

# 1169082 BC LTD.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE INTERIM PERIOD ENDED NOVEMBER 30, 2019 (Q2)

### FORM 51-102F1

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#### 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 1169082 BC Ltd. (hereinafter "082BC" or the "Company") for the three and six months ended November 30, 2019.

The MD&A should be read in conjunction with the unaudited consolidated financial statements for the three and six months ended November 30, 2019. This MD&A has been prepared effective with all information current to January 27, 2020.

#### SCOPE OF ANALYSIS

The following is a discussion and analysis of 1169082 BC Ltd. The Company reports its financial results in Canadian dollars and in accordance with *IAS 34 – Interim Financial Reporting* as issued by the International Accounting Standards Board.

#### 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**

The Company's business is in healthcare and related technology sector in Canada.

The Company's registered office is located at 5728 E. Boulevard, Vancouver, BC V6M 4M4.

The Company is a reporting Company in the Provinces of Alberta and British Columbia. All public filings for the Company on the SEDAR website [www.sedar.com](http://www.sedar.com).

### **Business Chronology**

1169082 BC Ltd. was incorporated as a wholly owned subsidiary of reporting Company Hemagenetics Technologies Corp. ("HTC") on June 21, 2018 under the laws of British Columbia, Canada.

(see Plan of Arrangement)

From incorporation to date, no significant operations have begun and management continues to assess possible business opportunities and/or acquisitions for 082BC.

## **PLAN OF ARRANGEMENT**

On June 26, 2018, the Company entered into a statutory arrangement with HemaGenetics Technologies Corp. ("HTC") under a plan of arrangement pursuant to an arrangement agreement (the "Arrangement") entered into between the Company, HTC, Agri Tech International Inc. (formerly 1169029 B.C. Ltd.), 1169071 B.C. Ltd., 1169077 B.C. Ltd., Mucho Cobre Resources Ltd. (formerly, 1169080 B.C. Ltd.), and 1169082 B.C. Ltd. Under the Arrangement, the effective date for the Arrangement can be set separately as between HTC and each of the other parties to the Arrangement. The Arrangement received final B.C. supreme court approval on July 19, 2018.

On April 29, 2019, the Company completed a statutory arrangement with 1169082 B.C. Ltd. under a plan of arrangement pursuant to an arrangement agreement (the "Arrangement") entered into between the Company, Hemagenetics Technologies Corp., Mucho Cobre Resources Ltd. (formerly, 1169080 B.C. Ltd.), Agri Tech Farms International Inc. (formerly, 1169029 B.C. Ltd.), 1169032 B.C. Ltd., 1169071 B.C. Ltd., and 1169077 B.C. Ltd. Under the Arrangement, the effective date for the Arrangement can be set separately as between the Company and each of the other parties to the

Arrangement. Pursuant to the Arrangement, the effective date for the Arrangement with 1169082 B.C. Ltd. was set for April 29, 2019.

Pursuant to the Arrangement, the Company's shareholders of record as of October 15, 2018 eligible to receive shares of 1169082 B.C. Ltd. under the Arrangement received 8,502,104 common shares with an aggregate value of \$1,000 in 1169082 B.C. Ltd. issued effective April 29, 2019. As a result, the Company became a reporting issuer in the provinces of B.C. and Alberta.

## **LETTER OF INTENT**

On November 15, 2019, the Company entered into a non-binding letter of intent with Greeny Collaboration Group (Canada) Inc. ("Greeny"), which sets out the terms and conditions relating to a proposed transaction pursuant to which the Company will acquire the business of Greeny. Following completion of the Transaction, the Company will continue to carry on the business of Greeny.

Pursuant to the LOI, the Company and Greeny have agreed to negotiate in good faith to enter into a binding definitive transaction agreement, which will set out the terms and conditions of the Transaction, and which shall contain customary indemnities, representations and warranties and other terms in form and substance satisfactory to both parties, and pursuant to which the parties intend to agree to complete a business combination by way of a three-cornered amalgamation under the BCBCA. Pursuant to the terms of the Amalgamation Agreement, Greeny will amalgamate with the Company Subco to form a new company to carry on the business of Greeny as a wholly-owned operating subsidiary of the Company. Upon completion of the Amalgamation, each shareholder of Greeny will be entitled to receive one (1) common share of the Company for every one (1) common share of Greeny held by such shareholder. In addition, each holder of a warrant or stock option of Greeny will receive an equal number of replacement warrants or replacement options of the Company.

In connection with the completion of the Transaction, the Company intends to consolidate its share capital on the basis that there will be 500,124 Common Shares of the Company outstanding (on a fully diluted basis) immediately prior to the closing of the Transaction. Under the terms of the Amalgamation Agreement, shareholders of Greeny would receive, in exchange for their common shares of Greeny, post-Consolidation Common Shares of the Company. Any convertible securities of Greeny that are outstanding immediately prior to the closing of the Transaction will, upon completion of the Transaction, be exchanged for securities convertible into post-Consolidation Common Shares of the Company.

## **LIQUIDITY AND CAPITAL RESOURCES**

As at November 30, 2019, the Company had working capital deficit of \$(12,264).

During the three months ended November 30, 2019, the Company incurred a net loss of \$(6,415) and cumulative losses and deficit of \$(13,264).

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**

### Common Shares:

Authorized — unlimited Common shares, without par value  
— unlimited Preferred shares, without par value

*Issued and Outstanding:* 8,502,104 common shares as of November 30, 2019 and January 22, 2020

*Reserved for issuances:* nil

On June 21, 2018, there were 100 common shares issued for \$1.00 to the initial director of the Company who immediately transferred them to Hemagenetics Technologies Corp. (“HTC”) to conduct the plan of arrangement.

On April 29, 2019, the Company issued 8,502,104 common shares with an aggregate fair value of \$1,000 to eligible HTC shareholders’ and was spun out (divested) from HTC.

HTC returned (gifted) its 100 incorporator shares to Company treasury in conjunction with closing of the arrangement. (see Plan of Arrangement)

## RESULTS OF OPERATIONS

### SELECTED ANNUAL INFORMATION

	May 31, 2019 \$
Revenue	—
Expenses	6,849
Net loss	(6,849)
Loss per share – basic and diluted	(0.00)
Assets	—
Long-term liabilities	—
Working capital (deficiency)	(5,849)

There are no comparable prior annual periods to report, as the Company was only incorporated on June 21, 2018.

Expenses in 2019 consisted of legal and administration of \$1,352 transfer agent and filing fees of \$1,997 and accrued audit fees of \$3,500.

### 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

	November 30, 2019 (Q2) \$	August 31, 2019 (Q1) \$	May 31, 2019 (Q4) \$	February 28, 2019 (Q3) \$
Revenue	—	—	—	—
Expenses	6,415	—	6,496	—
Net loss	6,415	—	(6,496)	—
Loss per share – basic and diluted	(0.00)	(0.00)	(0.00)	—
Assets	1,000	1,000	1,000	1,000
Long-term liabilities	—	—	—	—
Working capital (deficiency)	(12,264)	(5,849)	(5,849)	(352)

	November 30, 2018 (Q2) \$	August 31, 2018 (Q1) \$	Company not yet incorporated in prior periods
Revenue	—	—	
Expenses	—	353	
Net loss	—	(353)	
Loss per share – basic and diluted	—	(3.53)	
Assets	1,000	1,000	
Long-term liabilities	—	—	
Working capital (deficiency)	(352)	(352)	

## INTERIM RESULTS

### For the three months ended November 30, 2019 (Q2)

For the three months ended November 30, 2019, the Company had net loss and total comprehensive loss of \$(6,415) compared to a net loss and comprehensive loss of \$Nil for the comparable period from September 1, 2018 to November 30, 2018.

A breakdown of the \$6,415 in expenses for Q2 are as follows:

- (i) Professional fees of \$4,783; and
- (ii) Management fees of \$1,500; and
- (iii) Securities and transfer agent fees of \$132.

### For the three months ended to August 31, 2019 (Q1)

For the three months ended August 31, 2019, the Company had net loss and total comprehensive loss of \$Nil compared to a net loss and comprehensive loss of \$(353) related to incorporation costs for the comparable period from June 21, 2018 (inception) to August 31, 2018.

### For the three months ended May 31, 2019 (Q4)

For the three months ended May 31, 2019, the Company had net loss and total comprehensive loss of \$(6,496) with no comparative prior year period.

A breakdown of the \$6,496 in expenses for Q4 are as follows:

- (i) Administrative expenses of \$999; and
- (ii) Professional fees of \$3,500
- (iii) Securities and transfer agent fees of \$1,997.

### **For the three months ended February 28, 2019 (Q3)**

The Company had no activity or expenses during this period and with no comparable prior period.

### **For the three months ended November 30, 2018 (Q2)**

The Company had no activity or expenses during this period and with no comparable prior period.

There are no other prior period financial periods for comparison or disclosure.

## **RELATED PARTY TRANSACTIONS**

On June 21, 2018, there were 100 common shares issued and immediately transferred to Hemagenetics Technologies Corp. ("HTC") as the Company was incorporated to conduct a plan of arrangement with HTC.

On April 29, 2019, the Company was (spun out) divested from HTC. (see Plan of Arrangement)

Durant the period of three and six months ended November 30, 2019, Management fees of \$1,500 were invoiced by the director of the Company and Professional fees of \$3,999 were invoiced by a company related to the director of the Company.

## **INCOME TAXES**

Estimated taxable income for the three months ended November 30, 2019 is \$Nil and to date.

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.

## **MANAGEMENT OF INDUSTRY AND FINANCIAL RISK**

The Company is in the payment processing Technology Sector in Canada and manages related industry risk issues directly. However, the Company does not currently have any active operations and as such is not exposed to any related risks.

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 vendors and consultants continuing to extend payment terms, and management accruing 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 off-balance sheet arrangements or commitments.

## **INTERNATIONAL ACCOUNTING STANDARDS (IAS)**

This Management Discussion and Analysis and related disclosures are prepared in accordance and compliance with *IAS 34 - Interim Financial Reporting* in addition to other International Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES**

Refer to the Company’s condensed interim financial statements for three and six months ended November 30, 2019 for details of the significant accounting policies and estimates adopted by the Company.

## **RISK AND UNCERTAINTIES**

### Core Business

The Company is in the healthcare and related technology sector in Canada.

It will require significant risk and capital for the Company working towards establishing viable business in the payment processing 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 healthcare services and related technology sector in Canada may result in profitable operations, marketing may also contribute to successful business. Notwithstanding, it is impossible to ensure that any healthcare and related technology sector in Canada 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, as well as competitors’ strategies and market factors. Some of these are cyclical and government regulations, including farming and land use regulations.

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

Significant capital investment, personnel, management, and consultants will be required for the development of healthcare and related technology for any viable commercial applications for the software. There can be no assurance that the Company will be able to achieve this with limited resources or without raising significant capital through debt and/or equity financings, if available on acceptable terms, and that will dilute shareholders.



### 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 and directors.

### 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 complete successful setup of active operations whether through organic business development or acquisition.

### 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.

### Competition

There is no certainty that any expenditures to be made by the Company as described herein will result in successful operations. There is aggressive competition within the agricultural sector with larger farming organizations, including hedge funds, dominating existing commercial operations. There can be no assurance the Company will be successful in obtaining required capital on acceptable terms to reach its business objectives.

#### 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, Partnerships, or Minority Interests

The nature of the Company's operations may require it to enter into various agreements with partners, joint venture partners, or minority interests in mineral and exploration projects.

There is no guarantee that those with whom the Company needs to deal will be successful in these joint or participating interests for agricultural and related operations.

#### Growth Management

In executing the Company's business plan for the future, there will be significant pressure on management, operations, technical, and other assets or resources. The Company anticipates that its operating costs will increase substantially in the future when and if it is able to identify a viable farming project. In order to manage its growth, the Company will have to increase the number of its technical, engineering, and operational employees and efficiently manage its employees, while at the same time efficiently maintaining a large number of relationships with third parties. There can be no assurance that the Company will be able to meet these growth objectives.

#### Conflicts of Interest

The directors of the Company also serve as directors and officers in other private and public companies involved in other businesses. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. Any decisions made by these individuals 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.

#### 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 officers and directors, 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 directors and officers, or 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 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](http://www.sedar.com).

## **CORPORATE INFORMATION**

### Directors and officers

J. Scott Munro, Director – CEO – CFO  
Ron Ozols, VP Communications

### Auditor

Adam Sung Kim, Ltd.  
Adam Kim, CA, CPA

### Legal Counsel

Arash Farahmand