

# **RAILTOWN CAPITAL CORP.**

Management's Discussion and Analysis of Financial Position and Results of Operations  
For the year ended September 30, 2017.

## **General**

This Management Discussion and Analysis ("MD&A") has been prepared by management as of January 29, 2018 of the financial position of the Company and results of operations for the year ended September 30, 2017 and should be read in conjunction with the financial statements of Railtown Capital Corp. ("Railtown" or the "Company") for the year ended September 30, 2017. 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 29, 2018.
- 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.

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### Going Concern

As at September 30, 2017, 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, 2017	Year ended Sep 30, 2016	Year ended Sep 30, 2015
	\$	\$	\$
Revenue	-	-	-
Bank Charges	112	112	118
Consulting Fees	38,705	14,700	-
Filing Fees	4,034	2,879	3,868
Rent	2,250	-	-
Investor relations	-	209	-
Professional Fees	11,047	12,760	8,439
Loss for the year	56,148	29,609	12,425
Net Loss / share	0.00	0.01	0.00
Full Diluted Loss / share	0.00	0.01	0.00
Cash	729	883	798
Current Assets	729	883	798
Working Capital (deficiency)	(120,073)	(63,925)	(34,316)

### Liquidity and Capital Resources

As at September 30, 2017, the Company's working capital deficiency increased to \$120,073 (2016 – \$63,925) as a result of expenses during the year. As at September 30, 2017, the Company had cash on hand of \$729 (2016 - \$883).

### 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.

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### 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, 2017

During the year ended September 30, 2017, the Company was inactive, save for its continued evaluation of potential acquisition targets, and as a result the Company recorded a loss of \$56,148 (2016 – \$29,609).

The loss for the year was primarily due to consulting fee of \$38,705 (2016 - \$14,700), and professional fees of \$11,047 (2016 – \$11,709) paid or accrued for accounting and auditing services. The increase over the prior period is mainly due to consulting fees recorded in the current year.

### The Fourth Quarter

During the fourth quarter ended September 30, 2017, the Company did not have any significant events or transactions and recorded a loss in the amount of \$30,340 (2016 - \$7,7454) 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 financial information prepared by management of the Company:

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	\$ 8,645	\$ 6,694
Net Loss / Share	\$ -	\$ -	\$ -	\$ -
Cash	\$ 740	\$ 722	\$ 704	\$ 833
Current Assets	\$ 740	\$ 722	\$ 704	\$ 833
Working Capital Deficiency	\$ (34,233)	\$ (48,577)	\$ (57,231)	\$ (63,926)

  

Period	Oct 1 – Dec 31/16	Jan 1 – Mar 31/17	Apr 1 – Jun 30/17	Jul 1 – Sep 30/17
Revenue	\$ -	\$ -	\$ -	\$ -
Gen & Admin	\$ 9,452	\$ 8,198	\$ 8,158	\$ 30,340
Stock Based Comp.	\$ -	\$ -	\$ -	\$ -
Loss for the Period	\$ 9,452	\$ 8,198	\$ 8,158	\$ 30,340
Net Loss / Share	\$ -	\$ -	\$ -	\$ -
Cash	\$ 865	\$ 807	\$ 789	\$ 729
Current Assets	\$ 865	\$ 807	\$ 789	\$ 729
Working Capital Deficiency	\$ (73,377)	\$ (81,575)	\$ (89,733)	\$ (120,073)

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### **Transactions with Related Parties**

During the year ended September 30, 2017, the Company incurred consulting fees of \$30,450 (2016 - \$14,700) and rent expenses of \$2,250 (2016 - \$Nil) to a director in common with the Company.

During the year ended September 30, 2017, accounts payable of \$4,465 (2016 - \$23,762) was paid on behalf of the Company by a director in common with the Company and accounts payable of \$12,863 was purchased by a director of the Company.

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, 2017. 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, 2017 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, 2017 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:**

900,000 common shares as at January 29, 2018

#### **Fully diluted:**

900,000 common shares as at January 29, 2018

### **Stock options**

There are no stock options, outstanding as at January 29, 2018.

There are no warrants, or convertible securities, outstanding as at January 29, 2018.