



SustainCo Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the years ended August 31, 2018 and 2017

SustainCo Inc.
Management's Discussion & Analysis
For the years ended August 31, 2018 and 2017



December 20, 2018

Introduction

This management discussion and analysis (“MD&A”) of the financial condition and results of operations of SustainCo Inc., (the “Company” or “SustainCo”), is for the years ended August 31, 2018 and 2017. It is supplemental to, and should be read in conjunction with the Company’s audited annual consolidated financial statements and the accompanying notes for the years ended August 31, 2018 and 2017.

The Company’s financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”). All amounts presented herein are stated in Canadian dollars, unless otherwise indicated.

Readers are cautioned that this MD&A contains certain forward-looking statements. Please see the “Notice concerning forward-looking statements” section at the end of this document for a discussion concerning the use of such information in this MD&A.

Company Overview

SustainCo was incorporated under the Canada Business Corporation Act on August 22, 2008. The Company is listed on the TSX Venture Exchange Inc. (the “TSX-V” or the “Exchange”) under the ticker symbol “SMS”.

SustainCo is a leading provider of sustainable infrastructure solutions and services. The Company focuses on enabling sustainability, energy efficiency, clean and renewable energy projects and technology. The Company operates through its wholly owned subsidiaries of VCI CONTROLS Inc. (“VCI” or “VCI CONTROLS”) and Clean Energy Developments Corp. (“CleanEnergy”).

VCI CONTROLS Inc.

VCI is a leading supplier of building technologies and services that improve comfort, safety, energy efficiency, and occupant productivity. It is an industry leader in the development of intelligent building technology, including the integration of disparate building systems utilizing the latest in communications technologies and standards. VCI’s business focuses on building automation and controls, HVAC mechanical services, real-time performance monitoring, and energy efficient retrofit and solutions.

Founded in 1981, VCI has an installed customer base of over 1,400 clients including very large and complex buildings such as the National Art Gallery of Canada, the RCMP complex in Ottawa, the Canadian Forces Base in Halifax, and the Billy Bishop Airport in Toronto.

With headquarters in Toronto, VCI employs over 70 people in Halifax, Montreal, Pembroke, Ottawa, and Toronto.

CleanEnergy Overview

CleanEnergy is a geoexchange company that provides heating and cooling solutions for multi-residential and commercial buildings using energy from the earth.

Overall Performance

VCI is currently executing work on the new MacNabb Braeside Municipal Building, providing mechanical, electrical and BAS controls installations. The value of the contract is \$1.3M.

VCI recently completed a project at CFB Borden, retrofitting HVAC and BAS controls in two connected buildings on base. The final value of the contract was \$1.5M.

VCI continues to install BAS controls across Canada for a multi-residential building client. In the past year, it has received orders for 12 additional sites for a value of about \$350 K. This increases its installed base with this client to 90 buildings with a total value in excess of \$2M. VCI is also providing energy and operational dashboard to assist the client in managing these facilities.

CleanEnergy completed geoexchange projects at St. Lawrence College in Kingston and with a multi-residential development in the Hamilton area. The combined value of these projects was \$1.0M.

CleanEnergy was awarded a contract valued at \$1.7M at the University of Toronto, Scarborough for the installation of geoexchange. The project includes the boring of 90 holes at 500 feet. Work commenced in August 2018 and is scheduled for completion for Spring 2019.

A marked increase in demand for geoexchange projects, particularly in the public sector was witnessed through the back half of fiscal 2018. As a result, CleanEnergy is currently pursuing a number opportunities that are expected to yield some larger bookings in the coming months.

Unionization

On November 30, 2016, the Company announced that the Ontario Labour Relations Board has ordered the certification of the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada, Local 787, effective June 1, 2017, as the exclusive bargaining agent for the refrigeration and air-conditioning mechanics and apprentices employed by VCI Controls Inc.

The Company is making adjustments to its business model to ensure continuity and continued profitability and growth.

Appointment and Resignation of Directors

In March 2017, Mr. Daniel Hay resigned from the Board of Directors and Mr. Adam Szweras was appointed to the Board of Directors.

Mr. Szweras is a securities law partner with Fogler, Rubinoff LLP. His law practice focuses on financings and going public transactions. Mr. Szweras represents several mid-market public

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companies and assists companies in listing on the Toronto Stock Exchange and the TSX Venture Exchange. He also represents brokerage firms and has helped numerous clients with their financings and cross-border transactions. Mr. Szweras has a particular expertise with Capital Pool Company program and often acts as a strategic advisor to his clients.

Mr. Szweras acts a director and officer for several public companies and he is Chairman and founder of Foundation Markets Inc., a Merchant Bank and Exempt Market Dealer. His extensive knowledge of business management, governance of public and private companies and its network of established contacts is a valued contribution to any management team.

Corporate Activities

In June 2017, the Company raised aggregate gross proceeds of \$950,000, issuing an aggregate of 6,333,333 common shares at a price of \$0.15 per share to an insider of the Company.

In August 2017, the Company granted 700,000 options with an exercise price of \$0.15 per share, for a period of 5 years from the date of grant. The options vest 30% upon grant, with the remainder vesting 35% per six months thereafter. The Company uses the Black-Scholes option pricing model to determine the fair value of options granted. The assumptions used were the following: volatility of 193%; risk-free interest rate of 1.42%; expected life of 5 years; dividend yield of nil; forfeiture rate of nil; share price of \$0.125.

On March 7, 2018, Emlyn David, CEO, acquired 2,646,566 common shares of the Company. Subsequent to the transaction Emlyn David directly and indirectly controls 10,414,872 shares of SustainCo, or approximately 66.01% of the current issued and outstanding shares of the Company.

Also on March 7, 2018, Emlyn David acquired an aggregate principal amount of \$631,600 of unsecured non-interest bearing promissory notes issued by the Company in 2016, acquired from the note holders thereof.

Selected Financial Information

Selected annual information

| | 2018 | 2017 | 2016 |
|--|--------------|-------------|-------------|
| | \$ | \$ | \$ |
| Total revenue | \$13,687,391 | 13,824,215 | 14,288,823 |
| Net income (loss) from continuing operations | (123,857) | 144,853 | (718,066) |
| Net income (loss) | (123,857) | 144,853 | (718,066) |
| Net income (loss) per share from continuing operations | (0.01) | 0.01 | (0.26) |
| Total assets | 6,012,497 | 5,990,184 | 6,063,395 |
| Long-term liabilities | 40,453 | 605,002 | 599,451 |

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Selected Quarterly Financial Information

| | Q4-2018 | Q3-2018 | Q2-2018 | Q1-2018 | Q4-2017 | Q3-2017 | Q2-2017 | Q1-2017 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | | | \$ | \$ | \$ | \$ | \$ |
| Revenue | 3,532,666 | 3,694,830 | 2,924,675 | 3,535,220 | 3,329,382 | 3,515,750 | 3,496,698 | 3,482,385 |
| Net income (loss) | (267,289) | 26,585 | 44,094 | 72,753 | (208,336) | 242,222 | (71,052) | 182,019 |
| Basic & diluted earnings (loss) per share | (0.02) | 0.00 | 0.00 | 0.00 | (0.03) | 0.03 | (0.01) | 0.02 |

Results of Operations

Sales and Direct Costs

The Company had the following sales and direct costs:

| | Year ended August 31, | |
|-------------------------------------|-----------------------|--------------|
| | 2018 | 2017 |
| Revenue | | |
| Geoexchange services | \$ 954,321 | \$ 827,294 |
| Controls and Mechanical contracting | 12,733,070 | 12,996,921 |
| Total Revenue | 13,687,391 | 13,824,215 |
| Cost of sales | | |
| Geoexchange services | (759,525) | (668,141) |
| Controls and Mechanical contracting | (9,759,401) | (9,560,938) |
| Total Cost of sales | (10,518,926) | (10,229,079) |
| Gross margin | | |
| Geoexchange services | 194,796 | 159,153 |
| Controls and Mechanical contracting | 2,973,669 | 3,435,983 |
| Gross margin | \$ 3,168,465 | \$ 3,595,136 |

Total revenues from geoexchange services was \$954,321 for 2018, an increase of 15.4% from the same period in 2017. Revenues are earned on services provided for the installation of geoexchange systems. Cost of sales of relate to direct materials and expenditures, equipment costs and materials for products and services sold. Margins increased slightly from the prior year from 19.2% to 20.4% for 2018 due to the variability in margins from project to project.

The controls and mechanical contracting services recognized revenue of \$12,733,070 in 2018, which is a decrease of 2.0% from the same period in 2017. Revenues are earned from engineering services, building automation controls, mechanical and electrical installation, performance monitoring, and operations and maintenance services for multi-residential and ICI facilities. The cost of sales relate to direct materials and expenditures for products and services sold. Margins for

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this division were 23.4% for 2018, a decrease compared to last year at 26.4%. The decrease in margins can be attributed to increased labour costs related to the first full year of union costs, which was effective June 1, 2017. In addition, the controls and mechanical contracting division had a cost overrun in one particular job, which decreased margins by \$121,544, and was included in the results for the year ended August 31, 2018.

General and Administrative Costs

| | Corporate | | Geoexchange services | | Controls and Mechanical contracting | | Total | |
|----------------------------------|------------|------------|----------------------|------------|-------------------------------------|--------------|--------------|--------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Salaries and wages | \$ 368,744 | \$ 396,781 | \$ 76,086 | \$ 8,761 | \$ 1,442,302 | \$ 1,321,835 | \$ 1,887,132 | \$ 1,727,377 |
| Professional and consulting fees | 92,608 | 58,400 | 12,000 | 17,289 | 94,136 | 231,552 | 198,744 | 307,241 |
| Office costs | 42,605 | 59,042 | 11,628 | 32,695 | 723,620 | 749,431 | 777,853 | 841,168 |
| Travel costs | 13,761 | 1,123 | 27,130 | 17,948 | 92,580 | 116,234 | 133,471 | 135,305 |
| Bad debts | - | - | 22,137 | 118,130 | 61,986 | (30,053) | 84,123 | 88,077 |
| | \$ 517,718 | \$ 515,346 | \$ 148,981 | \$ 194,823 | \$ 2,414,624 | \$ 2,388,999 | \$ 3,081,323 | \$ 3,099,168 |

General and administrative costs in the Corporate segment increased slightly from \$515,346 in 2017 to \$517,718 in 2018. In the Geoexchange division, there was a decrease to \$148,981 compared to the prior year of \$194,823 due to the decrease in bad debt expense, offset by an increase in salaries and wages. There was an increase for the Controls and Mechanical contracting division from \$2,388,999 in 2017 to \$2,414,624 in 2018 due to the increase in salaries and wages and bad debts expense, offset by a decrease in professional and consulting fees. Overall, the Company has continued its cost cutting measures to reduce general and administrative costs wherever possible, with an overall reduction of general and administrative costs to \$3,081,323 for the year ended August 31, 2018 versus \$3,099,168 in the prior year.

Amortization and Depreciation

Amortization and depreciation decreased to \$92,824 for the year ended August 31, 2018 versus \$121,333 in 2017. This consists of amortization and depreciation of intangible assets acquired with VCI Controls, as well as equipment within the two segments. There were small capital expenditures in 2018, at \$44,584 versus \$25,780 in 2017.

Finance Expense

Finance expenses of \$73,046 (2017 - \$132,542) were incurred for the year ended August 31, 2018 and relate to interest and bank charges on the Company's bank indebtedness. The Company restructured its debt near the end of fiscal 2016, thus the Company's finance expenses were higher in fiscal 2017 than in the current year.

Share-based Payments

Total share-based payments for the year ended August 31, 2018 was \$55,351, compared to \$31,653 in 2017. These share-based payments are a non-cash cost.

Net Income (Net Loss)

The Company reported a net loss of \$123,857 for the year ended August 31, 2018 (2017 - net income of \$144,853). The controls and mechanical contracting division recorded a net income of

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\$472,540 (2017 - \$752,018), while the corporate and geoexchange services divisions reported a loss of \$638,244 and income of \$41,847, respectively during 2018 (2017 – loss of \$571,129 and \$36,036, respectively). The decrease in overall net income was due to increased labour costs related to the first full year of union costs, which was effective June 1, 2017 and a cost overrun in one particular job in the controls and mechanical contracting division.

Fourth Quarter

The Company reported a net loss of \$267,289 for the fourth quarter ended August 31, 2018, compared to a net loss of \$208,336 in 2017. The increase in net loss was mainly due to a cost overrun in one particular job in the controls and mechanical contracting division and tax expense recorded for the year.

Liquidity and Capital Resources

The Company is exposed to liquidity risk or the risk of not meeting its financial obligations as they come due. The Company constantly monitors and manages its cash flows to assess the liquidity necessary to fund operations. As at August 31, 2018, the Company had working capital of \$1,406,507. As at the date of this report, the Company's working capital has not materially changed from that reported at August 31, 2018. Working capital provides funds for the Company to meet its operational and capital requirements.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The Company has taken and continues to take steps to reduce these losses and ultimately become profitable. See the going concern risk for further details.

Related Party Balances and Transactions

(a) Due to related parties is as follows:

- (i) Notes payable to a corporation controlled by an officer and director of the Company bearing interest at 12% per annum. During 2016, additional notes in the amount of \$200,000 were advanced to the Company. In August 2016, the Company signed a settlement agreement under which it extinguished \$245,000 of the notes and accrued interest totalling \$29,810 in exchange for 422,791 common shares valued at \$274,810. There was no gain or loss recognized as a result of this transaction. During the year ended August 31, 2017, the total balance remaining of \$97,344 was repaid, which consists of \$90,000 in promissory notes and total accrued interest of \$7,344.
- (ii) A corporation that holds significant influence over the Company was owed \$125,000 on August 31, 2016, which was outstanding consideration payable for the qualifying transaction. This amount was non-interest and was due on demand. During the year ended August 31, 2017, this amount owing was settled for \$30,000, resulting in a gain on settlement of debt of \$95,000.
- (iii) In February 2016, the Company received a demand loan in the amount of \$152,250 from a corporation controlled by an officer and director of the Company bearing

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interest at 8% per annum. During the year ended August 31, 2017, total balance remaining of \$166,564 was repaid including the principal amount of \$152,250 and \$14,314 total accrued interest.

Additional related party disclosures

- (b) Remuneration of key management personnel of the Company for the year ended August 31, 2018, included \$350,000 of short-term compensation (2017 - \$350,000).

In 2018, Nil stock options (2017 – 500,000) were issued to key management and Nil stock options (2017 – 200,000) were issued to directors, generating \$26,096 of share-based compensation expense in 2018 due to the vesting of these options granted in 2017 (2017 - \$29,254).

Within accounts payable, there is \$120,276 payable to key management personnel (2017 - \$26,250).

Financial Instruments Risk Exposure and Management

The Company's financial instruments consist of cash, accounts receivable, trade payables and accrued liabilities, notes payable and current income tax payable. Due to the short-term nature of these financial assets and liabilities, the carrying values approximate the fair values. The Company did not hold or issue any derivative financial instruments during the year.

Credit risk

The Company's cash is held at chartered Canadian financial institutions. Management reviews the strength of these institutions on a regular basis.

Accounts receivable subject the Company to credit risk. The Company believes the remaining amounts will be collected. Holdbacks are received upon substantial completion of the projects.

| Accounts receivable aging | August 31, 2018 | August 31, 2017 |
|----------------------------------|------------------------|------------------------|
| Within 30 | \$ 1,871,517 | \$ 1,323,603 |
| 31 to 60 | 937,020 | 797,523 |
| 61 to 90 | 352,591 | 518,763 |
| Over 90 | 553,022 | 500,194 |
| Holdbacks | 266,157 | 437,713 |
| Total accounts receivable | \$ 3,980,307 | \$ 3,577,796 |

The maximum exposure is limited to the carrying amount of financial assets on the statement of financial position that includes cash and accounts receivable.

Concentration risk

The concentration of revenue generated from major customers is not significant, with the three largest customers combined accounting for less than 25% of gross revenue.

Interest rate risk

The Company is subject to interest rate risk from its bank indebtedness, which is subject to a floating interest rate, which changes based on prevailing market conditions. The Company also has notes payable bearing 0% interest.

Foreign exchange risk

The Company purchases a portion of its inventory in United States dollars ("USD") and does not currently engage in hedging activities. Accordingly, the Company is exposed to foreign exchange risk on a portion of its accounts payable and accrued liabilities and its USD bank account balances. However, the foreign exchange exposure to the Company at this time is not significant.

Changes in Accounting Standards

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended August 31, 2018, and have not been applied in preparing these consolidated financial statements but may affect the Company.

IFRS 9 - Financial Instruments: Classification and Measurement, effective for annual periods beginning on or after January 1, 2018, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.

IFRS 15 - Revenue from Contracts with Customers, effective for annual periods beginning on or after January 1, 2018, with early adoption permitted, specifies how and when to recognize revenue and enhances relevant disclosures to be applied to all contracts with customers.

IFRS 16 - Leases was issued by the IASB on January 13, 2016. The Company will be required to adopt IFRS 16 in its financial statements for the annual period beginning on January 1, 2019. The new standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors.

The Company is currently assessing the effects of these new standards, if any on the financial statements.

Outlook

The goal of SustainCo is to be at the forefront of advancing sustainability principles in leading organizations. The Company will continue to look for and promote new and innovative technologies and services to create a differentiated value proposition for its customers.

The Company's objective is to add a range of sustainable infrastructure solutions and services. This

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will allow the Company to take advantage of the higher margin areas of the full service business model envisioned by the Company.

Unionization

On November 30, 2016 the Company announced that the Ontario Labour Relations Board has ordered the certification of the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada, Local 787, effective June 1, 2017, as the exclusive bargaining agent for the refrigeration and air-conditioning mechanics and apprentices employed by VCI Controls Inc.

The Company is making adjustments to its business model to ensure continuity and continued profitability and growth.

Disclosure of Outstanding Share Data

As at the date of this report, there were 15,776,223 issued and outstanding common shares in the capital of the Company. The Company has outstanding options to purchase an aggregate of 772,500 common shares, and outstanding warrants to purchase an aggregate of 1,251,750 common shares.

Risk Factors

The Company's overall performance and results of operations are subject to a number of risks and uncertainties. The Company is subject to certain risks and uncertainties from both financial and operational factors. Some of the key risks are highlighted as follows:

Going Concern Risk

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The Company reported a net loss of \$123,857 for the year ended August 31, 2018, compared to net income of \$144,853 in the prior year. The Company has working capital of \$1,406,507 as at August 31, 2018, and has an accumulated deficit of \$21,015,952. As a result, there is significant doubt surrounding the Company's ability to continue as a going concern. In order to rectify these problems, in addition to increasing revenues and decreasing costs in order to reduce losses, the Company may require additional financing in the form of debt or equity. Failure to obtain such financing could result in delay or indefinite postponement of the Company's strategic goals. The condensed interim consolidated financial statements do not include any adjustments to the carrying values and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

Revenue Risk

The Company may experience delays in achieving revenues. Revenues may be delayed or

negatively impacted by issues encountered by the Company or its customers including:

- unforeseen engineering and environmental problems;
- delays or inability to obtain required financing, licenses, permits and regulatory approvals;
- supply interruptions or labour disputes;
- foreign exchange fluctuations and collection risk; and
- competition from other suppliers or alternate less capital intensive energy solutions.

There is no assurance that the business will perform as expected or that returns from the business will support the expenditures needed to develop it.

Sales Cycle and Fixed Price Contracts

The Company may enter into sales contracts with fixed pricing, which may be impacted by changes over the period of implementation. The success of sales execution will require collaboration between the Company and its customers.

There is no assurance that delays or problems in the implementation process used for all customers will not adversely affect the Company's activities, operating results or financial position.

Sensitivity to Fixed Costs

Fixed costs, including costs associated with operating losses, leases, labour costs and depreciation will account for a significant portion of the Company's costs and expenses. As a result, reduced productivity resulting from reduced demand, equipment failure, weather or other factors could significantly affect financial results.

Reliance on Management and Key Personnel

The Company's success and future operations are dependent upon the abilities, expertise, experience, judgment and efforts of senior management and key technical and field personnel of the Company. Any loss of the services of these personnel could have a materially adverse impact on the Company's business, technical capabilities, operating results or financial condition or could result in delays to or abandonment of the Company's projects.

Loss of Contracts

The Company may lose contracts or customer arrangements through competitive bidding or early termination, which would cause its revenue and profitability to decline. In addition, some customers of the Company may terminate their contracts or arrangements before the end of the contract term. If the Company loses contracts or customer arrangements through competitive bidding, early termination or other competitive pressures, it may not be able to replace the lost revenue, which will result in a decrease in its revenue. Whether the Company will be the successful bidder for any particular contract is subject to significant uncertainty.

Competition

The geexchange and controls/mechanical contracting industry is competitive; however, it is anticipated that the Company will be one of a smaller number of public companies offering a turn-key solution. There are smaller privately-owned companies which are providing segments of the

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process but not a complete solution. There can be no assurance that such competitors will not substantially increase the resources devoted to the development and marketing of a complete solution that competes with those of the Company or that new or existing competitors will not enter the various markets in which the Company will be active.

There can be no assurance that the Company's competitors will not develop new and unknown technologies, with which the Company may have difficulty competing. As well, without remaining cost competitive there is also a risk that the Company may lose business to its competitors.

Dependence on Suppliers

The ability of the Company to compete and grow will be dependent on the Company having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. Failure of suppliers to deliver such skilled labour, equipment, parts and components at a reasonable cost and in a timely manner would be detrimental to the Company's ability to compete and grow. No assurances can be given that the Company will be successful in maintaining its required supply of skilled labour, equipment, parts and components.

Environmental Liability

The Company will be subject to various environmental laws and regulations enacted in the jurisdictions in which it operates which govern the manufacture, processing, importation, transportation, handling and disposal of certain materials used in the Company's operations. There can be no assurance that the Company's procedures will prevent environmental damage occurring from spills of materials handled by the Company or that such damage has not already occurred. On occasion, substantial liabilities to third parties may be incurred. The Company may have the benefit of insurance maintained by it or the operator, however, the Company may become liable for damages against which it cannot adequately insure or against which it may elect not to insure because of high costs or other reasons.

Notice Concerning Forward-looking Statements

Certain statements in this MD&A constitute forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements 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. Examples of such statements include the intention to grow the business and operations of the Company. 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 MD&A. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to: the ability of the Company to obtain necessary financing; the economy generally; consumer interest in the services and products of the Company; competition; and anticipated and unanticipated costs. While the Company anticipates that subsequent events and developments may cause its views to change, the Company specifically disclaims any obligation to update these forward-looking statements, except as required by law. These forward-looking statements should not be relied upon as representing the Company’s views as of any date subsequent to the date of this MD&A. 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. The factors identified above are not intended to represent a complete list of the factors that could affect the Company. Additional factors are noted under “Risk Factors” in this MD&A. These forward-looking statements are made as of the date of the MD&A, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

Additional Information

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