MONTEREY MINERALS, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED APRIL 30, 2018

FORM 51-102F1

DATE AND SUBJECT OF REPORT

The following Management Discussion & Analysis ("MD&A") is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of Monterey Minerals, Inc. (hereinafter "Monterey" or the "Company") for the year ended April 30, 2018. This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the year ended April 30, 2018 and related notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The MD&A has been prepared with an effective date and current information as of July 10, 2018.

SCOPE OF ANALYSIS

The following is a discussion and analysis of Monterey Minerals Inc.

Monterey Minerals reports its financial results in Canadian dollars in accordance with International Financial Reporting Standards (IFRS) and related interpretations as issued by the International Accounting Standards Board ("IASB"). All published financial results include the assets, liabilities and results of operations for Company subsidiaries.

FORWARD LOOKING STATEMENTS

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words 'believes,' 'expects,' 'anticipates,' 'estimates,' 'intends,' 'plans,' 'forecasts,' or similar expressions. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve numerous risks and uncertainties, including, but not limited to, those identified in the Risks Factors section. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The Company may not provide updates or revise any forward-looking statements, except those otherwise *required under paragraph 5.8(2) of NI 51-102, whether written or oral that may be made by or on the Company's behalf.*

TRENDS

Other than as disclosed in this MD&A, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect upon its revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

GENERAL BUSINESS AND DEVELOPMENT

Monterey is in development stage for for the mining and exploration sector.

The Company’s office is located at 890-1140 West Pender Street, Vancouver, BC V6E 2R9, Canada.

The Company is a reporting issuer in the Province of British Columbia. All public filings for the Company on the SEDAR website www.sedar.com.

Business Chronology

On May 9, 2014, Monterey Minerals, Inc. was incorporated as a wholly-owned subsidiary of reporting issuer Evitrade Health Systems Corp. (formerly Auxellence Health Corporation) (“Evitrade”) under the laws of British Columbia, Canada.

On June 13, 2014, the Company entered into a Plan of Arrangement (the "2014 POA") with Evitrade (parent company at the time), and Evitrade’s other wholly-owned subsidiaries. Pursuant to the 2014 POA, the Company is to issue 1,010,549 shares to the shareholders of Evitrade which equals the number of issued and outstanding common shares of Evitrade at the time of the share distribution date multiplied by the conversion factor, plus an additional 500 common shares per beneficial holder (the “Shares”), upon conversion of preferred shares as prescribed under the arrangement. To date, the Shares have not been issued to complete of arrangement. The Company anticipates it will be completed in fiscal 2018. (See Plans of Arrangement)

On November 18, 2014, the one (1) incorporator share held by Evitrade was transferred to the sole director of the Company through which it ceased to be a wholly-owned subsidiary of Evitrade.

On September 30, 2016, the Company signed letters of intent (“LOIs”) with each of Landsdown Holdings Ltd., GCK Forestry Ltd., 2265040 Ontario Inc. (o/a EVI Tech Group) and Railhead Resources Ltd. (the “Purchasers”) to form four (4) wholly owned subsidiaries (“Subcos”) to effect transactions in which Subcos will purchase all of the issued and outstanding capital stock from each of the respective Purchasers’ shareholders.

On October 19, 2016, the Company incorporated four wholly-owned subsidiaries: 1093681 BC LTD., 1093682 BC LTD., 1093683 BC LTD., and 1093684 BC LTD. (“Subcos”) setup for proposed transactions under the Company’s 2016 Plan of Arrangement. The Subcos were inactive as of April 30, 2018.

On November 29, 2016, the Company received court approval for its Arrangement Agreement (the “Arrangement”) with each of its four wholly-owned subsidiaries 1093681 BC LTD., 1093682 BC LTD., 1093683 BC LTD., and 1093684 BC LTD. (the “Subcos”), pursuant to which, amongst other things, will result in transfer the Letters of Intent and $1,000 (the “Assets”) to each of 1093681, 1093682, 1093683, and 1093684 in consideration for shares of each Subcos.

On April 5, 2018, 2014 POA and push out of Monterey Minerals from Evitrade was completed that resulted in the Company issuing 1,101,549 common shares to Evitrade shareholders of record and the $1,000 deposit owing to the Company was offset against and invoice for services from Evitrade. The Company has not closed on the letter of intent as of April 30, 2018 or subsequently.

On June 13, 2018, Blue Aqua Holdings Ltd. (formerly 1093684 B.C. Ltd.) was spun out from the Company pursuant to the 2016 POA. The $1,000 deposit owing to Blue Aqua was offset against administration fees charged by the Company. No other Subco spinouts were completed under the 2016 Arrangement as of April 30, 2018 or to date. (see Plans of Arrangement)

From incorporation to date, the Monterey has no significant business or operations and management is continuing to evaluate and consult on available opportunities.

PLANS OF ARRANGEMENT

<u>2014 Plan of Arrangement</u>

The Company entered into a plan of arrangement (the "Arrangement") on June 13, 2014 with Evitrade, and Evitrade’s wholly-owned subsidiaries. Pursuant to the Arrangement, the Company was to issue 1,010,549 shares (the “Arrangement Shares”) to the shareholders of Evitrade which equals the number of issued and outstanding common shares of Evitrade at the time of the share distribution date.

On April 3, 2018, Evitrade completed the push out of the Company through which the Company issued 1,010,549 shares of the Company.

<u>2016 Plan of Arrangement</u>

On September 30, 2016, the Company signed letters of intent (“LOIs”) with each of Landsdown Holdings Ltd., GCK Forestry Ltd., 2265040 Ontario Inc. (o/a EVI Tech Group) and Railhead Resources Ltd. (the “Purchasers”) to form four (4) wholly owned subsidiaries (“Subcos”) to effect transactions in which Subcos would purchase all of the issued and outstanding capital stock from each of the respective Purchasers’ shareholders (the “2016 PoA”)

On November 29, 2016, the Company received court approval for its Arrangement Agreement (the “Arrangement”) with each of its four wholly-owned subsidiaries 1093681 BC Ltd., 1093682 BC Ltd., 1093683 BC Ltd., and Blue Aqua Holdings Ltd. (formerly 1093684 B.C. Ltd.) (the “Subcos”), pursuant to which, amongst other things, will result in transfer the Letters of Intent and $1,000 (the “Assets”) to each of 1093681, 1093682, 1093683, and 1093684 in consideration for shares of each Subcos.

The Company has set the share distribution record date of the Arrangement at close of business on April 18, 2018 whereby each Subcos would issue 1,010,549 common shares to shareholders of the Company.

On June 12, 2018, the spin out of Blue Aqua Holdings Ltd. (formerly 1093684 B.C. Ltd.) (“Blue Aqua”) from the Company was completed through the authorization of the issuance of 1,010,549 common shares of Blue Aqua to Monterey shareholders. No other Subcos spinouts were completed under the 2016 Arrangement as of April 30, 2018 or to a date of auditor’s report.

The Company has a loan receivable of $1,500 from GCK Forestry Ltd. as at April 30, 2018 (2017: $nil). The amounts are without interest and due on demand without specified terms of repayment.

LIQUIDITY AND CAPITAL RESOURCES

As at April 30, 2018, the Company had working capital of $98,786 (2017: $32,031).

During the year ended April 30, 2018, the Company incurred a net loss of $69,120 and prior year deficit adjustment of $1,000 for the 2018 Plan of Arrangement, with cumulative losses and deficit of $105,152 (April 30, 2017: $32,032).

The continuation of the Company as a going-concern is dependent on its ability to raise additional capital or debt financing, including on reasonable terms, in order to meet business objectives towards achieving profitable business operations.

SHARE CAPITAL AND OUTSTANDING SHARE DATA

Authorized — unlimited Common shares without par value

— unlimited Series A preferred shares, without par value (see Redeemable Preferred Shares)

Issued and Outstanding

1,010,549 as at April 30, 2018 and 5,914,478 common shares as at July 10, 2018 (2017: 1 common share)

One (1) common share was issued by the Company for $1 on May 9, 2014 to the incorporator Evitrade Health Systems Corp. (formerly Auxellence Health Corporation) (“Evitrade”), the Company’s parent company at the time. The incorporator share was subsequently transferred to the sole director of the Company, Ron Ozols, o n November 18, 2014. On April 3, 2018, 1,010,549 common shares were issued to Evitrade shareholders of record pursuant to the plan of arrangement and the incorporator share was returned to treasury and cancelled (Note 10). 2,899,100 common shares were subscribed for gross proceeds of $202,938, but not yet issued as at April 30, 2018, which were subsequently issued on May 17, 2018.

The Company issued 4,903,929 common shares of the Company for cash proceeds at a price of $0.07 on May 17, 2018.

Redeemable Preferred Shares

(a) Authorized - unlimited preferred shares
(b) Issued: Preferred shares, Class A

	April 30, 2018		April 30, 2017	
	Shares	**Amount, $**	Shares	Amount, $
Preferred shares, Class A:				
Balance, beginning of period	**—**	**—**	—	—
Issued – Plan of Arrangement	**4,042,196**	**4,000**	—	—
Redeemed	**—**	**—**	—	—
Closing balance	**4,042,196**	**4,000**	—	—

The Preferred shares, Class A, with an average redemption price of $0.0009896 each for a total value of $4,000, are non-voting, non-participating and are mandatorily redeemable by the Company in accordance with the 2016 Plan of Arrangement. As at April 30, 2018, 4,042,196 convertible Series A preferred shares were outstanding with a $4,000 value (April 30, 2017: Nil; $Nil value) and will be redeemed once the spinout transactions are completed under the Company's 2016 Plan of Arrangement.

RESULTS OF OPERATIONS

SELECTED ANNUAL INFORMATION

ANNUAL RESULTS

For the year ended April 30, 2018, the Company had loss and comprehensive loss of $69,120 (2017: $9,292) from continuing operations.

The increase in operating loss for 2018 as compared to income in 2017 was due to the following significant factors:

i) Bank charges and interest increased from $Nil in 2017 to $187 in 2018;
ii) Consulting fees increased from $3,000 in 2017 to $29,471 in 2018, representing an increase of $26,471;
iii) Graphic design expenses increased from $Nil in 2017 to $2,100 in 2018;
iv) Professional fees increased from $5,439 in 2017 to $24,690 in 2018, representing an increase of $17,839;
v) Rent and utilities increased from $Nil in 2017 to $2,955 in 2018;
vi) Transfer agent and filing fees increased from $853 in 2017 to $8,495 in 2018; and
vii) Travel and entertainment increased from $Nil in 2017 to $1,222 in 2018.

There were no other significantly different operating expenses incurred by the Company year-over-year.

SELECTED QUARTERLY INFORMATION

SUMMARY OF FINANCIAL RESULTS FOR EIGHT MOST RECENTLY COMPLETED QUARTERS

The following table summarizes the financial results of operations for the eight most recent fiscal quarters of July 31, 2016 (Q1) of Fiscal 2017 through Q4 of Fiscal 2018 ended April 30, 2018:

	April 30, 2018 (Q4) $	January 31, 2018 (Q3) $	October 31, 2017 (Q2) $	July 31, 2017 (Q1) $
Revenue	**—**	—	—	—
Expenses	**(48,842)**	(9,351)	(10,526)	(401)
Net loss	**(48,842)**	(9,351)	(10,526)	(401)
Loss per share – basic and diluted	**(0.09)**	(9,351)	(10,526)	(401)

	April 30, 2017 (Q4) $	January 31, 2017 (Q3) $	October 31, 2016 (Q2) $	July 31, 2016 (Q1) $
Revenue	—	—	—	—
Expenses	(4,308)	(1,859)	—	(3,125)
Net loss	(4,308)	(1,859)	—	(3,125)
Loss per share – basic and diluted	(4,308)	—	—	(3,125)

The Company had not commenced commercial operations as of April 30, 2018, nor to date of filing this MD&A. Notwithstanding, the Company and management continue to identify business opportunities for the Company to complete various Plans of Arrangement transactions. (see Plans of Arrangement)

The following is comparative discussion and breakdown of quarterly financial results for the Company:

Three months ended April 30, 2018 (Q4)

For the three months ended April 30, 2018 (Q4-2018), the Company had net loss and total comprehensive loss of $48,842 compared to $4,308 for the prior year quarter ended April 30, 2017 (Q4-2017).

The increased expenses of $44,534 for Q4 of fiscal 2018 as compared to Q4 of 182017 are attributable to:

i) Bank charges and interest increased from $Nil in 2017 to $187 in 2018;
ii) Consulting expenses increased to $22,871 in Q4-2018 from $Nil in Q4-2017;
iii) Graphic design expenses increased from $Nil in Q4-2017 to $2,100 in Q4-2018;
iv) Rent and utilities increased from $Nil in 2017 to $2,955 in 2018;
v) Professional fees increased by $13,008 from $3,331 in Q4-2017 to $16,339 in Q4-2018;
vi) Transfer agent and filing fees increased by $2,564 to $3,417 in Q4-2018 from $853 in Q4-2017;
vii) Travel and entertainment increased from $Nil in Q4-2017 to $1,222 in Q2018; and
viii) Other general changes in expenses.

There were no other significantly different operating expenses incurred for the comparable periods.

Three months ended January 31, 2018 (Q3)

For the three months ended January 31, 2018 (Q3-2018), the Company had net loss and total comprehensive loss of $9,351 compared to $1,859 for the prior year quarter ended January 31, 2017 (Q3-2017).

The increased expenses of $7,492 for Q3 of fiscal 2018 as compared to 2017 are attributable to:

i) Consulting expenses increased $1,000 in Q3-2018 as compared to $Nil for Q3-2017; and
ii) Professional fees increased by $6,492 to $8,351 in Q3-2018 compared to $1,859 in Q3-2017.

There were no other significantly different operating expenses incurred for the comparable periods.

Three months ended October 31, 2017 (Q2)

For the three months ended October 31, 2017 (Q2-2018), the Company had net loss and total comprehensive loss of $10,526 compared to $Nil for the prior year quarter ended October 31, 2016 (Q2-2017).

The increased expenses of $10,526 for Q2 of fiscal 2018 as compared to 2017 are attributable to:

i) Consulting expenses increased $5,600 in Q2-2018 as compared to $Nil for Q2-2017;
ii) Transfer agent and filing fees increased by $4,677 from $Nil in Q2-2017; and
iii) Other general changes in expenses.

There were no other significantly different operating expenses incurred for the comparable periods.

Three months ended July 31, 2017 (Q1)

For the three months ended July 31, 2017 (Q1-2018), the Company had net loss and total comprehensive loss of $401 compared to $3,125 for the prior year quarter ended July 31, 2016 (Q1-2017).

The decreased expenses of $2,724 for Q1 of fiscal 2018 as compared to 2017 are attributable to:

i) Consulting decreased from $3,000 in 2017 to $Nil in Q1-2018;
ii) Transfer agent and filing fees increased to $401 in Q1-2018 from $Nil in Q1-2017; and
iii) Other general changes in expenses.

There were no other significantly different operating expenses incurred for the comparable periods.

INCOME TAXES

A reconciliation of current income taxes at statutory rates with the reported taxes is as follows:

	2018 **$**	2017 $
Loss before income taxes	**(69,120)**	(14,739)
Statutory rates	**27.00%**	26.00%
Expected income tax recovery at statutory rates	**34,948**	3,832
(Increase) Decrease in unrecognized deferred taxes	**(34,948)**	(3,832)
Deferred income tax recovery	**—**	**—**

Details of deferred income tax assets are as follows:

	2018 **$**	2017 $
Deferred income tax assets:		
Non-capital losses carried forward	**105,152**	32,032
Capital losses carried forward	**—**	
Total deferred income tax assets	**27,571**	8,649
Less: unrecognized deferred tax assets	**(27,571)**	—
Deferred income tax assets	**—**	8,649

Estimated taxable income for the period is $Nil. Deferred tax assets have not been recognized because it is not probable that future taxable income will be available against which the company can utilize the benefits from the deductible temporary differences and unused tax losses.

Non-Capital Losses –

As at April 30, 2018, the Company has non-capital losses of approximately $105,152 (2017: $32,032) which may be carried forward to apply against future years income tax for Canadian income tax purposes, subject to final determination by taxation authorities and expiring as follows:

YEAR	$
2035	8,001
2036	14,739
2037	9,292
2038	73,120

MANAGEMENT OF INDUSTRY AND FINANCIAL RISK

The Company is engaged primarily in the technology business/sector involved in internet marketing and applications and manages related industry risk issues directly. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

The Company's has minimal exposure to any financial risks having not commenced commercial operations. The Company's primary financial risk to *liquidity risk* due to its reliance on demand loans, vendors and consultants continuing to extend payment terms, and management continuing to accrue expenses for unpaid services. Any one or more of these liquidity risks may have a material financial impact on the Company, should favourable loans, services, and/or terms become no longer available to the Company.

Off-Balance Sheet Transactions

The Company has not entered into any significant off-balance sheet arrangements or commitments.

Related Party Transactions

As at April 30, 2018, included in deposits is $nil (2017 - $1,000) owing to Evitrade, with one director in common, for shares that are to be issued as a part of the Plan of Arrangement.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

Refer to the Company's consolidated financial statements for the year ended April 30, 2018 for details of the significant accounting policies and estimates adopted by the Company.

RISK AND UNCERTAINTIES

<u>Core Business</u>

The Company's business focus is on developing technology and exploration for the mining sector, along with related internet marketing and applications. The mining and exploration industry is largely controlled by Fortune 500 companies with large budgets and backed by big software and technology firms to support their mineral exploration efforts. It will require significant risk and capital for the Company working towards establishing viable business in the sector, if ever. There can be no assurance that the Company ever becomes established or profitable in the sector, even with significant capital investment and business expertise.

While the development of technology may result in profitable operations, marketing may also contribute to successful business. Major investment and expenses will be required to establish and developed technologies for acceptance by the industry. It is impossible to ensure that technologies and market strategy planned by the Company will result in profitable commercial sales and operations. Whether the company will be commercially viable depends on a number of factors, some of which are the particular attributes of the industry the technology is geared toward and the existing infrastructure, as well as competitors' strategies and market factors. Some of these are cyclical and government regulations, including regulations relating to medical devices and consumer health products.

Some of these risks include, but not limited to, the following:

Significant capital investment, technical and programming personnel, management, and consultants will be required for the overall project management, software, design, and development of the Company's planned technology for the mining sector, along related internet marketing and other applications.

If a significant portion of these development efforts are not successfully completed or marketable products and services are not development and become commercially successful, the Company's business, financial condition, and results of operations may be materially harmed.

There is no certainty that any expenditures to be made by the Company as described herein will result in market acceptance of the company's product or service offerings. There is aggressive competition within the mineral exploration and development sector with larger exploration companies developing related technology internally. The Company will compete against all internally and externally developed products and services by companies in the industry with far greater financial and other resources than currently available to the Company. As such, significant capital investment is required along with extensive other resources to development an offering of products and services and achieve commercialization. There can be no assurance the Company will be successful in obtaining required capital on acceptable terms.

Uninsured Risks

The Company may carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include key person insurance as the Company heavily relies on the company officers.

Conflicts of Interest

Certain directors of the Company also serve as directors and/or officers of other companies involved in other business ventures. Consequently, there exists the possibility for such directors and/or officers to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, directors involved in potential conflicts will declare, and refrain from voting on the conflicted matter.

Negative Operating Cash Flows

As the Company is in early development stages, it will continue to have negative operating cash flows without the development of revenue streams from its business. Positive operating cash flows require the Company to sufficiently developed its products and services for commercialization.

Risks Related as a Going Concern

The ability of the Company to continue as a going concern is uncertain and dependent upon its ability to achieve profitable operations, obtain additional capital and receive continued support from its shareholders. Management of the Company will have to raise capital through private placements or debt financing and proposes to continue to do so through future private placements and offerings. The outcome of these matters cannot be predicted at this time.

Reliance on Key Personnel, Service Provider, and Advisors

The Company relies heavily on its officers, its service provider, and business advisors. The loss of their services may have a material adverse effect on the business and going concern of the Company. There can be no assurance that one or all of the employees of, and contractors engaged by, the Company will continue in the employ of, or in a consulting capacity to, the Company or that they will not set up competing businesses or accept positions with competitors. There is no guarantee that certain employees of, and contractors to, the Company who have access to confidential information will not disclose the confidential information.

Licenses, Patents and Proprietary Rights

The Company's success could depend on its ability to protect its intellectual property, including trade secrets, and continue its operations without infringing the proprietary rights of third parties and without having its own rights infringed.

Uncertainty Regarding Penetration of the Target Market

The commercial success of the Company's business as compared with those of its competitors depends on its acceptance by potential users and the medical community. Market acceptance will largely depend on the reputation of the Company, its marketing strategy, consumer and health practitioner's services and performance. The Company's success will depend on its ability to commercialize and expand its network users. The Company will need to expand its marketing and sales operations and establish business relations with suppliers and users in a timely manner.

In order to meet its business objectives, the Company will have to ensure that its facilities and services are safe, reliable and cost-effective, and bring the expected return. There can be no assurance that the Company's products and services will be accepted and recommended.

Competition, Technological Obsolescence

The mining and exploration sector is highly competitive. Other companies in the sector have significantly more financial, technical, distribution, and marketing resources. Technological progress and product development of the competition may cause the Company's services and product offerings, upon development, to become obsolete or may reduce their market acceptance.

Operating History and Expected Losses

The Company expects to make significant investments in order to develop its services, increase marketing efforts, improve its operations, conduct research and development and update its equipment. As a result, start-up operating losses are expected, and such losses may be greater than anticipated, which could have a significant effect on the long-term viability of the Company.

Reliance on Joint Ventures, License Assignors and Other Parties

The nature of the Company's operations requires it to enter into various agreements with partners, joint venture partners, medical facilities, and medical equipment suppliers in the business world, government agencies, licensors, licensees, and other parties for the successful operation of its businesses and the successful marketing of its services.

There is no guarantee that those with whom the Company needs to deal will not adopt other technologies or that they will not develop alternative business strategies, acting either alone or in conjunction with other parties, including the Company's competitors, in preference to those of the Company.

Growth Management

In executing the Company's business plan for the future, there will be significant pressure on management, operations and technical resources. The Company anticipates that its operating and personnel costs will increase in the future. In order to manage its growth, the Company will have to increase the number of its technical and operational employees and efficiently manage its employees, while at the same time efficiently maintaining a large number of relationships with third parties.

Conflicts of Interest

Certain directors of the Company also serve as directors and/or officers of other companies involved in other businesses. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Negative Operating Cash Flows

As the Company is at the early stage start up stage it may continue to have negative operating cash flows. Without the injection of further capital and the development of revenue streams from its business, the Company may continue to have negative operating cash flows until it can realize stable cash flow from operations.

Risks Related as a Going Concern

The ability of the Company to continue as a going concern is uncertain and dependent upon its ability to achieve profitable operations, obtain additional capital and receive continued support from its shareholders. Management of the Company will have to raise capital through private placements or debt financing and proposes to continue to do so through future private placements and offerings. The outcome of these matters cannot be predicted at this time.

Reliance on Key Personnel and Advisors

The Company relies heavily on its sole directors, Handley, Kraemer and Hardy, along with key business consultants. The loss of their services would have a material adverse effect on the business of the Company. There can be no assurance that the directors and consultants engaged by the Company will continue to provide services in the employ of, or in a consulting capacity to, the Company or that they will not set up competing businesses or accept positions with competitors.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The information provided in this report as referenced from the Company's consolidated financial statements for the referenced reporting period is the sole responsibility of management. In the preparation of the information along with related and accompanying statements and estimates contained herein, management uses careful judgement in assessing the values (or future values) of certain assets or liabilities. It is the opinion of management that such estimates are fair and accurate as presented.

OTHER INFORMATION

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

CORPORATE INFORMATION

Directors:	Michael Kraemer, Gary Handley, and Kyler Hardy
Officers:	Gary Handley President and CFO
Auditor:	Adam Sung Kim, Ltd. Adam Kim, CA, CPA
Legal Counsel:	Corporate Counsel Professional Corporation