

## **RAILTOWN CAPITAL CORP.**

Management's Discussion and Analysis of Financial Position and Results of Operations  
For the year ended September 30, 2016.

### **General**

This Management Discussion and Analysis ("MD&A") has been prepared by management as of January 30, 2017 of the financial position of the Company and results of operations for the year ended September 30, 2016 and should be read in conjunction with the financial statements of Railtown Capital Corp. ("Railtown" or the "Company") for the year ended September 30, 2016. 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.

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 January 30, 2017.
- 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.

## RAILTOWN CAPITAL CORP.

Management's Discussion and Analysis of Financial Position and Results of Operations  
For the year ended September 30, 2016.

### Going Concern

As at September 30, 2016, 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, 2016	Year ended Sep 30, 2015	Year ended Sep 30, 2014
	\$	\$	\$
Revenue	-	-	-
Bank Charges	112	118	114
Consulting Fees	14,700	-	-
Filing Fees	2,879	3,868	8,887
Investor relations	209	-	-
Professional Fees	12,760	8,439	19,405
Loss for the year	29,609	12,425	28,406
Net Loss / share	0.01	0.00	0.00
Full Diluted Loss / share	0.01	0.00	0.00
Cash	883	798	33,222
Current Assets	883	798	33,222
Working Capital (deficiency)	(63,925)	(34,316)	(21,891)

### Liquidity and Capital Resources

As at September 30, 2016, the Company's working capital deficiency increased to \$63,925 (2015 - \$34,316) as a result of expenses during the year. As at September 30, 2016, the Company had cash on hand of \$883 (2015 - \$798).

### Contractual Obligations

The Company has no contractual obligations.

### Proposed Transactions

The Company does not currently have any proposed transactions approved by the Board of Directors.

## RAILTOWN CAPITAL CORP.

Management's Discussion and Analysis of Financial Position and Results of Operations  
For the year ended September 30, 2016.

### 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, 2016

During the year ended September 30, 2016, the Company was inactive, save for its continued evaluation of potential acquisition targets, and as a result the Company recorded a loss of \$29,609 (2015 – \$12,425) and an loss per share of \$0.01 (2015 – loss of \$nil).

The loss for the year was primarily due to consulting fee of \$14,700 (2015 - \$nil), filing fees of \$2,879 (2015 - \$3,868) and professional fees of \$11,709 (2015 - \$8,439) paid or accrued for accounting services. The increase over the prior year is mainly due to accrual relating to accounting service recorded.

### The Fourth Quarter

During the fourth quarter ended September 30, 2016, the Company did not have any significant events or transactions and recorded a loss in the amount of \$7,745 (2015 – \$1,639) major factor contributing to this figure were the accounting, audit and consulting 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 31/14	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
Net Loss / Share	\$ -	\$ -	\$ -	\$ -
Cash	\$ 17,089	\$ 1,822	\$ 1,804	\$ 798
Current Assets	\$ 17,089	\$ 1,822	\$ 1,804	\$ 798
Working Capital (Deficiency)	\$ (25,034)	\$ (29,159)	\$ (32,677)	\$ (34,316)

Period	Oct 1 – Dec 31/15	Jan 1 – Mar 31/16	Apr 1 – Jun 30/16	Jul 1 – Sep 30/16
Revenue	\$ -	\$ -	\$ -	\$ -
Gen & Admin	\$ (83)	\$ 14,344	\$ 8,654	\$ 6,694
Stock Based Comp.	\$ -	\$ -	\$ -	\$ -
Loss (gain) for the Period	\$ (83)	\$ 14,344	\$ 8,654	\$ 6,694

## RAILTOWN CAPITAL CORP.

Management's Discussion and Analysis of Financial Position and Results of Operations  
For the year ended September 30, 2016.

<b>Net Loss / Share</b>	\$	-	\$	-	\$	-	\$	-
<b>Cash</b>	\$	740	\$	722	\$	704	\$	883
<b>Current Assets</b>	\$	740	\$	722	\$	704	\$	883
<b>Working Capital (Deficiency)</b>	\$	(34,233)	\$	(48,577)	\$	(57,231)	\$	(63,926)

### 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.

During the year ended September 30, 2016, accounts payable of \$23,762 was paid on behalf of the Company by Conation.

During the year ended September 30, 2016, the Company incurred consulting fees of \$14,700 (2015: \$nil) with a company controlled by the President of the Company

Management did not receive any compensation during the period from incorporation on May 11, 2011 to September 30, 2016. 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, 2016 financial statements on [www.sedar.com](http://www.sedar.com) for additional details.

### Recently adopted accounting policies and future accounting pronouncements

Please refer to the audited September 30, 2016 financial statements on [www.sedar.com](http://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 30, 2017

#### Fully diluted:

5,000,000 common shares as at January 30, 2017

## **RAILTOWN CAPITAL CORP.**

Management's Discussion and Analysis of Financial Position and Results of Operations  
For the year ended September 30, 2016.

### **Stock options**

There are no stock options, outstanding as at January 30, 2017.

There are no warrants, or convertible securities, outstanding as at January 30, 2017.

### **Change in Management and Directors**

Effective August 18, 2016, the board of directors appointed Mr. Paul Woodward as the Company's President, CEO, CFO and director. Mr. Woodward is the President of Conation Capital Corp., and has over 30 years of experience working with, and financing public companies. The Company is also pleased to announce that Mr. Glenn Kerr has been appointed as a director; Mr. Kerr brings over 40 years' experience in the venture markets.

Mr. Woodward and Mr. Kerr replace Mr. Jason Moreau and Mr. Alan Ji who have resigned from the board of directors effective August 18, 2016.

### **Other Information**

Additional information related to the Company, including its Prospectus, is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com).