

RAILTOWN CAPITAL CORP.

Management's Discussion and Analysis of Financial Position and Results of Operations
For the year ended September 30, 2015.

General

This Management Discussion and Analysis ("MD&A") has been prepared by management as of December 18, 2015 of the financial position of the Company and results of operations for the year ended September 30, 2015 and should be read in conjunction with the financial statements of Railtown Capital Corp. ("Railtown" or the "Company") for the year ended September 30, 2015. These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

All amounts are expressed in Canadian dollars unless otherwise indicated.

Description of business

The Company was incorporated under the Business Corporations Act (British Columbia) on May 11, 2011 and was classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The Company chose to not complete its IPO and is no longer classified as a Capital Pool Company, however, its mandate remains that of identifying and evaluating business' and assets suitable for acquisition.

On November 24, 2015, the Company entered into an agreement (the "Agreement") with Conation Capital Corp. ("Conation"), whereby Conation and the Company will amalgamate into one company ("Amalco"). Pursuant to the Agreement, each common share of the Company will be exchanged for 0.16667 of one Amalco share and all outstanding stock options of the Company will be cancelled prior to the effective time of the amalgamation.

Concurrent with completion of the amalgamation, Conation will complete a private placement of a minimum of 3,400,000 units and a maximum of 6,000,000 units at a price of \$0.25 per unit, for aggregate minimum proceeds of \$850,000 and maximum proceeds of \$1,500,000. Each unit will consist of one common share of Conation, and one half of a Conation share purchase warrant, where each whole warrant will be exercisable at \$0.40 for 18 months following the closing of the private placement. In connection with the Agreement, Amalco will apply to list the common shares on the TSX-Venture Exchange.

This transaction is subject to shareholder and regulatory approval.

The head office of the Company is located at Suite 108, 329 Main Street, Vancouver, British Columbia, V6A 2S9. The registered office of the Company is located at Suite 108, 329 Main Street, Vancouver, British Columbia, V6A 2S9. The Company does not have any subsidiaries.

Forward Looking Statements

This MD&A may contain forward-looking statements based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as "plans", "intends", "anticipates", "should", "estimates", "expects", "believes", "indicates", "suggests" and similar expressions.

It is important to note that:

- Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of December 18, 2015.

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- Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.
- The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

Going Concern

As at September 30, 2015, the Company is not able to finance day to day activities through operations. The continuing operations of the Company are dependent upon its ability to identify a viable business opportunity. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs with loans from directors and companies controlled by directors and or private placement of common shares. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

Selected Annual Information

Period	Year ended Sep 30, 2015	Year ended Sep 30, 2014	Year ended Sep 30, 2013
	\$	\$	\$
Revenue	-	-	-
Bank Charges	118	114	155
Filing Fees	3,868	8,887	5,177
Professional Fees	8,439	19,405	14,663
Loss for the year	12,425	28,406	19,995
Net Loss / share	0.00	0.00	0.00
Full Diluted Loss / share	0.00	0.00	0.00
Cash	798	33,222	39,801
Current Assets	798	33,222	39,801
Working Capital (deficiency)	(34,316)	(21,891)	(3,485)

Liquidity and Capital Resources

As at September 30, 2015, the Company's working capital deficiency increased to \$34,316 (September 30, 2014 – \$21,891) as a result of expenses during the year. As at September 30, 2015, the Company had cash on hand of \$798 (September 30, 2014 - \$33,222).

Contractual Obligations

The Company has no contractual obligations.

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Proposed Transactions

Other than the proposed transaction with Conation, the Company does not currently have any proposed acquisitions or dispositions approved by the Board of Directors.

Off-Balance Sheet Arrangements

The Company has not entered into any material 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.

Results of Operations for the year ended September 30, 2015

During the year ended September 30, 2015, the Company was inactive, save for its continued evaluation of potential acquisition targets, and as a result the Company recorded a loss of \$12,425 (2014 - \$28,406) and a loss per share of \$nil (2014 - \$nil).

The loss for the year was primarily due to filing fees of \$3,868 (2014 - \$8,887) and professional fees of \$8,439 (2014 - \$19,405) paid or accrued for accounting services. The decrease over the prior year is due to decreased costs related to filing and professional fees.

The Fourth Quarter

During the fourth quarter ended September 30, 2015, the company did not have any significant events or transactions and recorded a loss in the amount of \$1,639 (2014 - \$11,089) major factor contributing to this figure were the accounting, audit and transfer agent fees. The reduction in Working Capital was the result of these expenses.

Quarterly Information

The following table sets forth selected unaudited financial information prepared by management of the Company:

Period	Oct 1 – Dec 31/13	Jan 1 – Mar 31/14	Apr 1 – Jun 30/14	Jul 1 – Sep 30/14
Revenue	\$ -	\$ -	\$ -	\$ -
Gen & Admin	\$ 20	\$ 9,829	\$ 7,468	\$ 11,089
Stock Based Comp.	\$ -	\$ -	\$ -	\$ -
Loss for the Period	\$ 20	\$ 9,829	\$ 7,468	\$ 11,089
Net Loss / Share	\$ -	\$ -	\$ -	\$ -
Cash	\$ 38,495	\$ 40,666	\$ 40,648	\$ 33,222
Current Assets	\$ 38,495	\$ 40,666	\$ 41,358	\$ 33,222
Working Capital (Deficiency)	\$ (3,505)	\$ (3,334)	\$ (10,802)	\$ (21,891)
Period	Oct 1 – Dec 31/14	Jan 1 – Mar 31/15	Apr 1 – Jun 30/15	Jul 1 – Sep 30/15
Revenue	\$ -	\$ -	\$ -	\$ -
Gen & Admin	\$ 3,143	\$ 4,125	\$ 3,518	\$ 1,639
Stock Based Comp.	\$ -	\$ -	\$ -	\$ -
Loss for the Period	\$ 3,143	\$ 4,125	\$ 3,518	\$ 1,639

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Period					
Net Loss / Share	\$	-	\$	-	\$
Cash	\$	17,089	\$	1,822	\$
Current Assets	\$	17,089	\$	1,822	\$
Working Capital (Deficiency)	\$	(25,034)	\$	(29,159)	\$

Transactions with Related Parties

During the year ended September 30, 2015, the Company received a loan from Conation, which has a director in common with the Company in the amount of \$7,743. This loan is unsecured, non-interest bearing with no specific terms of repayment.

There are no transactions with related parties and management did not receive any compensation during the period from incorporation on May 11, 2011 to September 30, 2015. The directors and officers currently own 50% of the issued and outstanding common shares.

Financial Instruments

The Company's financial instruments consist of cash. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of the financial instruments approximate their amortized cost value due to their short-term nature. Cash is stated at cost plus accrued value, which approximates market value. Investments of cash are of sufficient quality and diversity to ensure a high probability of liquidity at the accrued value, at such times as needed to meet financial obligations.

The reader should refer to the audited September 30, 2015 financial statements on www.sedar.com for additional details.

Recently adopted accounting policies and future accounting pronouncements

Please refer to the audited September 30, 2015 financial statements on www.sedar.com for all recently adopted accounting policies and future accounting pronouncements.

Share Capital

Authorized capital:

Unlimited number of common shares and preferred shares without par value.

Issued and outstanding:

5,000,000 common shares as at January 25, 2016..

Pursuant to the Agreement, each common share of the Company will be exchanged for 0.16667 of one Amalco share.

Fully diluted:

5,400,000 common shares as at January 25, 2016.

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Stock options

The Company has 400,000 stock options outstanding with an exercise price of \$0.10 and an expiry date of September 27, 2016. There are no warrants, or convertible securities, outstanding as at December 18, 2015.

Pursuant to the Agreement, all outstanding stock options of the Company will be cancelled prior to the effective time of the amalgamation.

Other Information

Additional information related to the Company, including its Prospectus, is available for viewing on SEDAR at www.sedar.com.