WATERWAYS TECHNOLOGIES INC.
(FORMALLY SAGITTARIUS CAPITAL CORPORATION)

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

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

April 29, 2019

The following Management's Discussion and Analysis ("MD&A") of the operating results and financial position is effective April 29, 2019. The MD&A is supplementary to, and should be read in conjunction with the audited financial statements for the years ended December 31, 2018 and 2017. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") in Canada. All monetary amounts are expressed in Canadian dollars.

FORWARD-LOOKING INFORMATION

The discussion and analysis and other sections of this report contain forward-looking statements. These forward-looking statements, by their nature, necessarily involve risks and uncertainties that could cause results to differ materially from those contemplated by these forward-looking statements. Management considers the assumptions on which these forward-looking statements are based to be reasonable at the time the statements were prepared, but cautions the reader that actual results could differ materially from those anticipated.

General Overview

Water Ways Technologies Inc. ("Water Ways" or the "Company" formerly known as Sagittarius Capital Corporation) was incorporated under the *Business Corporations Act* (Ontario) on April 20, 2007 and is classified as a Capital Pool Corporation as defined by TSX Venture Exchange ("TSX-V") Policy 2.4 (the "Exchange Policy"). The Company has nominal assets other than cash and proposes to identify and evaluate potential acquisitions or businesses.

In the opinion of management, all adjustments consisting of normal recurring adjustments considered necessary for a fair presentation of the Company's financial position, results of operations, and cash flows, have been included. The Company has not commenced active business operations and, therefore, no segmented information is available.

Recent Developments

Water Ways currently had not commenced commercial operations but had entered into a Securities Exchange Agreement with Israeli-based Irri-Al-Tal Ltd. ("Irri-Al-Tal") (the "Arrangement"), whereby the Arrangement will constitute the Qualifying Transaction ("QT") of the Company pursuant to the policies of the TSX-V.

On June 21, 2018, the Company and Irri-Al-Tal entered into an amended and restated letter of intent ("LOI"), superseding the terms of the LOI entered into on December 28, 2017, as amended on April 24, 2018, whereby the Arrangement is intended to be the QT of the Company. The terms of the QT are as follows:

1) Sagittarius and Irri-Al-Tal are expected to enter into a share exchange agreement (the "Securities Exchange Agreement") whereby Irri-Al-Tal shareholders will exchange all of their issued and outstanding common shares of Irri-Al-Tal for common shares of Sagittarius and Irri-Al-Tal will become a wholly-owned subsidiary of Sagittarius.

2) Pursuant to the Securities Exchange Agreement, holders of Irri-Al-Tal common shares are expected to be entitled to receive two (2) Consolidated Sagittarius Shares for every one (1) Irri-Al-Tal Share ("Share Exchange"). The Board of Directors of the resulting issuer is expected to be comprised of up to five (5) directors, of which three (3) individuals will be the nominees of Irri-Al-Tal, and two (2) individuals will be nominees of Sagittarius.

3) Sagittarius will be required to seek shareholder approval for: (i) a share consolidation of the common shares in the Company ("Sagittarius Shares") on a 1.4964285 old shares for one (1) new share basis; and (ii) a name change to "Water Ways Technologies Inc." or as otherwise approved by the directors of the Company.

4) Prior to the Share Exchange, Irri-Al-Tal intends to complete a private equity financing (the "Private Placement") concurrently with listing of up to an amount of $2,000,000 comprised of units at a price of $0.50 per unit. Each unit will be comprised of one (1) Irri-Al-Tal share and one half (1/2) of one Irri-Al-Tal share purchase warrant, with each whole warrant being exercisable into one (1) Irri-Al-Tal share at an exercise price of no less than $0.80 for a period of 24 months from the closing date of the Private Placement.

Completion of the QT is subject to completion of due diligence, receipt of all requisite consents, acceptances and regulatory approvals, and all director and shareholder approvals, execution of definitive agreements and certain other conditions that are customary for transactions of this nature. Following completion of the Arrangement, it is anticipated that the Resulting Issuer will be eligible to become a Tier 2 issuer on the TSX-V.

On August 21, 2018, the Company, Irri-Al-Tal and Irri-Al-Tal shareholders entered into the Securities Exchange Agreement to effect the Share Exchange on closing on the QT.

On August 23, 2018, the Company filed its preliminary prospectus in regard to the proposed QT.

On March 6, 2019, the Ministry of Ontario approved the article of amendment regarding the name change from Sagittarius Capital Corporation to Water Ways Technologies Inc.

On March 7, 2019, the Company closed its QT with Irri-Al-Tal. In connection with the QT, the Company completed an Offering of 11,272,500 units for gross proceeds of $2,818,125. Each unit is comprised of one (1) common share and one-half (1/2) of one common share purchase warrant ("Warrant") of Water Ways at a price of $0.40 per unit, for a total issuance of 11,272,500 common shares and 5,636,250 Warrants. Each Warrant is exercisable into one common share at $0.40 until March 6, 2021.

Immediately prior to the closing of the QT, Irri-Al-Tal completed a non-brokered Concurrent Private Placement of units ("IAT Unit") raising gross proceeds of $291,445. Each IAT Unit was issued at a price of $0.50 and was comprised of one (1) ordinary share in the capital of IAT and one-half (1/2) of one ordinary Warrant. Each whole Warrant entitled the holder thereof to acquire one (1) ordinary share at a price of $0.80 until March 5, 2021. The securities issued in connection with this private placement were converted into common shares and warrants of Water Ways, respectively, in connection with the QT with such conversion being completed on the basis of a two (2) Water Ways common shares to one (1) IAT Unit.

On March 18, 2019, the Company entered into a LOI with an arm's length third party to acquire the assets (the "Acquisition") of a Canadian distributor of irrigation and agriculture components located near London, Ontario.

According to the terms of the LOI, the Company will acquire the assets of the Distributor for total consideration of $500,000. The consideration will be payable as follows:

- $20,000 payable in cash on the date of signing the LOI;
- $455,000 payable in cash on the closing date (the "Closing Date"); and
- $25,000 is payable in common shares of Water Ways, at a deemed per share issue price equal to the lesser of (i) $0.25 and (ii) the 30-day volume-weighted average price prior to the Closing Date, subject to escrow provisions to be agreed upon. Upon closing, the Distributor will cease commercial operations and its sole shareholder and managing director will become an employee and manager of the Company's Canadian operations and will enter into an employment agreement with the Company.
- The LOI also provides for certain working capital adjustments, whereby the receivables for orders prior to the Closing Date and inventory relating thereto shall remain the property of the Shareholder.

The Acquisition is subject to the Company completing due diligence, entering into definitive agreements, securing a lease to operate the Distributor's business by Water Ways after completing the Acquisition, receipt of applicable regulatory approvals and entering into a non-competition agreement with the Shareholder.

Outlook

Pursuant to the Acquisition, the Company intends to establish a wholly-owned Canadian subsidiary which will acquire the Distributor's assets and leverage their business relationships with the Canadian farming community to market and sell irrigation projects and components. Water Ways further intends to retain the Distributor's sales force to focus on marketing and selling irrigation projects to the growing needs of Canadian cannabis licensed producers. Water Ways believes that the Distributor's sales force is well positioned to capture a significant share of the Canadian wholesale irrigation market.

In addition, Water Ways's extensive offering of Israeli technology-based irrigation components and equipment as well as access to the latest industry "know-how" provides it with an advantage to potentially become a significant vendor to Canadian farmers and cannabis licensed producers in the short to medium term.

Selected Financial Information

Summarized selected financial information with respect to Sagittarius for the years ended December 31, 2018 and 2017 are as follows:

For the years ended December 31,	**2018**	**2017**
	$	$
Total expenses	29,982	24,912
Net loss	(29,982)	(24,912)
Loss per share	(0.008)	(0.007)
Total assets	75,034	5,542
Total liabilities	161,449	61,975
Shareholders' deficiency	(86,415)	(56,433)

Summary of Quarterly Results

The following table presents selected financial data of Sagittarius for its last eight quarters as reported in the particular period:

Period	Net profit (loss)	Profit (loss) per share
	$	$
2018 Q4	(4,005)	(0.001)
2018 Q3	(4,416)	(0.001)
2018 Q2	(10,349)	(0.003)
2018 Q1	(11,212)	(0.003)
2017 Q4	(8,133)	(0.003)
2017 Q3	(5,078)	(0.001)
2017 Q2	(6,990)	(0.002)
2017 Q1	(4,711)	(0.001)
2016 Q4	(5,693)	(0.002)

Results of Operations

Year ended December 31, 2018 and 2017

The Company recorded expenses of $29,982 during the year ended December 31, 2018 compared to total expenses of $24,912 for the year ended December 31, 2017.

During the year ended December 31, 2018, the Company incurred professional fees of $21,437 representing legal, audit and accounting fees associated with its operations compared to $16,918 during the comparative period. Filing fees and office and general expenses were $7,743 (2017 – $7,743) and $802 (2017 – $251), respectively, for the current period.

Net loss for the year ended December 31, 2018 was $29,982 (per share loss of $0.008) compared to a net loss of $24,912 during the comparative period (per share loss of $0.007)

Liquidity

As at December 31, 2018, the Company had cash of $8,892 (December 31, 2017 – $4,523), and HST and other receivables of $66,142 (December 31, 2017 – $1,019). The Company's cash flow is primarily financed through HST refunds claimed on its normal business expenditures incurred as a result of maintaining public company status. HST refunds represent the single source of cash flows for the Company going into 2019.

Total liabilities were $161,449 as at December 31, 2018, compared to $61,975 as at December 31, 2017. The increase is primarily attributable to the accrual of professional fees incurred during the current period.

Shareholders' deficiency totaled $86,415 as at December 31, 2018 (December 31, 2017 – $56,433), for an increase of $29,982, as a result of the net loss incurred during the year ended December 31, 2018.

The Company is looking at other sources of financing to remain as a going concern entity.

Capital Resources

The Company financed its operations during the year ended December 31, 2018 and 2017, mainly through the remaining cash proceeds from its initial public offering, and from HST refunds claimed on its normal business expenses.

Cash raised from the Concurrent Financing will be used to finance the Company's working capital going forward for its pipeline projects.

Off-Balance-Sheet Arrangements

As of December 31, 2018, Sagittarius had no off-balance-sheet arrangements.

Related Party Transactions

Transactions with related parties, if any, are incurred in the normal course of business and are measured at the exchange amount which is the amount of consideration established and approved by the related parties.

During the year ended December 31, 2018, the Company incurred accounting fees of $10,000 (2017 – $10,900) to Branson Corporate Services Ltd. ("Branson"), a company in which a director has a non-controlling indirect interest. The Company also recovered legal fees and disbursements of $8,688 (2017 – fees and disbursement of $1,683) from Fogler, Rubinoff LLP ("Fogler"), a law firm in which a director of the Company is a Partner.

As of December 31, 2018, an amount of $37,417 (December 31, 2017 – $26,117) owed to Branson, and an amount of $89,103 (December 31, 2017 – $9,587) owed to Fogler, were included in accounts payable and accrued liabilities. As at December 31, 2018, the Company also owed $12,821 (December 31, 2017 – $12,821) to a director, as well as $15,147 (December 31, 2017 – $7,229) to FMI Capital Advisory Inc., a company where the minor children of the director hold an indirect interest. These amounts are unsecured, non-interest bearing and due on demand.

There was no remuneration paid to directors and key management personnel during the years ended December 31, 2018 and 2017.

Share Capital

As at December 31, 2018, the Company had authorized unlimited common shares without par value and had issued 4,190,000 common shares (December 31, 2017 – 4,190,000 common shares) and had no options issued and outstanding. As of the date of this MD&A, the Company has a total of 78,138,152 issued and outstanding common shares following the 1 for 1.4964285 consolidation given effect on March 6, 2019.

Financial Instruments

Financial assets

Financial assets within the scope of IFRS 9 'Financial Instruments' ("IFRS 9") are classified as financial assets at fair value through profit or loss ("FVTPL"), financial assets at fair value through other comprehensive income (loss) ("FVTOCI") and financial assets at amortized costs, as appropriate.

Classification and measurement

The Company determines the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus directly attributable transaction costs.

The Company's financial assets, including cash and receivables excluding any sales tax amounts, are measured at amortized cost.

<u>Recognition and measurement</u>

Subsequent to initial recognition, all financial assets are measured at amortized cost, at FVTOCI or at FVTPL. At each reporting date, impairment requirements are applied to financial assets measured at amortized cost and at FVTOCI.

<u>Determination of fair value</u>

The determination of fair value requires judgment and is based on market information, where available and appropriate. The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2018 and 2017, the Company does not have any financial instruments carried at fair value and that require classification within the fair value hierarchy.

Financial liabilities

All financial liabilities within the scope of IFRS 9 are measured at amortized cost, except for financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, contingent consideration recognized by an acquirer in a business combination to which IFRS 3 – Business Combinations applies. Such contingent consideration shall subsequently be measured at fair value with changes recognized in profit or loss.

The Company's financial liabilities consist of accounts payable and accrued liabilities, and are measured at amortized cost.

Critical Accounting Estimates

The preparation of the Company's audited financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of policies, reported amounts and other disclosures in the audited financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. There have been no significant judgements made by management in the application of IFRS that have a significant effect on these financial statements, with exception to accounts payable and accrued liabilities, deferred taxes and the going concern assumption.

Adoption of New Accounting Policies

The Company had retroactively adopted the following new standard, effective January 1, 2018. The change was made in accordance with the applicable transitional provisions. There was no material impact on the Company's financial statements.

IFRS 9 – Financial Instruments ("IFRS 9")

IFRS 9 was issued by the IASB in July 2014 and replaces IAS 39 'Financial Instruments: Recognition and Measurement' ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39.

Risk Management

The Company is exposed to different types of risks in the normal course of operations, including credit risk and liquidity risk. There have been no significant changes in the risks, objectives, policies and procedures during the years ended December 31, 2018 and 2017.

Fair Value

The carrying amounts for cash, HST and other receivables, accounts payable and accrued liabilities, and due to related party on the audited statements of financial position approximate fair value given that they are primarily short-term in nature.

Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash balances and other receivables. Cash is held with a reputable Canadian chartered bank and in trust by the Company's legal counsel. The Company manages the credit exposure related to cash of $8,892 as at December 31, 2018 (December 31, 2017 – $4,523) by making sure that the Company maintains bank accounts with Schedule 1 banks in Canada. The carrying amount of cash represents the maximum credit exposure.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. All of the Company's accounts payable and accrued liabilities, and due to related party are due within one year.

Capital Management

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund ongoing operations and finance the identification and evaluation of potential investments.

The Company considers share capital, share option reserve, and accumulated deficit in the amount of $86,415 as at December 31, 2018 (December 31, 2017 – $56,433) to represent capital.

The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2018 and 2017.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSX-V which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

Subsequent Events

On March 6, 2019, the Ministry of Ontario approved the article of amendment regarding the name change from Sagittarius Capital Corporation to Water Ways Technologies Inc.

On March 7, 2019, the Company closed its previously announced QT with Irri-Al-Tal. In connection with the QT, the Company completed an Offering of 11,272,500 units for gross proceeds of $2,818,125. Each unit is comprised of one (1) common share and one-half (1/2) of one common share purchase warrant ("Warrant") of Water Ways at a price of $0.40 per unit, for a total issuance of 11,272,500 common shares and 5,636,250 Warrants. Each Warrant is exercisable into one common share at $0.40 until March 6, 2021.

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The Acquisition is subject to the Company completing due diligence, entering into definitive agreements, securing a lease to operate the Distributor's business by Water Ways after completing the Acquisition, receipt of applicable regulatory approvals and entering into a non-competition agreement with the Shareholder.