

# CAPTIVA VERDE LAND CORP.

## Management's Discussion and Analysis

### For the period ended July 31, 2018

(Expressed in Canadian dollars, unless otherwise noted)

September 28, 2018

*For further information on the Company, reference should be made to its public filings on SEDAR at [www.sedar.com](http://www.sedar.com). This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim financial statements for nine months ended July 31, 2018 and audited financial statements for the year ended October 31, 2017, and related notes thereto which have been prepared in accordance with International Financial Reporting Standards. The MD&A contains certain Forward Looking Statements which are provided at the end of this MD&A.*

## CORPORATE OVERVIEW

Captiva Verde Land Corp. ("Captiva Verde" or the "Company") is a company which plans to enter into the business of developing sustainable real estate projects.

Captiva Verde was incorporated as Just Baseball Limited and changed its name to Captiva Verde Land Corp. on March 3, 2017. The Company was incorporated under the British Columbia Business Corporations Act on November 9, 2015. The Company's registered and records office is located at 1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver, BC V6E 4N7.

### *Going concern*

The financial statements have been prepared on the basis that the Company is a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The nature of the Company's primary business is planned to be the acquisition, management, development, and possible sale of real estate projects. The Company had a net loss of \$75,625 for the period ended July 31, 2018 (July 31, 2017 - \$103,123 loss) and as July 31, 2018 has an accumulated deficit of \$246,650 (October 31, 2017 - \$171,025). As at July 31, 2018, the Company has working capital of \$39,044 (October 31, 2017 - 114,669). To date, the Company has no existing business operations and no history of earning or revenues. On September 20, 2018, the Company filed a final prospectus to raise \$500,000 and is awaiting final exchange approval to begin trading. As such the Company is unsure at this point that it will be able to issue these shares and raise these funds. Should the Company be unable to close this financing or raise additional funds in the future to undertake planned development, it could have a material adverse effect on its financial condition and cause significant doubt about the Company's ability to continue as a going concern. If the going concern basis were not appropriate for these financial statements, then possible adjustments would be necessary to the comprehensive loss and the financial position classification. These adjustments may be material.

## LAND ACQUISITION AGREEMENT

On October 1, 2017, the Company entered into an acquisition agreement with Greenbriar Capital (U.S.) LLC to purchase a 50% undivided interest in approximately 132 acres of real property located in the City of Tehachapi, California, USA. The acquisition represents a non-arm's length transaction as the Chief Executive Officer of the Company, Jeffrey Ciachurski, is also the Chief Executive Officer of Greenbriar. The purchase price of \$2,250,000 is divided into 5% payable by a one-year interest-free promissory note and 95% in common shares representing 10,687,500 common shares of the Company. As at July 31, 2018, and the date of this report, the acquisition has not been closed and no payments have been made.

## DISCUSSION OF OPERATIONS

	Note	Three Months Ended July 31,		Nine Months Ended July 31,	
		2018	2017	2018	2017
<b>Expenses</b>					
Administrative fees		\$ (2,484)	\$ (3,617)	\$ (6,461)	\$ (3,617)
Consulting fees	10	(14,121)	(9,199)	(36,222)	(9,199)
Filing fees		(571)	(6,207)	(2,810)	(11,964)
Legal and professional fee		-	(9,455)	(29,113)	(78,698)
Foreign exchange loss		(411)	355	(1,019)	355
<b>Net loss</b>		<b>(17,587)</b>	<b>(28,123)</b>	<b>(75,625)</b>	<b>(103,123)</b>
<b>Other comprehensive (loss) income (“OCI”)</b>					
		-	-	-	-
<b>Loss and comprehensive loss for the period</b>		<b>\$ (17,587)</b>	<b>\$ (28,123)</b>	<b>\$ (75,625)</b>	<b>\$ (103,123)</b>
<b>Loss per share</b>					
Basic and diluted		\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
<b>Weighted average shares outstanding</b>					
Basic and diluted		69,660,591	64,804,132	69,660,591	22,768,659

	July 31, 2018	October 31, 2017
Cash and cash equivalents	\$ 113,996	\$ 155,984
Total assets	269,981	214,430
Non-current financial liabilities	-	-
Cash dividends declared	\$ 0.00	\$ 0.00

### Nine months ended July 31, 2018 compared to Nine months ended July 31, 2017

Revenue is \$nil for the nine months ended July 31, 2018 and 2017 as the Company has not developed any projects to the revenue generation stage. The Company incurred a net loss of \$75,625, for the nine months ended July 31, 2018 compared to \$103,123 in the nine months ended July 31, 2017. The decrease in net loss is the result of large one-time legal fees incurred for the initial plan of arrangement in the prior year where the current period expenses relate to corporate activity due to the Company beginning operations. The basic and diluted loss per share of \$(0.00) is consistent with the comparative period.

### Three months ended July 31, 2018 compared to three months ended July 31, 2017

Revenue is \$nil for the three months ended July 31, 2018 and 2017 as the Company has not developed any projects to the revenue generation stage. The Company incurred a net loss of \$17,587 for the three months ended July 31, 2018 compared to \$28,123 in the three months ended July 31, 2017. The decrease in net loss is the result of large one-time legal fee incurred for the initial plan of arrangement in the prior year where the current period expenses relate to corporate activity due to the Company beginning operations. The Company had a basic and diluted loss per share of \$(0.00) is consistent with the comparative period.

Cash and cash equivalents are \$113,996 as at July 31, 2018 which is lower than the comparative period due to continued operations and expenses being incurred as the Company moves toward filing their final prospectus and closing the land acquisition. Total assets are \$269,981 as at July 31, 2018 compared to \$214,430 as at October 31, 2017. The increase is a result of the Company continuing to defer costs related to the prospectus until it is finalized. Non-current financial

liabilities are \$nil as at July 31, 2018 and the comparative period of October 31, 2017 as the Company has not incurred any non-current financial liabilities at this stage. There were no cash dividends declared as at July 31, 2018 or October 31, 2017.

### Summary of Quarterly Results

<i>(table amounts are expressed in thousands of CAD dollars)</i>	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Expenses	\$ (17,587)	\$ (8,811)	\$ (49,227)	\$ (67,902)	\$ (28,123)	\$ (75,000)	-	-
Net loss	(17,587)	(8,811)	(49,227)	(67,902)	(28,123)	(75,000)	-	-
Other comprehensive (loss) income	-	-	-	-	-	-	-	-
Total comprehensive gain (loss)	\$ (17,587)	\$ (8,811)	\$ (49,227)	\$ (67,902)	\$ (28,123)	\$ (75,000)	-	-
Basic/Diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.03)	0.00	0.00
Total assets	\$ 269,981	\$ 251,902	\$ 253,093	\$ 214,430	\$ 205,417	\$ 1	\$ 1	\$ 1

### Three months ended July 31, 2018 compared to all historic quarters

The Company incurred a net loss and total comprehensive loss of \$17,587 in the current quarter which is higher than Q2 2018 and lower than the historic quarters, as the Company had less expenses in the current period as the Company is waiting for the heir final prospectus to close and complete the land acquisition. The increase compared to Q2, 2018, is related to slight increase in consulting expenses as the Company prepares for planning of projects once the prospectus is filed.

### Change in total assets

Total assets are \$269,981 in the current period which is comparable to Q2 and Q1 2018, Q4 and Q3 2017 while they were \$1 in the all historic quarters. The increase is due to the Company starting operations and continuing to defer costs incurred with the prospectus until it is finalized.

## LIQUIDITY AND CAPITAL RESOURCES

<i>(table amounts are expressed in CAD dollars)</i>	Nine months ended July 31, 2018	Nine months ended July 31, 2017
Cash inflow (outflows) from operating activities	\$ 89,651	\$ (43,148)
Cash (outflows) inflows from financing activities	(131,639)	231,537
Cash outflows from investing activities	-	-
Net cash flows	(41,988)	188,389
Cash balance	\$ 113,996	\$ 188,390

As at July 31, 2018, the Company's net working capital was \$39,044 (October 31, 2017, \$114,669).

Cash inflows from operating activities of \$89,651 were higher than the outflows in the comparative period in 2017 due to change in working capital, including deferral of prospectus costs, and items net of corporate expenses.

Cash outflows from financing activities of \$131,639 were higher than the inflows in the comparative period in 2017 due to the Company continuing the defer costs incurred with the prospectus until finalized.

The Company's ability to continue as a going concern is dependent on the Company's ability to raise funds.

### **Commitments**

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. Other than the acquisition agreement entered into with Greenbriar Capital (U.S.) LLC with a purchase price of \$2,250,000 divided into 5% payable by a one-year interest-free promissory note and 95% in common shares representing 10,687,500 common shares of the Company, there are no other commitments. As at the date of this report the acquisition has not been closed and no payments have been made.

### **Capital management**

The capital of the Company consists of items included in shareholder's equity. The Company's objectives for capital management are to safeguard its ability to support the Company's normal operating requirement on an ongoing basis, continue to evaluate and plan to enter into the business of developing sustainable real estate projects.

The Company manages its capital structure and makes adjustments in light of changes in its economic environment and the risk characteristics of the Company's assets. To effectively manage the entity's capital requirements, the Company has in place a planning, budgeting and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. As at July 31, 2018 the Company expects its capital resources will require additional support for its normal operating requirements and to continue to evaluate and plan to enter into the business of developing sustainable real estate projects. for the next twelve months. There are no externally imposed capital requirements to which the Company has not complied.

## **SHAREHOLDERS' EQUITY**

The Company's authorized share capital consists of an unlimited number of common shares without par value. As at July 31, 2018 and as at the date of this report the issued and outstanding share capital consists of 69,660,591 common shares.

On April 26, 2017, Captiva Verde Land Corp. completed an acquisition pursuant to a Plan of Arrangement by entering into an Arrangement Agreement made effective as of February 21, 2017 among the Company and CVI, whereby CVI shareholders acquired shares of the Company.

Pursuant to the Arrangement Agreement, the Company issued one share of the Company for every share of CVI to the shareholders of CVI. The Arrangement Agreement resulted in the issuance of 63,465,871 common shares of the Company to the shareholders of CVI at a deemed value of \$nil.

Pursuant to the Transaction, the Company became a reporting issuer in British Columbia, Alberta and Ontario under new CUSIP number 14075E and ISIN number CA14075E1007.

On July 4, 2017, the Company closed a private placement and issued 4,560,000 units at a price of \$0.05 per unit for gross proceeds of \$228,000. Each unit consists of one common share and one half common share purchase warrant. Each warrant will be exercisable into one common share at \$0.10 for a period of five years after the closing date.

On September 6, 2017, the Company closed a private placement and issued 900,000 units at a price of \$0.05 per unit and on September 7, 2017, the Company closed a private placement and issued 150,000 units at a price of \$0.05 per unit for a total combined gross proceeds of \$52,500. Each unit consists of one common share and one half common share purchase warrant. Each warrant will be exercisable into one common share at \$0.10 for a period of five years after the closing date.

On September 29, 2017, the Company closed a private placement and issued 584,720 units at a price of \$0.05 per unit for gross proceeds of \$29,236. Each unit consists of one common share and one half common share purchase warrant. Each warrant will be exercisable into one common share at \$0.10 for a period of five years after the closing date.

Table below provides a summary of the share purchase warrants outstanding as at July 31, 2018 and as at the date of this report.

Number of warrants	Exercise price per warrant	Expiry date
2,280,000	\$0.10	July 4, 2022
450,000	\$0.10	September 6, 2022
75,000	\$0.10	September 7, 2022
292,360	\$0.10	September 29, 2022
Total: 3,097,360		

## REGULATORY DISCLOSURES

### *Off-Balance Sheet Arrangements*

As at July 31, 2018, the Company did not have any off-balance sheet arrangements.

### *Related Party Transactions*

The Company's related parties include its subsidiaries, associates over which it exercises significant influence, and key management personnel. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include officers, directors or companies with common directors of the Company.

The remuneration of the Company's directors and other key management personnel during the period ended July 31, 2018 and 2017 are as follows:

	July 31, 2018	July 31, 2017
Consulting fees	\$ 36,222	\$ 9,199

These expenses were measured at the exchange amounts agreed upon by the parties. As at July 31, 2018 the Company had amounts payable of \$27,701 (October 31, 2017 - \$12,437) to these parties. These amounts are unsecured and non-interest bearing.

As at July 31, 2018, the Company had a prepaid advance to a shareholder for \$13,523 (October 31, 2017 – \$28,998) The advance is non-interest bearing and unsecured, the amount is included under prepaids and advances.

During the year ended October 31, 2017, the Company advanced \$6,510 to Greenbriar Capital Corp. which is a related party as a result of having the same CEO and directors in common. The advance is non-interest bearing, unsecured and was repaid in Q1 2018.

### *Financial Instruments*

The Company reports its financial instruments on its balance sheet and measures these at fair value. In limited circumstances when fair value may not be considered most relevant, they may be reported at cost or amortized cost. Gains or losses as a result of changes in fair value are recognized in the consolidated statement of operations and comprehensive loss.

The Company's financial instruments consist of cash, other receivables and accounts payable and accrued liabilities. The fair value of these financial instruments approximates the carrying value due to the short maturity or current market rate associated with these instruments.

Categories of financial instrument	July 31, 2018		October 31, 2017	
	Carrying value \$	Fair value \$	Carrying value \$	Fair value \$
<b>Financial assets</b>				
<i>Fair value through profit and loss (“FVTPL”)</i>				
Cash	113,996	113,996	155,984	155,984
<i>Loans and receivables</i>				
Other receivables and advances	7,148	7,148	7,398	7,398
<b>Financial liabilities</b>				
<i>Other financial liabilities</i>				
Accounts payable and accrued liabilities	225,937	225,937	94,761	94,761

### Fair value

Financial instruments measured at fair value are grouped into Level 1 to 3 based on the degree to which fair value is observable:

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – significant observable inputs other than quoted prices included in Level 1
- Level 3 – significant unobservable inputs

Cash is measured at Level 1.

### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is currently not exposed to any interest rate risk.

### Credit Risk

The Company is exposed to credit risk through its cash, which is held in large Canadian financial institutions with high credit rating, deposits and other receivables. The Company believes the credit risk is insignificant. The Company’s exposure is limited to amounts reported within the statement of financial position.

### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. In order to meet its financial obligations, the Company will need to generate cash flow from the development or sale of future properties or raise additional funds.

### Significant Accounting Policies

#### Basis of presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values as described in the significant accounting policies. All information is expressed in Canadian dollars unless otherwise stated and are prepared in accordance with the significant accounting policies outlined below. Certain other prior period balances have been reclassified to conform with current period presentation.

## Cash

Cash includes cash on deposit and short-term investments with a maturity at the date of purchase of 90 days or less.

## Financial Instruments – recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### *Financial assets*

The Company classifies its financial assets in the following categories: at fair value through profit or loss (“FVTPL”), loans and receivables, or other liabilities and held-to-maturity investments. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset. Financial assets classified as FVTPL are measured at fair values with unrealized gains and losses recognized through profit and loss.

Financial assets classified as loans and receivables and held-to-maturity are measured at amortized cost using the effective interest method less any allowance for impairment. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary or a significant or prolonged decline in the fair value of that investment is below its cost.

### *Financial liabilities*

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other-financial-liabilities.

Financial liabilities classified as other-financial-liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other-financial-liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

### *Impairment of financial instruments*

The Company assesses at each financial reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired using the following criteria:

- For available-for-sale financial assets, an impairment loss is established when there is a significant or prolonged decline in the fair value of the investment or when there is objective evidence that the carrying amount of the investment may not be recovered. The amount of the impairment loss is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial assets previously recognized in the statement of loss and comprehensive loss. Any amounts related to that asset are removed from losses accumulated in the fair value reserve recognized in shareholder’s equity and are included in the statement of loss and comprehensive loss. Reversals in respect of available-for-sale financial assets are not reversed through the statement of loss and comprehensive loss. Any increase in fair value subsequent to an impairment loss is recognized directly in other comprehensive income (loss) until the assets are disposed of.

- For loans and receivables, a provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor or delinquency in payments are considered indicators that a trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of provision account and the amount of the loss is recognized in the statement of loss and comprehensive loss. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the statement of loss and comprehensive loss.

## **Taxation**

Income tax expense represents the sum of tax currently payable and deferred tax.

### *Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are substantively enacted at the end of each reporting period.

### *Deferred income tax*

Deferred income tax is provided using the liability method on temporary differences, at the end of each reporting period, between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets and liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax assets or liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable or deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled by the parent, investor or venture and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax relating to items recognized directly in equity is recognized in the statements of changes in equity and not in the statements of loss and comprehensive loss.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

## **Share-based payments**

The Company accounts for share-based compensation using the Black-Scholes option pricing model. Accordingly, the fair value of the options at the date of grant is accrued with a corresponding credit to equity compensation reserve, and



charged to earnings over the vesting period. If, and when, the stock options are exercised, the applicable amounts of equity compensation reserve are transferred to share capital.

### **Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. At the present time the Company has no provisions.

### **Earnings per share**

Earnings per share is calculated based on the weighted average number of shares outstanding during the period. The Company follows the treasury stock method for the calculation of diluted earnings per share. Under this method, dilution is calculated based upon the net number of common shares issued should “in-the-money” options and warrants be exercised and the proceeds be used to repurchase common shares at the average market price in the year. Dilution from convertible securities is calculated based on the number of shares to be issued after taking into account the reduction of the related after-tax interest expense.

Basic earnings per share is computed by dividing net income by the weighted average number of common shares outstanding during the reporting period. Diluted earnings per share is computed similar to basic earnings per share except that the weighted average shares outstanding are increased to include additional shares from the assumed exercise of share options and warrants, if dilutive.

### **Future changes in accounting policies not yet adopted**

The following are future accounting policy changes which although they have no effect on the Company at present, may have an effect on the Company’s future operations:

- (i) IFRS 15, Revenues from Contracts and Customers (“IFRS 15”) was issued by the IASB on May 28, 2014, and will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers, except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments. IFRS 15 uses a control based approach to recognize revenue, which is a change from the risk and reward approach under the current standard. Companies can elect to use either a full or a modified retrospective approach when adopting the standard and it is effective for annual periods beginning on or after January 1, 2018.
- (ii) IFRS 9, Financial instruments (“IFRS 9”) was issued by the IASB on July 24, 2014 as a complete standard. This standard replaces the guidance in IAS 39, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and liabilities. The Standard eliminates the existing categories of held to maturity, available for sale and loans and receivables. On initial recognition, financial assets will be classified into those measured at amortized cost and at fair value. The mandatory effective date of the new standard is for annual periods beginning on or after January 1, 2018. The Company intends to adopt the standards for the year beginning January 1, 2018. The Company believes that implementation of the new standard will not have a material impact on its financial results.
- (iii) IFRS 16, Leases is a new standard that sets out the principles of recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model. The mandatory effective date of the new

standard is for periods beginning on or after January 1, 2019. The Company intends to adopt the standard for the year beginning January 1, 2019. The Company believes the implementation of the new standard will not have a material impact on its financial statements.

The Company is currently evaluating the potential impact of these amendments and new standards on its condensed consolidated interim financial statements.

### ***Risk and uncertainties***

For full details on the risks and uncertainties affecting the Company, please refer to the risk factors as described in the prospectus.

### ***Forward Looking Statements***

This MD&A contains “forward-looking information” within the meaning of applicable Canadian securities legislation. Such forward-looking statements and information herein include, but are not limited to, statements regarding prospective development of its real estate projects. The Company does not intend to, and does not assume any obligation to update such forward-looking statements or information, other than as required by applicable law.

Forward-looking statements or information involve known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company and its operations to be materially different from those expressed or implied by such statements. Such factors include, among others: ability to finance various development, fluctuations in real estate prices, fluctuations in the currency markets (particularly in the Canadian dollar and U.S. dollar); changes in national and local governments, legislation, taxation, controls, regulations and political or economic developments in various countries; operating or technical difficulties in various Company developments; risks and hazards of real estate development and industrial accidents, unusual or unexpected geological conditions, pressures, inadequate insurance, or inability to obtain insurance; availability of and costs associated with inputs and labour; the speculative nature of real estate development, risks in obtaining necessary licenses and permits, and challenges to the Company’s title to various projects.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or information, there may be other factors that cause results to be materially different from those anticipated, described, estimated, assessed or intended. There can be no assurance that any forward-looking statements or information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements or information.