

CABBAY HOLDINGS CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the three Months Ended June 30, 2017

Overview

This MD&A has been prepared as of August 29, 2017 and the following information should be read in conjunction with the Issuer's un-audited financial statements for the three months ended June 30, 2017 together with the notes thereto. The Issuer's financial statements for the period have been prepared in accordance with International Financial Reporting Standards (IFRS).

This discussion contains forward-looking statements that involve certain risks and uncertainties. Statements regarding future events, expectations and beliefs of management and other statements that do not express historical facts are forward-looking statements. In this discussion, the words "believe", "may", "will", "estimate", "continue", "anticipate", "intend", "expect", "plan", "predict", "potential" and similar expressions, as they relate to the Issuer, its business and management, are intended to identify forward looking statements. The Issuer has based these forward-looking statements largely on its current expectations and projections about future events and financial trends affecting the financial condition of the business. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements.

Except as may be required by applicable law or regulation, the Issuer undertakes no obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events. Accordingly, readers should not place undue reliance on forward-looking statements. If the Issuer updates one or more forward-looking statements, no inference should be drawn that additional updates will be made with respect to those or other forward-looking statements. Additional information relating to the Issuer, is available by accessing the SEDAR website at www.sedar.com.

Business Overview and Strategy

The Issuer is a holding company. Its major holding is an agreement with ForwoRx Therapeutics Inc. regarding the development of therapies to treat fibrosis and pulmonary arterial hypertension. The agreement covers the lead compound for Fibrosis, PTL-202 is a combination of already approved drugs which have well established safety profiles. PTL-202 has completed a phase 1 drug/ drug interaction clinical trial.

Overall Performance

The Issuer's plan is to continue as a holding company.

Corporate Highlights

During the three month period ended June 30, 2017 the Issuer accomplished the following:

- On April 13, 2017 Mark van der Horst was appointed as a director of the company
- On April 24, 2017, the Company closed a financing, issuing 725,500 common shares at \$0.02 per share for total proceeds of \$14,510. As at March 31, 2017 the Company had collected \$5,710 cash share subscriptions towards the private placement.
- On June 1, 2017 the company issued of 2,500,000 common shares for total proceeds of \$9,250 in cash and \$53,250 in debt settlements with directors all at a price of \$0.025 per share.
- On June 30, 2017 the Company closed a private placement and issued 1,570,360 common shares at \$0.05 per share for gross proceeds of \$78,518. Of that amount, \$49,750 was cash proceed and \$28,768 was debt converted. Included in subscriptions receivable is \$7,250 related to the private placement.

Selected Financial Information

The financial information reported here has been prepared in accordance with IFRS. The Issuer uses the Canadian dollar (CDN) as its reporting currency. Selected un-audited financial data for interim operations of the Issuer for the three months ended June 30, 2016 and for the three months ended June 30, 2017 are presented:

Selected Statement of Operations Data

Period ended	Three Months Ended June 30 2017	Three Months Ended June 30 2016
Total revenues	\$Nil	\$Nil
Net Income / (Loss)	\$(24,034)	\$(53)
Basic Income/(loss) per share	\$(0.01)	\$(53)
Diluted loss per share (Unaudited)	(0.01)	\$(53)
Weighted average shares	2,785,371	1

Selected Balance Sheet Data

Period ended	June 30, 2017	December 31, 2016
Cash & Equivalents	\$43,413	\$88
Current Assets	\$53,537	\$88
Total Assets	\$53,538	\$89
Current liabilities	\$238,898	\$441,187
Non-Current liabilities	\$Nil	\$Nil
Total liabilities	\$238,898	\$441,187
Working Capital	\$(185,361))	\$(441,099)

Comparison of the Quarters ending June 30, 2017 and June 30, 2016

Revenues

The Issuer is a holding company. Its major holding is an agreement with ForwoRx Therapeutics Inc. (“ForwoRx”) (*see Business Overview and Strategy*). Under this agreement ForwoRx is to pay to the Issuer \$50,000 per year in maintenance fees. This fee for 2016 has not been paid and the company will not recognize it as revenue until such time that management is confident of its payment.

Expenses

Expenses

For the three months ended June 30, 2016 the only expense was \$53 in bank charges. The increases in all other categories for the three months ended June 30, 2017 when compared to the three months ended June 30, 2016 was to maintain the companies reporting status.

Research & Development Expense

The company does not conduct any research or development.

General and Administrative Expenses

General and administrative costs consist primarily of accounting costs and other professional and administrative costs associated with general corporate activities.

The General and administrative costs for the 3 month period ended June 30, 2017 was \$18,105. The General and administrative costs for the three months ended June 30, 2017 was \$53.

Intellectual Property and Intangible Assets

The company has no costs associated with the maintenance of patents or intellectual property under the asset purchase agreement with ForwoRx Therapeutics Inc.

Interest Expense/(Income)

The interest expense in the 3 month period ended June 30, 2017 was \$Nil (June 30, 2016, \$Nil).

Profits

At this time, the Issuer is not anticipating profit from operations. The Issuer will report an annual deficit and quarterly deficit and will rely on its ability to obtain equity or debt financing and maintenance fees

from the Asset Purchase Agreement to fund on-going operations. For information concerning the business of the Issuer, please see “*Business Overview and Strategy*”.

Stock Based Compensation

For the 3 month period ended June 30, 2017 stock based compensation was \$Nil (June 30, 2016, \$Nil).

Selected Quarterly Information

	Three Months Ended June 30, 2017	Three Months Ended March 31, 2017	Three Months Ended December 31, 2016	Three Months Ended September 30, 2016	Three Months Ended June 30, 2016	From Inception March 6, 2016 to March 31, 2016,
	\$	\$	\$	\$	\$	\$
Total Revenues	Nil	Nil	Nil	Nil	Nil	Nil
Net Income (Loss)	(24,034)	(2,118)	(441,998)	5,626	(53)	(5,678)
Income (Loss) per Share basic and diluted	(0.01)	Nil	Nil	5,626	(53)	(5,678)
Cash	43,413	3,885	88	7	40	93
Total Assets	53,538	4,286	89	7	40	93
Current Liabilities	238,898	315,430	441,187	111	5,770	5,770

Liquidity and Capital Resources

At June 30, 2017, the Issuer had cash and cash equivalents of \$43,413 and a working capital deficit of \$185,361. Working capital improved by \$255,738 when compared to the year ended December 31, 2016. This improvement was mostly due to the settlement of \$208,045 in current liabilities being settled by the issuance of 2,750,360 common shares of the Issuer and the issuance of 2,174,517 common shares for proceeds of \$73,510. Working capital is defined as current assets less current liabilities.

The Issuer’s Cash flows from financing activities for the three months ended June 30, 2017 consisted of \$66,060 in proceeds from the issuance of common shares and an decrease of amounts owed to related parties of \$3,806.

Cash utilized in operating activities during the three months ended June 30, 2017 was \$26,541 (June 30, 2017: \$39).

At June 30, 2017 share capital was \$282,555 comprised of 6,527,764 issued and outstanding Common Share (December 31, 2016: \$1,000, comprised of 1,379,887 shares).

Warrant and Option Reserves at June 30, 2017, was \$340, an increase of \$335 as compared to the year ended December 31, 2016. The increase was due to the issuance of an additional 25,000 options and a change to the Black Scholes estimate inputs. The changes included increasing the current share price from \$0.001 at December 31, 2016 to \$0.025 and a change in the risk free rate to 1.10%.

As a result of the net loss for the three months ended June 30, 2017 of \$24.034 the deficit at June 30, 2017 increased to \$468,255 from \$442,103 for the year ended December 31, 2016.

At present, the Issuer's operations do not generate cash inflows and its financial success after June 30, 2017 is dependent on the asset purchase agreement with ForwoRx Therapeutics Inc. The research and development process can take many years and is subject to factors that are beyond the Issuer's control.

In order to finance the Issuer's future administrative and overhead expenses in the coming years the Issuer may raise money through equity sales. Many factors influence the Issuer's ability to raise funds, including the Issuer's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of research activities at ForwoRx Therapeutics Inc. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control. Should those risks fully materialize, it may not be able to raise adequate funds to continue its operations.

Off Balance Sheet Arrangements

There are currently no off balance sheet arrangements which could have an effect on current or future results or operations or the financial condition of the Company.

Transactions with Related Parties

- During the period ended June 30, 2017, the Company accrued accounting fees of \$2,000 (June 30, 2016: \$nil) to a company controlled by a director. As of June 30, 2017, the Company has \$2,000 (December 31, 2016: \$nil) owing to the aforementioned company, and \$nil (December 31, 2016: \$4,000) owing to the director included in accrued liabilities. The Company has a subscription receivable of \$7,250 (December 31, 2016: \$nil) due from that director.
- As of June 30, 2017 the Company has \$129,544 (December 31, 2016: \$166,201) owing to the CFO and director of the Company, \$4,486 (December 31, 2016: \$19,950) owing to a director of the Company, and \$100 (December 31, 2016: \$100) owing to a former director of the Company. The amounts do not bear interest and have no set terms of repayment.
- On June 1, 2017 the Company converted \$50,000 of debt owing to directors of the Company to 200,000 shares at a conversion rate of \$0.025 per share.
- On June 30, 2017 the Company converted \$5,928 of debt owing to directors of the Company to 118,560 shares at a conversion rate of \$0.05 per share.

Subsequent Events

Subsequent to June 30, 2017, the Company issued 340,000 options to buy common shares of the Company to directors of the Company. The options may be exercised for a price of \$0.10 per share for a period of 5 years.

On August 22, 2017, the Company issued 1,594,860 shares at \$0.10 per share for total proceeds of \$159,486. Proceeds consist of cash payments of \$145,000 and debt settlements of \$14,486.

Proposed Transactions

As at the date of this Management Discussion and Analysis there are no transactions currently contemplated by the Issuer.

Financial Instruments and Other Instruments

The Issuer's financial instruments consist of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities and amounts due to shareholders. Unless otherwise noted, it is management's opinion that the Issuer is not exposed to significant interest, currency or credit risks arising from financial instruments. The fair value of cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities approximates their carrying value due to their short-term maturity or capacity for prompt liquidation.

Disclosure of Outstanding Share Data

As at June 30, 2017, the Issuer had an unlimited number of authorized common shares with 6,527,764 common shares issued and outstanding.

As at June 30, 2017 the issuer had 125,000 options outstanding. Each option has an exercise price of \$0.10.

As at June 30, 2017 the Issuer had 362,333 warrants outstanding. Each warrant has an exercise price of \$3.00