

IntellaEquity Inc.

(Formerly - Augusta Industries Inc.)

Management's Discussion and Analysis

September 30, 2019

INTELLAEQUITY INC. (FORMERLY – AUGUSTA INDUSTRIES INC.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

The following Management's Discussion and Analysis ("MD&A") relates to the financial condition and results of operations of IntellaEquity Inc (formerly - Augusta Industries Inc.) as at and for the nine months ended September 30, 2019 with comparatives. It should be read in conjunction with the interim condensed consolidated financial statements as at and for the three and nine months ended September 30, 2019.

On October 28, 2019, the Company completed a transaction which resulted in a reverse take-over by the shareholders of CannCentral Inc. and concurrently filed articles of amendment with a name change to Media Central Corporation Inc. ("Media Central"). (see *Subsequent Events*).

Additional information relating to the Company is available on SEDAR at www.sedar.com under "Media Central Corporation Inc." or on the CSE website at www.thecse.com, and on our website at www.marconintl.com, or subsequent to the transaction www.mediacentralcorp.com. Information contained in or otherwise accessible through our website doesn't form a part of this MD&A and is not incorporated into this MD&A by references.

References to "we", "our", "Intella", or "the Company" means IntellaEquity Inc. and its subsidiaries, unless the context requires otherwise.

MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING ("ICFR")

Management is responsible for establishing and maintaining adequate internal control over the Company's financial reporting.

As the Company is a Venture Issuer (as defined under *National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings*) ("NI 52-109"), the Company and management are not required to include representations relating to the evaluation, design, establishment and/or maintenance of disclosure controls and procedures ("DC&P") and/or ICFR, as defined in NI 52-109, **nor has it completed such an evaluation**. Inherent limitations on the ability of the certifying officers to design and implement a cost effective bases DC&P and ICFR for the issuer may result in additional risks of quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

BASIS OF PRESENTATION

Unless otherwise noted, all financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS"). All financial information is reported in Canadian dollars and is expressed in thousands except for per share amounts which are expressed in dollars.

The interim condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Fiber Optic Systems Technology (Canada), Inc., PinPoint FOX-TEK Inc., Marcon International Inc., Marcon International (USA) Inc., Marcon International (UK) Ltd. and its subsidiary Sensor Technologies Corp. and Paragon Blockchain Inc. (collectively referred to as the "Company" or "Intella").

The disposal of Marcon International (USA) Inc., Fiber Optic Systems Technology (Canada), Inc., and PinPoint FOX-TEK Inc. have been recognized in these financial statements as described in note 5. On December 12, 2018, the Company announced its intention to distribute an aggregate of 25,611 common shares of STC to shareholders of the Company on the basis of one STC shares for every one Intella shares outstanding. Subsequent to the year ended December 31, 2018, the distribution was completed through two distributions in March 2019 bringing down the number of common shares of STC owned by the company to 21,889 or 38%. As of September 30, 2019, the Company views that it does not control STC, and therefore has been deconsolidated under IFRS 10, and its shares presented as marketable securities on the consolidated statements of financial position, which is further described in Note 5.

The MD&A was approved for issue by the Board of Directors on November 29, 2019.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements, except for historical information, and reflect the Company's present assumptions regarding future events. These statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, levels of activity, performance, and/or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements.

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions used by any of the Company's management, are intended to identify forward-looking statements. Such statements reflect the Company's internal projections, expectations, future growth, performance and business prospects and opportunities and are based on information currently available to the Company. Since they relate to the Company's current views with respect to future events, they are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments except as required by applicable securities legislation, regulations or policies.

OVERVIEW OF BUSINESS

Corporate Overview

IntellaEquity Inc. (formerly Augusta Industries Inc.) ("IntellaEquity") was incorporated on October 13, 1999 under the laws of the State of Delaware with a registered and head-office located at 277 Lakeshore Road East, Suite 304, Oakville, Ontario L6J 6J3, Ontario L5A 3P1. The Company has offices in Mississauga, Ontario and Calgary, Alberta. IntellaEquity is traded on the CSE under the symbol "IEQ",

Marcon International Inc. ("Marcon") was incorporated under the laws of the Province of Ontario on April 28, 2010. On August 1, 2010, Marcon entered into an asset purchase agreement with Knoxbridge Corp. ("Knoxbridge"), whereby Knoxbridge transferred certain net assets, to Marcon in exchange for shares and debt. As at December 31, 2018, IntellaEquity's significant shareholder is Knoxbridge who owns 30.0% (2017 – 30.0%) of the voting shares of the Company.

Fox-Tek Canada Inc. ("FOX-TEK"), a wholly-owned subsidiary of IntellaEquity, was sold to Sensor Technologies Corp. ("STC") for a purchase price of \$21,500. \$9,500 of the purchase price will be satisfied through the issuance of an aggregate of 47,500 post-consolidated common shares (the "Consideration Shares") in the capital of STC at a price of \$0.20 per Consideration Share. The balance of the purchase price, being up to \$12,000, will be satisfied through a royalty of 15% on all future sales of Fox-Tek's products and a 20% royalty on all future sales of Fox-Tek's services (collectively, the "Royalty"). The Royalty shall be payable until the earlier of (i) the 10 year anniversary of the closing of the acquisition of Fox-Tek, and (ii) the aggregate payment of \$12,000. The value of the Royalty has not been included in the purchase price as the amount is uncertain.

On December 12, 2018, the Company announced its intention to distribute an aggregate of 25,611 common shares of STC to shareholders of the Company on the basis of one STC shares for every one Intella shares outstanding. Subsequent to the year ended December 31, 2018, the distribution was completed through two distributions in March 2019 bringing down the number of common shares of STC owned by the company to 21,889 or 38%. As of September 30, 2019, the Company views that it does not control STC, and therefore has been deconsolidated under IFRS 10, and its shares presented as marketable securities on the consolidated statements of financial position, which is further described in Note 5.

The Company sold 51% of shares of Marcon International (USA) to a third party, GRX Industries Inc. ("GRX"), a Delaware corporation on January 31, 2019. The Company considers Marcon (USA) an associate since January 31, 2019 and has recognized Marcon (USA) as an investment at cost adjusted for Intella's share of Marcon (USA)'s income since then.

Going Concern

The interim condensed consolidated statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations.

The Company incurred a comprehensive loss of \$2,680 for the nine months ended September 30, 2019 (nine months ended September 30, 2018 – \$523) and has an accumulated deficit of \$13,911 (December 31, 2018 – \$11,231) from inception. The challenges of securing requisite funding beyond September 30, 2020 and the cumulative operating losses indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. These interim consolidated statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts or classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

Principal Business

Marcon was involved in the industrial supply of equipment and parts procuring for its clients, including the sale and distribution of Electrical, Mechanical and Instrumentation equipment.

The Company sold 51% of shares of Marcon (USA) to a third party, GRX Industries Inc. ("GRX"), a Delaware corporation on January 31, 2019. The Company considers Marcon (USA) an associate since January 31, 2019 and has recognised Marcon (USA) as an investment at cost adjusted for Intella's share of Marcon (USA)'s income since then. There has been no further revenue from Marcon since sale of Marcon (USA) Inc.

Subsequent to the sale of Marcon (USA), IntellaEquity has re-positioned itself as a diversified investment and venture capital firm focused on providing investors with long-term capital growth by investing in a portfolio of undervalued companies and assets. The investment portfolio may comprise securities of both public and private issuers primarily in technology, artificial intelligence, blockchain and may also include investments in certain other sectors, including water, green energy, and alternative energy. Target investments shall encompass companies at all stages of development, including pre-initial public offering and/or early-stage companies requiring start-up or development capital, as well as intermediate and senior companies.

Material Change in Business and Operations

On October 28, 2019, the IntellaEquity Inc. completed a transaction with CannCentral Inc. ("CannCentral") that resulted in a reverse take-over of the Company by the shareholders of CannCentral (the "Agreement"). Pursuant to the terms of the agreement, the Company, its subsidiary Paragon Blockchain Inc. and CannCentral completed a three-cornered amalgamation under the Business Corporations Act (Ontario). The Company concurrently filed articles of amendment with a name change to Media Central Corporation Inc. ("Media Central"). For further information, reference the Listing Statement (Form 2A) on SEDAR at www.sedar.com.

As a result of the transaction, the board of directors and officers of IntellaEquity Inc. resigned and were replaced by the board of directors and officers of CannCentral, including overall responsibility for financial reporting. Despite significant efforts made by the current board of directors and officers of the Company to collect and verify all legacy corporate and financial information from the Company, information included herein may not be complete, in all material respects. As such the information confirmed in the interim financial statements and MD&A is to the best knowledge of the company, the board and its officers.

BUSINESS DEVELOPMENT

Marcon Segment

Marcon provided procurement and support services to existing and new projects worldwide in the energy sector. The Company sold 51% of shares of Marcon International (USA) to a third party, GRX Industries Inc. ("GRX"), a Delaware corporation on January 31, 2019. The Company considers Marcon (USA) an associate since January 31, 2019 and has recognised Marcon (USA) as an investment at cost adjusted for Intella's share of Marcon (USA)'s income since then. There has been no further revenue from Marcon since sale of Marcon (USA).

Sensor Technologies Segment

Sensor Technologies Inc. ("STI") is engaged in the development, design, manufacture and supply of systems using fiber optic sensors, related monitoring instruments, and software. Clients buy and operate systems and Sensor handles the installation and reporting of information on an outsourcing basis. Sensor provides support engineering services related to planning, training, on-site installation, and data interpretation and reporting. Sensor's target market includes the monitoring, communication, alarming and prediction of safe/unsafe conditions in structures and facilities.

STI's main products are patented non-intrusive asset health monitoring sensor systems for the oil and gas market to help operators track the thinning of pipelines and refinery vessels due to corrosion/erosion, strain due to bending/buckling, and process pressure and temperature. STI's FT fiber optic sensor monitoring systems allow cost-effective, 24/7 remote monitoring capabilities to improve scheduled maintenance operations, avoid unnecessary shutdowns, and prevent accidents and leaks.

Sensor Technologies Corporation ("STC"), through its wholly owned subsidiary, Primary Petroleum Company USA, Inc., is still actively working with American Geophysical Corporation ("AGC") to market the Company's 3D Seismic. So far, numerous parties have approached AGC regarding Primary Petroleum's seismic database and AGC is reaching out to various parties that are interested in the Company's 3D Seismic. The Company's goal is to license its 3D Seismic leading to future opportunities for potential joint ventures, partnerships or farm-in agreements.

SELECTED FINANCIAL AND OPERATING RESULTS

Statement of Financial Position

As at September 30, 2019, the Company has a working capital of \$79 (December 31, 2018 – deficiency of \$2,705). As at September 30, 2019, the Company had total assets of \$428 (December 31, 2018 – \$1,429). Total assets decreased by \$1,001 during the nine months ended September 30, 2019 due to deconsolidation of STC under IFRS 10, net of IFRS 16 and recognition of right of use assets, which amounted to \$262.

As at September 30, 2019, the Company had total liabilities of \$418 as compared to \$3,416 as at December 31, 2018. Accounts payable and accrued liabilities have decreased by \$3,073 largely as a result of the disposal of Marcon (USA) and deconsolidation of STC.

Deferred revenue has gone up by \$378 as the Company invoices one of the major clients on an annual basis and defers income for three quarters of the year to future periods. Shareholders' equity (deficiency) increased by \$2,135 due to the change in control of STC under IFRS 10.

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Summary of Consolidated Quarterly Results

The following is a summary of results on a quarterly basis:

	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Sales	331	1,719	383	460	331	244	280	(115)
Interest income	-	-	-	-	2	2	1	-
Cost of sales	(367)	(1,445)	(286)	(331)	(252)	(144)	(59)	102
Gross profit (loss)	(36)	274	97	129	81	102	222	(13)
Expenses								
Research and development	(37)	(40)	(39)	(40)	(38)	(22)	(28)	-
Selling	(13)	(7)	(11)	(8)	4	-	-	-
General and administrative	(360)	(197)	(294)	(245)	(1,160)	(186)	(95)	(197)
Reclamation and decommissioning expenses	-	-	-	-	(322)	-	-	-
Exploration expenses	-	-	-	-	(4)	(7)	(16)	-
Total expenses	(410)	(244)	(344)	(293)	(1,520)	(215)	(139)	(197)
Income (loss) from operations	(446)	30	(247)	(164)	(1,439)	(113)	83	(210)
Finance costs	(9)	(10)	(12)	(25)	(109)	(37)	(37)	(8)
Stock based compensation	(38)	(31)	(24)	(19)	(16)	(12)	(8)	(10)
Cost of public listing	-	-	-	-	(510)	-	-	-
Gain (loss) on sale of subsidiary	-	-	-	-	-	(143)	501	(2,723)
Equity pick up	-	-	-	-	-	7	(7)	-
Foreign exchange gain (loss)	(3)	(8)	(16)	7	(29)	13	(16)	40
Net income (loss) before tax	(496)	(19)	(299)	(201)	(2,103)	(285)	516	(2,911)
Income tax expense	(2)	-	-	(7)	(22)	-	-	-
Net income (loss)	(498)	(19)	(299)	(208)	(2,125)	(285)	516	(2,911)
Other comprehensive income (loss)	3	1	-	6	13	(18)	(3)	-
Comprehensive income (loss)	(495)	(18)	(299)	(202)	(2,112)	(303)	513	(2,911)
Basic and diluted income (loss) per share	(0.02)	(0.00)	(0.01)	(0.01)	(0.08)	(0.01)	0.02	(0.06)
Basic and diluted weighted average number of common shares outstanding	25,614	25,630	25,630	25,630	25,630	25,630	25,630	37,966

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Results of Operations

For the nine-months September 30,	2019	2018	2017
Sales	409	2,562	2,225
Interest income	3	-	-
Cost of sales	(101)	(2,062)	(1,646)
Gross profit (loss)	311	500	579
Expenses			
Research and development	(50)	(119)	(111)
Selling	-	(25)	(25)
General and administrative	(478)	(732)	(663)
Reclamation and decommissioning expenses	-	-	-
Exploration expenses	(23)	-	-
Total expenses	(551)	(876)	(799)
Income (loss) from operations			
Finance costs	(82)	(47)	(11)
Stock based compensation	(30)	(75)	(212)
Gain (loss) on sale of subsidiary	(2,365)	-	-
Equity pick up	-	-	-
Foreign exchange gain (loss)	37	(18)	17
Net income (loss) before tax	(2,680)	(516)	(426)
Income tax expense	-	(7)	(5)
Net income (loss)	(2,680)	(523)	(431)
Other comprehensive income (loss)	-	7	(13)
Comprehensive income (loss)	(2,680)	(516)	(444)
Loss per share:			
Basic	\$ (0.07)	\$ (0.02)	\$ (0.01)
Diluted	\$ (0.06)	\$ (0.02)	\$ (0.01)
Weighted average number of shares outstanding:			
Basic	37,966	25,630	25,630
Diluted	42,130	25,630	25,630

The interim condensed consolidated statements of loss and comprehensive loss for the nine months ended September 30, 2019 included the loss and comprehensive loss of STC up to the date of deconsolidation of both STC and Marcon (USA). Furthermore, a loss on the derecognition of the subsidiaries was recorded in the amount of \$2,365 which explains majority of the variance between the nine months ended September 30, 2019 in comparison to nine months ended September 30, 2018.

Sales and cost of sales were \$409 and \$101 respectively, for the nine months September 30, 2019 (nine months September 30, 2018 - \$2,562 and \$2,062). The principal reason for the reduction in sales is the disposal of Marcon (USA) in January 2019 and STC.

There are no further sales from Marcon after the disposal of Marcon (USA) on January 2019. There are no further sales from after the disposal of STC on August 1, 2019.

Total operating expenses for the nine months ended September 30, 2019 were \$551 compared to \$876 for the nine months ended September 30, 2018, primarily due to the disposition of Marcon (USA) and STC.

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Research and development costs incurred by STI have gone down due to reduction of manpower in that company.

General and administrative expenses

	Three months September 30,		Nine months September 30,	
	2019	2018	2019	2018
Salaries and short-term benefits	82	131	269	427
Professional fees	16	54	63	150
Office and general	11	58	92	149
Amortization	-	2	50	6
Bad debt expense	88	-	4	-
	197	245	478	732

General and administrative expenses has decreased by approximately \$254 for the nine months September 30, 2019 in comparison to the nine months September 2018, primarily due to a decrease in salaries and short-term benefits in the stub-period until the date of the Transaction (see *Subsequent events*).

Finance costs

Finance costs for the nine months September 30, 2019 were \$82 in comparison to \$47 during the same period 2018. This is primarily due to the stub-period pick up of interest paid by STC amounting to \$44. As noted above, STC was not accounted for as a subsidiary for the current period.

Gross profit analysis

For the eight quarters, the gross profit margin for the two cash generating units fluctuated within a range of negative 37% to 87%, which was mainly due to the fluctuation of the sales mix between Fox-Tek and Marcon Fox-Tek has an average of about 72% gross profit margins and Marcon has an average of 7% gross profit margins.

See following tables for gross profit margins in the two divisions.

	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Gross profit for Marcon:								
Sales	239	1,634	293	319	266	116	-	-
Cost of sales	328	1,434	270	288	234	104	-	-
Gross profit (loss)	(89)	200	23	31	32	12	-	-
Gross profit %	-37%	12%	8%	10%	12%	10%	0%	0%
Gross profit for Fox-Tek (STI from Q4 2018):								
Sales	91	85	90	141	65	128	280	(115)
Cost of sales	38	11	15	43	19	40	59	102
Gross profit (loss)	53	74	75	98	46	88	221	(13)
Gross profit %	58%	87%	83%	70%	71%	69%	79%	-11%

The Company's revenue continues to be difficult to forecast and is likely to fluctuate significantly from period to period. In addition, the Company's operating results do not follow any past trends. The factors affecting the Company's revenue and results of operations include:

- competitive conditions in the industrial sensing industry, including new products, product announcements and special pricing offered by competitors of the Company;
- market acceptance of the Company's products;
- ability to hire, train and retain sufficient sales and professional services staff;
- ability to complete its service obligations related to product sales in a timely manner;
- varying size, timing and contractual terms of product orders, which may delay the recognition of revenue;
- ability to maintain existing relationships and to create new relationships to assist with sales and marketing efforts;
- the length and variability of the sales cycles for the Company's products;
- strategic decisions by the Company or its competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;
- general weakening of the oil and gas industry resulting in a decrease in the overall demand for the products and services offered by the Company or otherwise affecting its customers' capital investment levels in workforce management software;
- changes in the Company's pricing policies and the pricing policies of its competitors;
- timing of product development and new product initiatives; and
- changes in the mix of revenue attributable to substantially lower-margin service revenue as opposed to higher-margin product license revenue.

Since the Company's revenue will be dependent upon a relatively small number of transactions, even minor variations in the rate and timing of conversion of sales prospects into revenue could cause the Company to plan or budget inaccurately. Such variations could adversely affect the Company's financial results. Delays and reductions in the amount of, or cancellations of, customers' purchases would adversely affect the Company's revenue, results of operations and financial condition.

Historically, the Company's revenues and net results have not been affected by seasons. Seasonal fluctuations will become more significant as the weighting of sales to the oil and gas field increases, since business activity is generally greater in the winter for this sector.

Performance Indicators

In order to evaluate the Company's performance and generate long-term value for its shareholders, the Company has identified the following financial and non-financial performance indicators: (i) Distribution, sales, and long-term recurring revenues; (ii) Products and innovation; (iii) Short-term financial performance and cash flows; and (iv) Strategic acquisitions and development of new projects.

SEGMENTED INFORMATION

In the current and subsequent period, IntellaEquity Inc. has disposed of all significant business units (see *Subsequent events*) and therefore, the Company does not distinguish or group its operations on a geographical or on any other basis, and accordingly has a single reportable operating segment.

Management has applied judgment by aggregating its operating segments into one single reporting segment for disclosure purposes. Such judgment considers the nature of operations, and an expectation of the operating segments within a reportable segment, which have similar long-term economic characteristics.

The Company's Chief Executive Officer is the chief operating decision maker, and regularly reviews the Company's operations and performance on an aggregate basis. IntellaEquity Inc. does not have any significant customers or any significant groups of customers.

LIQUIDITY AND CASH RESOURCES

Net cash used in operating activities was \$3,746 during the nine months ended September 30, 2019 as compared to \$1,177 during the nine months ended September 30, 2018. The Company expensed \$20 as stock-based compensation (2018 - \$75) and incurred a loss on the disposition of the Company's subsidiaries of \$2,365.

Cash provided by investing activities was \$4,422 during the nine months ended September 30, 2019 as a result of cash generated on the disposition of the Company's subsidiaries (2018 – \$Nil).

Cash provided by (used in) financing activities was \$(692) for the nine months ended September 30, 2019 and is comprised of repayments of advances and long-term debt on conversion of debt to equity. (2018 – cash generated of \$1,087, primarily due to debentures issued).

SHARE CAPITAL, WARRANTS, AND OPTIONS

(a) Share Capital

The Company is authorized to issue 400,000 common shares (par value of US \$0.01 per share) of which 37,966 are issued and outstanding. There are 308,115 shares of voting common shares issued and outstanding as of the date of this MD&A (25,630 - December 31, 2018) (see *Subsequent Events*).

(b) Stock Option Plan

The Company has a stock option plan open to directors, officers, full-time employees and consultants of the Company. Under this plan, the Company may grant total options to a maximum of 10% of the issued and outstanding common shares of the Company on a non-diluted basis.

On January 30, 2017, the Company granted 11,500 stock options to directors, officers and consultants of the Company exercisable at a price of \$0.10 per share and expiring on January 30, 2022. The options vest in three equal yearly tranches with the first instalment vesting on January 30, 2017 with the remaining options vesting on the one and two year anniversaries of the initial release. The fair value at date of grant was \$0.032 per option granted. The fair value of the options was calculated using the Black-Scholes option pricing model with the following assumptions: expected life of 5 years, a risk-free rate of 1.14%, expected dividend yield of 0% and an expected volatility of 134%. The expected volatility is based on the historical volatility of the Company's share price over the life of the options. The Company has not paid any cash dividends historically and has no plans to pay cash dividends in the foreseeable future. The risk-free interest rate is based on the yield of Canadian Benchmark Bonds with equivalent terms. The expected option life in years represents the period that the options are expected to be outstanding based on historical warrants issued.

For the nine months ended September 30, 2019, included in the consolidated statements of loss and comprehensive loss is stock-based compensation of \$30 (nine months ended September 30, 2018 – \$75) relating to the stock options granted to directors, officers and consultants of the Company.

A summary of the status of the Company's stock options as at September 30, 2019 and changes during the period then ended is presented below:

	Number of options	Weighted average exercise price
Balance as at December 31, 2018 and September 30, 2019	1,150	\$ 1.00

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The following table summarizes information about stock options outstanding and exercisable as at September 30, 2019:

	Number of options issued and outstanding	Number of options exercisable	Exercise price	Expiry date	Weighted average remaining life (years)
	1,150	1,150	\$ 1.00	30-Jan-22	2.34

(c) Common Stock Purchase Warrants

	Number of warrants	Value	Weighted average exercise price
Balance as at December 31, 2018 and September 30, 2019	3,014	\$ 671	\$ 0.80

	Number of warrants issued and outstanding	Exercise price	Expiry	Weighted average remaining life (years)
	2,020	\$ 0.70	14-Jul-20	1.04
	994	0.10	18-Dec-20	1.47
	3,014	\$ 0.50		0.93

TRANSACTIONS WITH RELATED PARTIES

Related parties include Board of Directors, close family members, key management personnel, enterprises and others who exercise significant influence over the reporting entity. All amounts owing to related parties are unsecured, non-interest bearing and due on demand unless otherwise noted.

- (a) As at September 30, 2019, \$4 (December 31, 2018 - \$4) is owing to a law firm in which a director is a former partner.
- (b) Included in accounts payable and accrued liabilities as at September 30, 2019 is \$Nil (December 31, 2018 - \$21) owing to the CEO and a company controlled by the CEO.
- (c) Included in the interim consolidated statements of loss and comprehensive loss for the nine months September 30, 2019 is \$41 (nine months September 30, 2018 - \$124) paid to a company controlled by the CEO for services.

- (d) During the year ended December 31, 2017, the Company granted 5,500 options to directors and officers of the Company at an exercise price of \$1.00 per share expiring on January 30, 2022. Included in the statements of loss and comprehensive loss for the nine months ended September 30, 2019 is stock-based compensation expense of \$15 (nine months ended September 30, 2018 - \$36) relating to options granted to related parties.
- (e) During the nine months ended September 30, 2019, the Company signed promissory notes secured against the assets of the Company and received \$30 (2018 - \$403) from a company controlled by a director of the Company in addition to \$191 that was outstanding as at December 31, 2018. An amount, \$72 have been during the nine months ended September 30, 2019. The remaining loan of \$154 including accrued interest are due on demand and bear interest at 10% per annum. Total interest of \$5 related to the notes is disclosed as finance costs in the interim consolidated statements of loss and comprehensive loss for the nine months ended September 30, 2019 (2018 - \$4).
- (f) At September 30, 2019, \$Nil (December 31, 2018 - \$511) has been included in accounts payable and accrued liabilities for unpaid remuneration to the CEO of the Company.
- (g) Included in office and general expenses for the nine months ended September 30, 2019 is \$10 (2018 - \$nil) for accounting services provided by the CFO of the Company.
- (h) Included in professional expenses and disbursements for the nine months ended September 30, 2019 is \$15 (2018 - \$nil) for legal services and disbursements provided by Jay Vieira, a director of the Company and CEO of STC.
- (i) Included in research and development expenses for the nine months ended September 30, 2019 is \$18 (2018 - \$18) for services provided by a director of the STC.

KEY MANAGEMENT PERSONNEL COMPENSATION

During the nine months ended September 30, 2019, the Company recognized salaries and short-term benefit expenses of \$204 (nine months ended September 30, 2018 - \$359) for its key management personnel, including the CEO of the Company, CEO of Marcon, VP of Software Solutions and CFO of the Company.

CHANGES IN ACCOUNTING POLICIES

These interim condensed consolidated statements follow the same accounting policies and methods of computation as those described in Note 2 of the annual consolidated financial statements as at and for the year ended December 31, 2018, except those adopted on January 1, 2019 as follows. The implementation of the new policies had no impact to the Company's interim consolidated statements for the nine months September 30, 2019.

IFRS 16, Leases ("IFRS 16") was issued in January 2016 to improve the accounting for leases, generally by eliminating a lessees' classification of leases and introducing a single lessee accounting model. The most significant effect of the new standard will be the lessee's recognition of the initial present value of unavoidable future lease payments as lease assets and lease liabilities on the statement of financial position. Leases with durations of 12 months or less and leases for low value assets are both exempted. The measurement of the total lease expense over the term of a lease will be unaffected by the new standard. However, the new standard will result in the timing of lease expense recognition being accelerated for leases which would be currently accounted for as operating leases.

The presentation on the statement of income and other comprehensive income (loss) required by the new standard will result in most lease expenses being presented as amortization of lease assets and financing costs arising from lease liabilities rather than as being a part of goods and services purchased. The standard is effective for annual periods beginning on or after January 1, 2019 and will supersede IAS 17 Leases. The Company have some leases and has applied the standard effective January 1, 2019. As a result, rights of use assets and lease liabilities of \$205 were recognised as at January 1, 2019 in the interim consolidated statements of financial positions.

Future accounting pronouncements

IFRS accounting standards, interpretations and amendments to existing IFRS accounting standards that were not yet effective as at December 31, 2018, are described in Note 4 to the annual consolidated financial statements as at and for the year ended December 31, 2018. There have been no other changes to existing IFRS accounting standards and interpretations since December 31, 2018 that are expected to have a material effect on the Company's interim consolidated statements.

RISKS AND UNCERTAINTIES

High Degree of Product Concentration

Substantially all the Company's currently anticipated revenues will be derived from a limited number of products and services. Consequently, the Company's performance will depend on establishing market acceptance of these products and services in a single market, as well as enhancing the performance of such products and services to meet the evolving needs of customers. The Company, like other entities involved in a rapidly evolving new industry, faces the risk that the Company's products and services may not prove to be commercially successful or may be rendered obsolete by further scientific and technological developments. There can be no assurances that the Company will establish and maintain a position at the forefront of emerging technological trends. Any reduction in anticipated future demand or anticipated future sales of these products or any increase in competition could have a material adverse effect on the Company's business prospects, operating results or financial condition.

Competition

The Company has experienced, and expects to continue to experience, competition from a number of companies. The Company's competitors may announce new products, services or enhancements that better meet the needs of customers or changing industry standards. Increased competition may cause price reductions, reduced gross margins and loss of market share, any of which could have a material adverse effect on the Company's business, results of operations and financial condition.

Many of the competitors and potential competitors of the Company have significantly greater financial, technical, marketing and/or service resources than does the Company. Many of these companies also have a larger installed base of users, longer operating histories or greater name recognition than the Company. Customers of the Company are particularly concerned that their suppliers will continue to operate and provide upgrades and maintenance over a long-term period. The Company's smaller size and short operating history may be considered negatively by prospective customers. Even if competitors of the Company provide products with more limited system functionality than those of the Company, these products may incorporate other capabilities of interest to some customers and may be appealing due to a reduction in the number of different types of systems used to operate such customers' businesses. Further, competitors of the Company may be able to respond more quickly than the Company to changes in customer requirements and devote greater resources to the enhancement, promotion and sale of their products.

Market Uncertainty

The Company's success depends to a significant degree on its ability to develop the market and gain acceptance for its products and services. There is no assurance that a significant market will develop for the Company's principal products and services. Implementation and adoption of its products have been slow to develop and may continue to be subject to delays. There can be no assurances that the additional commercial applications and markets for the Company's products will develop as currently contemplated.

The market for the Company's products is just beginning to develop and the Company's business plan will continue to require significant marketing efforts and working capital. To manage such development, the Company must continue to expand its existing resources and management information systems and must attract, train, and motivate qualified marketing, management, technical and administrative personnel. There can be no assurance that the Company will be able to achieve these goals.

The Company's success in the Marcon segment depends on and is exposed to the Middle East oil & gas market. The region has gone through some tremendous changes in the last year that have a slight impact on future sales and services in the region, and the United States Government Departments spending patterns in the operating expenditure side of procurement and contracting rather than the CAPEX side of the business and therefore most contracts signed with the Company fall under the maintenance repair and operations ("MRO").

Labour and Key Personnel

The Company depends on the services of its engineers, technical employees, and key management personnel. The loss of one of these people could have a significant unfavorable impact on the Company, its operating results, and its financial position. The success of the Company is largely dependent upon its ability to identify, hire train, motivate, and retain highly skilled management employees, engineers, technical employees, and sales and marketing personnel. Competition for its employees can be intense, and the Company cannot ensure that it will be able to bring in and retain highly skilled technical and management personnel in the future. Its ability to bring in and retain management and technical personnel and the necessary sales and marketing employees could have unfavorable impact on its growth and future profitability. The Company may be obligated to increase the compensation paid to current or new employees, which could substantially increase operating expenses.

Growth Management and Market Development

There is no guarantee that the Company can develop its market significantly, thus affecting its profitability. The Company expected growth might create significant pressure on management, operations, and technical resources. In order to manage its growth, IntellaEquity may need to increase the size of its technical and operational staff and manage its personnel while maintaining many effective relationships with third parties.

Pricing Policies

The competitive market in which IntellaEquity operates could force it to reduce its prices. If its competitors offer large discounts on certain products and services in order to gain market shares or sell products and services, the Company may need to lower its prices and offer other favorable terms in order to compete successfully. Such changes could reduce profit margins and have an unfavorable impact on its operating results. Some of IntellaEquity's competitors could offer products and services that compete with theirs for promotional purposes or as part of a long-term pricing strategy or offer price guarantees or product implementation. With time, these practices could limit the prices IntellaEquity may charge for its products and services. If IntellaEquity cannot offset these price reductions with a corresponding increase in sales volume or decreased expense, the decreased revenues from products and services could unfavorably affect its profit margins and operating results.

Product Failures and Mistakes

IntellaEquity products are complex and therefore may contain failures and mistakes that could be detected at any time in a product's life cycle. Failures and mistakes in its products could have a significant unfavorable impact on its reputation, open it up to significant costs, delay product launch dates, and harm its ability to sell its products in the future. The costs of correcting a failure or mistake in one of these products could be significant and could negatively affect its operating margins. Although IntellaEquity expects to continue to test products to detect failure and mistakes and to work with its customers through its support and maintenance services in order to find and correct failure and mistakes, they could appear in its products in the future. IntellaEquity is exposed to warranty expenses, product recalls and other claims, particularly if the products prove to be defective, which would harm business development and the Company's reputation. IntellaEquity provides one year warranty for its products.

Technological Obsolescence

Competitors and new companies could launch new products. In order to remain on the cutting edge of technology, IntellaEquity may need to launch a new generation of fiber optic sensors and develop its related products and services. Whether it is competition from development companies and /or marketing of fiber optic sensors or a merger or acquisition of existing companies, competition within certain fiber optic sensor industry sectors offering solutions similar to what IntellaEquity offers is vigorous and could increase. Some of IntellaEquity's competitors have significantly greater financial, technical, distribution, and marketing resources than IntellaEquity. Technological progress and product development could make IntellaEquity products obsolete or reduce their value.

Segregation of Duties

Segregation of duties is a basic, key internal control and one of the most difficult to achieve in a small company. It is used to ensure that errors or irregularities are prevented or detected on a timely basis by employees in the normal course of business. Due to the Company's size and limited resources, a complete segregation of duties within the Company's accounting group cannot be fully achieved. The result is that the Company is highly reliant on the performance of mitigating procedures during the process of closing its Consolidated Financial Statements in order to ensure that the financial statements are presented fairly in all material respects. Management will identify and hire additional accounting resources where cost effective and when required. Where it is not cost effective to obtain additional accounting resources, management will review existing mitigating controls and, if appropriate, implement changes to its internal control processes whereby more effective mitigating controls will be adopted.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments include cash, investments at fair value through profit or loss, trade and other accounts receivable, bank indebtedness, accounts payable and accrued liabilities, advances, long-term debt, and convertible debentures.

The Company doesn't have any other instruments that will be settled by the delivery of non-financial assets.

The fair value of financial instruments

The Company has estimated the fair value of its financial instruments as follows:

- Cash is carried at its stated value;
- The share prices quoted in the market approximates the fair value of the investments;
- The carrying value of trade and other accounts receivable, bank indebtedness, accounts payable and accrued liabilities, and advances approximate their fair values due to the short-term nature of these instruments;
- The convertible debentures include liability component, conversion option, and warrants. Both conversion option and warrants meet all the criteria for recognition as equity instruments under IAS 32, financial instruments presentation, and have been recognized as equity components. Management estimated the fair value of a similar liability that doesn't have associated equity components by using a discount rate of 18% at initial recognition and each extension date. The residual amount has been allocated to equity components. Management used the Black-Scholes option pricing model to estimate the fair value of conversion option and warrants, and the residual equity amount is then allocated to based on their relative fair values. At initial recognition date and each extension date, the convertible debentures have been segregated into conversion option, warrants and liability components. The equity components decreased the carry amount of convertible debenture liability and will be accreted into profit and loss using the effective interest method over each extension terms of convertible debentures and bring the carry amount of convertible debenture to their face amounts at maturity dates; and
- Long term debt is carried at amortized cost. It has a fixed interest rate which is paid monthly.

FINANCIAL RISK MANAGEMENT

The Company has exposure to counterparty credit risk, liquidity risk and market risk associated with its financial assets and liabilities. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Audit Committee which is responsible for developing and monitoring the Company's compliance with risk management policies and procedures. The Audit Committee regularly reports to the Board of Directors on its activities.

The Company's risk management program seeks to minimize potential adverse effects on the Company's financial performance and ultimately shareholder value. The Company manages its risks and risk exposures through a combination of insurance, a system of internal and disclosure controls, and sound business practices.

Cash and Cash Equivalents

Cash and cash equivalents consists of bank balances and petty cash. Credit risk associated with cash and bank is minimized substantially by ensuring that these financial assets are invested in debt instruments of highly rated financial institutions. As at September 30, 2019, the Company held cash and bank balances of \$7 (December 31, 2018 - \$44).

Trade and Other Accounts Receivable

Accounts receivable consists primarily of trade accounts receivable from the sale of equipment, installation and reporting services. The Company's credit risk arises from the possibility that a counterparty which owes the Company money is unable or unwilling to meet its obligations in accordance with the terms and conditions in the contracts with the Company, which would result in a financial loss to the Company.

This risk is mitigated through established credit management techniques, including monitoring counterparty creditworthiness, setting exposure limits and monitoring exposure against these customer credit limits.

The carrying amount of accounts receivable is reduced through the use of an allowance for doubtful accounts and the amount of the loss is recognized in the statement of loss in expenses. When a receivable balance is considered uncollectible, it is written off against the allowance for accounts receivable. Subsequent recoveries of amounts previously written off reduce general and administrative expenses in the statement of loss. Historically, trade credit losses have been minimal.

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 has working capital of \$10 (December 31, 2018 – deficiency of \$2,125). The following items are the contractual maturities of financial liabilities:

September 30, 2019	Carrying amount	Contractual cash flows	0 to 12 months	12+ months
Accounts payable and accrued liabilities	95	95	95	-
Reclamation and decommissioning obligations	-	-	-	-
Advances	-	-	-	-
Income taxes payable	-	-	-	-
Debentures	-	-	-	-
Non-cash liabilities	-	-	-	-
Long-term debt	175	175	56	119
Lease obligations	161	161	42	119
	431	431	193	238

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December 31, 2018	Carrying amount	Contractual cash flows	0 to 12 months	12+ months
Accounts payable and accrued liabilities	2,095	2,095	2,095	-
Reclamation and decommissioning obligations	411	411	411	-
Advances	608	608	608	-
Income taxes payable	24	24	24	-
Debentures	54	54	54	-
Non-cash liabilities	24	24	24	-
Long-term debt	200	200	50	150
Lease obligations	-	-	-	-
	3,416	3,416	3,266	150

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the fair value of recognized assets and liabilities or future cash flows or the Company's results of operations. To contend with changes in market prices, the Company constantly reviews its current and planned expenditures to ensure it has adequate resources to continue operations. The Company primarily sells goods in Canada and the United States and attempts to limit its exposure by transacting in the local currency and therefore limiting exposure to foreign exchange rates.

Foreign Exchange

The Company operates primarily in Canada and the United States.

The presentation currency is Canadian dollars and the functional currency of the parent company is the Canadian dollars. As at September 30, 2019, the Company's US dollar net monetary assets totalled \$8 (December 31, 2018 – a net monetary liability of \$227). Accordingly, a 5% change in the US dollar exchange rate as at June 30, 2019 on this amount would have resulted in an exchange gain or loss and therefore net income would have increased (decreased) by \$1.

Capital Management

The Company manages the capital structure and adjusts in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares or debt. The Company considers its capital to include shareholders' equity (deficiency) which amounts to \$10 (December 31, 2018 - \$(2,125)).

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders.

The Company has no commitments, other than convertible debentures and warrants, to sell or otherwise issue common shares. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company has not changed its approach to capital management during the nine months ended September 30, 2019.

Investor Relations

During the nine months ended September 30, 2019, the Company performed its own investor relations. The Company will continue to perform its own investor relations for the foreseeable future.

SUBSEQUENT EVENTS

On October 28, 2019, the IntellaEquity Inc. completed a transaction with CannCentral Inc. (“CannCentral”) that resulted in a reverse take-over of the Company by the shareholders of CannCentral (the “Agreement”). Pursuant to the terms of the agreement, the Company, its subsidiary Paragon Blockchain Inc. and CannCentral will completed a three-cornered amalgamation under the Business Corporations Act (Ontario). CannCentral amalgamated with Paragon Blockchain Inc. as a wholly-owned subsidiary of the Company.

Under the Agreement, IntellaEquity acquired all CannCentral shares at an exchange ratio of one IntellaEquity share for two Class A common shares of CannCentral and one IntellaEquity share for one Class B or C shares of CannCentral (the “Exchange Ratio”). Further, CannCentral will cancel all its currently outstanding warrants and new warrants will be issued by IntellaEquity under the same terms, in accordance with the Exchange Ratio. The shareholders of the CannCentral were issued an aggregate of 270,150 shares based on the deemed value ascribed to CannCentral and negotiated by the Company of approximately \$14,100, at a deemed issuance price of \$0.05 per share.

The Company concurrently filed articles of amendment with a name change to Media Central Corporation Inc. (“Media Central”). As a result of the transaction, Media Central became the sole beneficial owner of all outstanding securities of CannCentral.

As a result of the transaction, Media Central has 308,115 common shares issued and outstanding on an undiluted basis. Accordingly, 9% of the resulting issuer are held by shareholders of IntellaEquity and 91% of the shares of the resulting issuer are held by shareholders of CannCentral. Media Central commenced trading on the Canadian Securities Exchange under the symbol “FLYY”.