to arm's length parties. As a result, the Company recorded a loss on settlement of debt of \$4,522,500.

On August 22, 2019, the Company completed a private placement in which it repaid an aggregate of \$1,212,000 in debt that it owed to certain creditors of the Company by issuing an aggregate of 60,600,000 common shares to certain service providers of the Company. Of this amount, \$600,000 (30,000,000 common shares) were issued in error to a company controlled by Mr. Smutylo, a former officer and director of the Company, these were returned and cancelled.

On September 9, 2019, the Company closed the first tranche of a non-brokered private placement (the offering) consisting of 34,550,200 common shares at a price of \$0.05 per share for gross proceeds of \$1,727,510. In connection with the offering, the Company paid finders fees in the amount of 2,764,016 shares and legal fees of \$42,484.

On September 16, 2019, the Company closed the second tranche of the offering, consisting of 11,650,000 common shares at a price of \$0.05 per share for gross proceeds of \$582,500. In connection with the offering, the Company paid finders fees in the amount of 932,000 shares.

On March 30, 2020, the Company announced that it has executed a share exchange agreement (the "Share Exchange Agreement") with Danavation Technologies Inc. ("Danavation") and its shareholders (the "Danavation Shareholders") pursuant to which the Company will acquire all of the issued and outstanding shares of Danavation in exchange for share of the Company as detailed below (the "Transaction"). The Transaction will constitute a reverse takeover of the Company by Danavation and the Danavation Shareholders.

Pursuant to the Share Exchange Agreement, the Company will complete a consolidation of its issued and outstanding common shares (the "Consolidation") on the basis of one post-consolidation common share (the "Shares") for every eight outstanding common shares in the capital of the Company. Pursuant to the Transaction, each of the Danavation Shareholders will receive one Share in exchange for each share held in the capital Danavation. As a condition to the completion of the Transaction, Danavation must complete a private placement of up to 17,600,000 shares in the capital of Danavation (the "Danavation Financing").

In connection with the Transaction, the Company will undertake a private placement of common shares, subscription receipts, or other securities convertible into Shares, for aggregate gross proceeds of up to \$6,000,000, expected to close concurrently with the Transaction.

The head office, principal address and records office of the Company are located at 700, 595 Burrard Street, Vancouver, British Columbia, V7X 1S8.

## **Strategy and Outlook**

The Company is diligently looking to build revenue through the divestment of its previously acquired mineral properties, the identification and evaluation of acquisitions of synergistic businesses or assets or joint ventures with strategic partners. Such transactions will be subject to regulatory and other approvals.

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

Strong equity markets are favourable conditions for completing the transaction.

Apart from these and the risk factors noted under the heading "Risks and Uncertainties" below, management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

## **Operational Highlights**

### **Corporate**

At March 31, 2020, the Company had assets of \$828,129 (December 31, 2019 - \$1,148,673) and deficit of \$20,039,338 (December 31, 2019 - \$19,838,943). At March 31, 2020, the Company had current liabilities of \$67,964 (December 31, 2019 - \$188,113).

The Company had cash of \$565,041 at March 31, 2020 (December 31, 2019 - \$879,482). The decrease in cash during the three months ended March 31, 2020 was primarily due to the cash used in operating activities.

The Company's unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

### Three months ended March 31, 2020, compared with the three months ended March 31, 2019

The Company's net loss totaled \$200,395 for the three months ended March 31, 2020, with basic and diluted loss per share of \$0.00. This compares with a net loss of \$176,645 with basic and diluted loss per share of \$0.69 for the three months ended March 31, 2019. The increase in the net loss of \$23,750 was principally because:

- Operating expenses such as professional fees, office and administrative, consulting, management fee, and travel totaled \$217,953 for the three months ended March 31, 2020 (three months ended March 31, 2019 - \$176,645). The increase of \$41,308 is primarily due to (i) a decrease in office and administration fees of 6,637; and (ii) a decrease of \$17,963 in management fees (iii) an increase in professional fees of \$65,908.
- Other income included foreign exchange which totaled \$17,558 for the three months ended March 31, 2020 (three months ended March 31, 2019 - \$nil). The increase \$17,558 in foreign exchange gain is due to the change in US dollars held in the trust account.

### **Liquidity and Capital Resources**

At March 31, 2020, the Company had cash of approximately \$565,041, compared to approximately \$879,482 on December 31, 2019. Its working capital at March 31, 2020 was approximately \$760,165 (December 31, 2019 –\$960,560).

The Company manages liquidity risk through maintaining sufficient cash or credit terms with its suppliers to meet the operating requirements of the business and investing excess funds in highly liquid short term cash deposits. Management's ability to manage liquidity over the next 12 months is dependent on the Company's ability to raise funds. The Company manages this risk through the management of its capital structure.

### **Transactions with Related Parties**

Related parties include the Board, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

- a) During the three months ended March 31, 2020, the Company incurred management fees of \$77,206 (three months ended March 31, 2019 - \$56,500) to BCC. As at March 31, 2020, the Company is owed \$32,205 (December 30, 2019 - \$32,205) from BCC and this amount is included in due from related parties.
- b) During the three months ended March 31, 2020, the Company incurred management fees of \$77,206 (three months ended March 31, 2019 - \$56,500) to Launch Capital Inc. ("LCI"), a company controlled by Mr. Tony Di Benedetto, a director of the Company. As at March 31, 2020, the Company is owed \$32,205 (December 30, 2019 - \$32,205) from LCI and this amount is included in due from related parties.
- c) The above related party transactions were in the normal course of operations and have been valued at fair value. The amounts owing to related parties are non-interest bearing, unsecured and due on demand.

### **Trends and Economic Conditions**

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labour availability and supply lines;
- Availability of government supplies, such as water and electricity;
- Purchasing power of the Canadian dollar; and
- Ability to obtain funding.

At the date of this Interim MD&A, the Canadian federal government and the provincial government of Ontario have not introduced measures that have directly impeded the operational activities of the Company. Although cash in the Company has declined, management believes the business will continue and, accordingly, the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Apart from these and the risk factors noted under the heading "Risks and Uncertainties", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

See "Cautionary Note Regarding Forward-Looking Information" above.

### **Off-balance Sheet Arrangements**

As at March 31, 2020, the Company had no off-balance sheet arrangements.

### **Changes in Accounting Policies**

#### *IFRS 3, Business Combinations ("IFRS 3")*

Amendments to IFRS 3, issued in October 2018, provide clarification on the definition of a business. The amendments permit a simplified assessment to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

The amendments are effective for transactions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. The adoption of the amendments had no impact on the Company's unaudited condensed consolidated interim financial statements.

#### *IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")*

Amendments to IAS 8, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications.

The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's unaudited condensed consolidated interim financial statements.

#### *IAS 1, Presentation of Financial Statements ("IAS 1")*

Amendments to IAS 1, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications. The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's unaudited condensed consolidated interim financial statements.

### **Risks and Uncertainties**

Investing in the common shares of the Company involves risk. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A before making an investment decision. If any of the following risks actually occurs, the business, financial condition or results of operations of the Company could be harmed. In such an event, the trading price of the common shares could decline and prospective investors may lose part or all of their investment.



### **Exchange May Not Approve a Qualifying Transaction**

Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval, as such terms are defined in Policy 2.4. Notwithstanding that a transaction may meet the definition of a Qualifying Transaction; the Exchange may not approve a Qualifying Transaction (a) if the Company fails to meet the initial listing requirements prescribed by Policy 2.1 – Initial Listing Requirements of the Exchange upon completion of a Qualifying Transaction; (b) if, following completion of a Qualifying Transaction, the Company will be a finance company or a mutual fund as defined under applicable securities laws; (c) the consideration proposed to be paid by the Company in connection with the Qualifying Transaction is not acceptable to the Exchange; or (d) for any other reason at the sole discretion of the Exchange.

### **Approval by the Majority of the Minority**

Where Majority of the Minority Approval is required, unless the shareholder has the right to dissent and be paid fair value in accordance with the applicable corporate or other law, a shareholder who votes against a proposed Non-Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Company of fair value for the common shares.

### **Dilution**

If the Company issues treasury shares to finance acquisition or participation opportunities, control of the Company may change and subscribers may suffer dilution of their investment.

### **Reliance on Management**

The Company is relying solely on the past business success of its directors and officers to identify a Qualifying Transaction of merit. The success of the Company is dependent upon the efforts and abilities of its directors and officers. The loss of any of its directors or officers could have a material adverse effect upon the business and prospects of the Company.

### **Directors and Officers**

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company but will be devoting such time as required to effectively manage the Company. Some of the directors and officers of the Company are engaged and will continue to be engaged in the search for assets or businesses on their own behalf or on behalf of others such that conflicts may arise from time to time. As a consequence of such conflicts, the Company may be exposed to liability and its ability to achieve its business objectives may be impaired.

Additionally, directors and officers of the Company may also serve as directors and/or officers of other reporting issuers from time to time.

The Company has not purchased "key-management" insurance, nor has it entered into non-competition and non-disclosure agreements with management and has no current plans to do so.

### **Future financing**

The Company's continued operation will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained on acceptable terms to the Company, if at all. Failure to obtain additional financing on a timely basis has resulted in delay and indefinite postponement of further exploration and development and forfeiture of some rights in some or all of the Company's properties. If additional financing is raised by the issuance of shares from treasury, control of the Company may change and shareholders may



suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, the Company may not be able to further explore and develop its properties, take advantage of other opportunities, or otherwise remain in business. Events in the equity market may impact the Company's ability to raise additional capital in the future.

### **Current global economic conditions**

Recent market events and conditions, including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, could impede the Company's access to capital or increase its cost of capital. The Company's failure to raise capital when needed or on reasonable terms may have material adverse effects on the Company's business, financial condition and results of operations.

### **COVID-19**

In December 2019, a novel strain of coronavirus ("**COVID-19**") emerged in Wuhan, China. Since then, it has spread to several other countries and infections have been reported around the world. Canada confirmed its first case of COVID-19 on January 25, 2020 and its first death related to COVID-19 on March 9, 2020. On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. In response to the outbreak, governmental authorities in Canada and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. The COVID-19 outbreak and the response of governmental authorities to try to limit it are having a significant impact on the private sector and individuals, including unprecedented business, employment and economic disruptions. The continued spread of COVID-19 nationally and globally could have an adverse impact on our business, operations and financial results, as well as a deterioration of general economic conditions including a possible national or global recession. Due to the speed with which the COVID-19 situation is developing and the uncertainty of its magnitude, outcome and duration, it is not possible to estimate its impact on our business, operations or financial results; however, the impact could be material.