# JAGUAR FINANCIAL CORPORATION
## MANAGEMENT'S DISCUSSION AND ANALYSIS

**For the nine months ended September 30, 2020**

**Management's Discussion and Analysis – Nine Months Ended September 30, 2020**

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of the Company are the views of management and should be read in conjunction with the consolidated financial statements and related notes for the nine months ended September 30, 2020 and 2019, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures are expressed in Canadian dollars unless otherwise indicated.

This report is dated as at November 26, 2020, and the Company's additional public filings can be reviewed via the SEDAR website (www.sedar.com).

The Company's Audit Committee and Board of Directors have reviewed and approved the MD&A.

## Business Focus

Jaguar Financial Corporation ("Jaguar" or the "Company") is a Canadian merchant bank generally investing in companies Jaguar determines to be undervalued, overlooked and underappreciated. The investments made are usually event- driven, for example, where an investment is made in a company that is the subject of a takeover bid or where some other change is initiated by a third party or a shareholder of the subject company. Jaguar's objective is to assist management of the undervalued company to create value that the market is missing.

Jaguar has made friendly supportive investments in companies such as Lakeside Steel Inc., Royal Laser Corp., WGI Heavy Minerals Inc., Thallion Pharmaceuticals Inc., Virtek Vision International Inc. and Century II Holdings Inc. ("Century") where Jaguar participated in strategic changes that resulted in the creation of shareholder value.

Century had redundant cash resources of approximately $21 million, was generating substantial cash flow and was undervalued. Jaguar acquired 19.9% of the issued shares of Century. Jaguar arranged a financing commitment of $65 million and made a take-over bid for all of the remaining issued shares of Century. A competing bidder made a bid at a price that was 51% higher than the Jaguar bid price. Jaguar tendered its shares in the competing bid and realized a gain of $10.2 million.

Jaguar had identified HudBay Minerals Inc. ("HudBay") as a cash rich target where its market cap was less than the total cash resources, with no value being ascribed to HudBay's revenue of $1.0 billion and $250 million in EBITDA. When HudBay proposed a merger with Lundin Mining Corporation ("Lundin") involving 100% dilution to the HudBay shareholders and without any required approval by the HudBay shareholders, Jaguar acquired 1.0% of the issued shares of HudBay at a market price representing a 38% discount to the cash per share in HudBay. Jaguar appealed a decision of the Toronto Stock Exchange to the Ontario Securities Commission which resulted in the termination of the proposed merger with Lundin. The HudBay shares increased in value to a level that represented 3.2 times its cash resources.

In separate transactions, Jaguar acquired substantial ownership positions in Virtek Vision International Inc. and Kinbauri Gold Corp., two companies that were the subject of take-over bids. Jaguar was successful in improving the ultimate acquisition prices for both companies.

Jaguar acquired 14% of the issued shares of Thallion Pharmaceuticals Inc. ("Thallion"), a biotech company with substantial cash resources. As the largest shareholder, Jaguar negotiated an improvement in the offer made by BELLUS Health Inc. ("BELLUS") to acquire Thallion. Jaguar entered into a voting support agreement with Thallion to support the improved BELLUS offer and concurrently Vic Alboini ("Alboini"), Chief Executive Officer ("CEO") of Jaguar, was appointed to the BELLUS Board of Directors. Jaguar realized a gain on its investment in Thallion.

In 2011 Jaguar acquired shares of BlackBerry Limited, formerly Research in Motion Limited, ("BlackBerry") with a view to implementing corporate governance changes at Blackberry. Jaguar called for a replacement of the Co-CEOs, a strengthening of the Board of Directors, and the need to carry out a strategic review of merger and acquisition options. While a new CEO was appointed in January 2012, the new CEO was an internal candidate and was not the transformational leader that Blackberry required. Late in the day Blackberry did add new high-quality directors. Also, after a substantial delay Blackberry also engaged financial advisors to carry out a strategic review. This review process was unfortunately carried out when Blackberry was in serious trouble. The delays in implementing management and Board of Directors changes and in carrying out a strategic review resulted in a sharply declining share price.

Blackberry finally appointed a transformational leader, John Chen, who has turned Blackberry into a software company.

Through May 2016, Jaguar and its joint actors acquired 19% of the shares of Alternative Earth Resources ("AER"). Jaguar was interested in creating value for the shareholders of Alternative Earth. In 2015, Jaguar commenced civil proceedings against AER and its directors. The Supreme Court made various findings in the first petition judgment including that AER's Black Sea transaction was not procedurally and not substantively fair and reasonable. The court decided that AER's directors acted in a manner that was oppressive and unfairly prejudicial to Jaguar. In the second petition judgment the court determined, among other things, that AER acted contrary to the reasonable expectations of its shareholders by failing to abide by court orders in a prompt manner, by failing to disclose documents ordered to be produced forthwith until pursued with multiple demands and by issuing misleading press releases. The court determined that AER acted in a manner that was oppressive to Jaguar and that there was a threat of continued conduct from AER that was unfairly prejudicial to Jaguar. On May 5, 2016, Jaguar announced that the British Columbia Court of Appeal set aside the orders made by the judge in the first and second petitions. On June 7, 2016, Jaguar and AER reached a resolution of all matters in dispute between the parties. Under the arrangement, Jaguar agreed to sell its investment in AER in a private sale, and AER agreed to waive certain costs awards made in favour of AER in connection with civil actions Jaguar conducted against AER, and to pay Jaguar $50,000.

In recent months, the Company has been assessing various opportunities to deploy its capital in one or more businesses to create shareholder value. The Company does not intend to make any further announcements regarding its review until the Board of Directors has approved a specific possible transaction or other course of action requiring disclosure. Jaguar may also consider financing alternatives, including a rights offering or private placement.

On June 13, 2018 the Company consolidated its share capital on a 1:10 basis, consolidating its 109,103,830 previously outstanding common shares to 10,910,383 common shares. On February 20, 2020 the Company's listing was transferred to the NEX board of the TSX Venture Exchange and the new trading symbol is JFC.H.

**Changes to Board of Directors and Management**

On July 7, 2020, the Company announced that Victor Alboini (Chairman and CEO), Doug Harris (Director), and Gerald Sternberg (Director) had each resigned from their specific positions with the Company. The Company appointed Michael Lerner (Director and CEO), Harvey McKenzie (Director) and Neil Novak (Director) to the Board of Directors to fill the vacancies created by the foregoing resignations. In addition, Michael Lerner was appointed as CEO.

On July 13, 2020, Grant Duthie was appointed as Corporate Secretary.

The change in Directors and management was made to allow the Company to pursue other potential opportunities.

**Investments**

The Company's investment portfolio was liquidated during the period ended September 30, 2020. The Company's strategy, as discussed above, will remain the same going forward. The current economic and capital market environment, though challenging, provides opportunities for the Company to enhance shareholder value.

**Summary of Quarterly Results**

The following table provides selected unaudited financial information for each of the last eight quarters, presented in Canadian dollars:

| Three Months Ended | Cash ($) | Current Liabilities ($) | Net (Loss) ($) | Gain (Loss) Per Share ($) | Weighted Average Shares Outstanding |
|---|---|---|---|---|---|
| September 30, 2020 | 47,066 | 40,581 | (83,327) | (0.01) | 10,924,009 |
| June 30, 2020 | 24,341 | 39,282 | 64,277 | 0.01 | 10,910,383 |
| March 31, 2020 | 1,760 | 71,217 | (109,597) | (0.01) | 10,910,383 |
| December 31, 2019 | 773 | 106,413 | (8,248) | (0.00) | 10,910,383 |
| September 30, 2019 | 7,265 | 88,553 | (88,934) | (0.01) | 10,910,383 |
| June 30, 2019 | 19,881 | 86,568 | (43,199) | (0.00) | 10,910,383 |
| March 31, 2019 | 3,480 | 82,088 | (119,130) | (0.01) | 10,910,383 |
| December 31, 2018 | 37,615 | 97,313 | 50,270 | 0.00 | 10,910,383 |

The fluctuation in income and total assets quarter over quarter, throughout the eight quarters, is reflective of investment gains and losses, and the fluctuation in the prices of the securities held by the Company.

**Results of operations for the three months ended September 30, 2020**

*Financial Highlights for the three months ended September 30, 2020 and 2019:*

| Operating Results | Three months ended September 30 2020 ($) | 2019 ($) |
|---|---|---|
| Gain (loss) on investments and derivatives, net | (12,328) | (32,806) |
| **Net and comprehensive gain (loss) for the period** | **(83,327)** | **(88,934)** |
| Net (loss) per share – basic and diluted | (0.01) | (0.01) |

For the three months ended September 30, 2020, the Company generated a net loss of $83,327 compared to a net loss of $88,934 for the same period in 2019.

The Company sold its remaining 612,000 shares of Moneta Porcupine Mines Inc. (“Moneta”) during the September 2020 quarter, receiving proceeds of approximately $98,000. For the three months ended September 30, 2020, the Company had an unrealized gain on investments of $Nil (2019 – $11,466), a realized loss on investments of $12,328 (2019 – $22,244) and a loss on derivatives of $Nil (2019 – gain of $904) resulting in a net gain on investments and derivatives of $12,328 (2019 – $32,806). The unrealized gain/loss on investments relates to the change in the closing market over cost of the investment portfolio during the period.

Total expenses were $83,327 in the quarter ended September 30, 2020 (2019 – $88,934). Management, director and consulting fees increased to $30,250 (2019 - $11,643). Management fees will fluctuate based on incentive compensation. In the September 2020 quarter, the incoming CEO charged a management fee of $25,000, representing most of the increase. Office and general expenses decreased to $10,187 (2019 – $17,638). The Company reported legal and audit fees in the amount of $30,562 (2019 – $13,698). Also included in 2019 expenses is $11,573 in stock-based compensation, $450 in transaction costs, and $1,126 in shareholder information and transfer agent fees. Transactions costs increase or decrease relative to the volume of transactions during the period. Management is reviewing all expenses for potential rationalization opportunities in future periods.

**Results of operations for the nine months ended September 30, 2020**

*Financial Highlights for the nine months ended September 30, 2020 and 2019:*

| | Nine months ended September 30 | |
|---|---|---|
| **Operating Results** | **2020 ($)** | **2019 ($)** |
| Gain (loss) on investments and derivatives, net | 20,492 | (74,453) |
| **Net and comprehensive gain (loss) for the period** | **(128,647)** | **(251,263)** |
| Net (loss) per share – basic and diluted | (0.01) | (0.02) |

For the nine months ended September 30, 2020, the Company sold 1,952,000 shares of Moneta generated proceeds of $264,492. A net loss of $128,647 was reported in the first nine months of 2020 (2019 – ($251,263)). For the nine months ended September 30, 2020, the Company had an unrealized gain on investments of $120,733 (2019 – $33,053), a realized loss on investments of $100,241 (2019 –$107,186) and a loss on derivatives of $Nil (2019 – $320) resulting in a net gain on investments and derivatives of $20,492 (2019 – loss of $74,453). The unrealized gain/loss on investments relates to the change in the closing market over cost of the investment portfolio during the period.

Total expenses were $149,139 in the nine months ended September 30, 2020 (2019 – $176,810). Management, director and consulting fees were increased slightly to $60,500 (2019 - $51,485) due to a management fee paid to the incoming CEO and incentive compensation. Office and general expenses decreased to $14,120 (2019 – $64,973). The Company reported legal and audit fees in the amount of $65,996 (2019 – $28,499). Also included in expenses is $1,070 in transaction costs (2019 - $1,500), $3,000 in travel (2019 - $Nil) and $2,403 in shareholder information and transfer agent fees (2019 – $18,780). Transactions costs increase or decrease relative to the volume of transactions during the period.

**Share Capital Information**

The Company's shares of common stock, warrants and stock options outstanding as at November 26, 2020, September 30, 2020, and December 31, 2019, were as follows:

| | November 26, 2020 | September 30, 2020 | December 31, 2019 |
|---|---|---|---|
| Common Shares | 10,970,383 | 10,970,383 | 10,910,383 |
| Warrants | — | — | — |
| Stock Options | 1,097,039 | 87,000 | 1,091,000 |
| Fully diluted | 12,067,422 | 11,057,383 | 12,001,383 |

On June 20, 2020, 35,000 stock options expired. On July 7, 2020, 909,000 stock options were cancelled. On July 28, 2020, 60,000 stock options were exercised. On October 8, 2020, 1,010,039 stock options were granted.

**Dividend**

No dividends were declared or paid in the periods ended September 30, 2020 and 2019. On March 20, 2015, the Board approved a dividend of $0.001 per share on its common shares, paid on April 17, 2015, to shareholders of record at the close of business on April 3, 2015. Jaguar's Board of Directors intends to declare future dividends in amounts that represent an approved percentage of performance gains, likely up to 50% of any such gain. All dividends require the specific prior approval of the Jaguar Board. The Company has previously declared a dividend of $0.00055 per share in 2012 and dividends totaling $0.0093 per share in 2011.

## Liquidity and Capital Resources

As at September 30, 2020, the Company had cash and investments, at fair value of $47,066 (December 31, 2019 – $244,773). The Company had assets of $60,208 as at September 30, 2020 (December 31, 2019 - $251,687). The Company had current liabilities of $40,581 (December 31, 2019 - $106,413) and working capital of $19,627 as at September 30, 2020 (December 31, 2019 – $145,274).

The fair value of the Company's investment portfolio was $Nil as at September 30, 2020, as compared to $244,000 as at December 31, 2019. The common shares in the portfolio were liquidated for cash in 2020. As at September 30, 2020, the Company held no investments in one company (December 31, 2019 - investments in one company).

The Company had loans outstanding of $Nil at September 30, 2020 (December 31, 2019 - $Nil).

The Company maintains a margin account with its broker that carries an interest rate that varies between 3% and 5.25% depending on the outstanding balance. Security on the loan was provided by a charge on all of the Company's investments.

Presently, the Company has sufficient funds on hand to fund its working capital requirements for the foreseeable future. Changes in equity prices will affect the value of the Company's financial instruments. However, management knows of no other expected fluctuations in its liquidity.

The fair value used in valuing the Company's investment portfolio is based on the closing market price of each security held in the Company's investment portfolio as at September 30, 2020.

## Related party information

The Company had related party transactions with directors and officers of the Company, or companies with which they were associated as follows in the table below for the nine months ended September 30, 2020 and 2019. Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Amounts are unsecured, non-interest bearing and due on demand.

| | **As at September 30, 2020** | **As at December 31, 2019** |
|---|---|---|
| Prepaid expenses[1] | $ - | $ 3,000 |
| Accounts payable and accrued liabilities[2] | - | 32,920 |

1. Prepaid travel advances to Vic Alboini.
2. Accrued director fees.

## Compensation to key management personnel

Compensation for the nine months ended September 30, 2020 and 2019 due to persons and corporations in charge of the planning, direction and control of the Company, including executive and non-executive directors, is as follows:

| | **2020** | **2019** |
|---|---|---|
| Salaries, fees and benefits | $ 43,757 | $ 28,499 |

| | | |
|---|---|---|
| Share-based compensation | - | 9,832 |
| Total | $ 43,757 | $ 38,331 |

During the three months ended September 30, 2020, a company owned by the CEO received a management fee of $25,000. A director received a fee of $1,500. A relative of the previous CEO received a payment of $3,000 for consulting work.

**Off Balance Sheet Arrangements and Proposed Transactions**

The Company has not entered into any off-balance sheet arrangements. There were no proposed transactions as at September 30, 2020 and November 26, 2020.

**Management of Capital**

The Company's capital structure includes the following:

| | September 30, 2020 | December 31, 2019 |
|---|---|---|
| Shareholders' equity comprised of | | |
| Capital stock | $ 4,875,340 | $ 4,870,911 |
| Contributed surplus | 5,857,597 | 5,859,026 |
| Deficit | (10,713,310) | (10,584,663) |
| Total shareholders' equity | 19,627 | 145,274 |
| **Total capital employed** | **$ 19,627** | **$ 145,274** |

The Company's objectives when managing capital are to (i) provide financial capacity and flexibility in order to preserve its ability to meet its strategic objectives and financial obligations and continue as a going concern; (ii) maintain a capital structure which allows the Company to respond to changes in economic and/or marketplace conditions and affords the Company the ability to participate in new investments; (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders equal with the level of risk; and (iv) maintain a flexible capital structure which optimizes the cost of capital at acceptable levels of risk.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. The Company maintains or adjusts its capital level to enable it to meet its objectives by: (i) realizing proceeds from the disposition of its investments; (ii) utilizing leverage in the form of margin loans on its investments; and (iii) raising capital through loans from third party investors/lenders who seek to participate in investment opportunities.

The Company's share capital is not subject to external restrictions or requirements imposed by a regulator. The Company's management is responsible for the management of capital and monitors the Company's use of various forms of leverage on a daily basis. The Company expects that its current capital resources will be sufficient to discharge its liabilities as at September 30, 2020. The most significant change of the objectives, policies, processes and contents of capital management during the nine months ended September 30, 2020 was a change in management and the new group is reviewing all business processes. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the NEX board of the TSX Venture Exchange. As of September 30, 2020, the Company believes it has sufficient capital to maintain operations beyond the next 6 months.

## Financial instruments

The Company's business primarily involves the purchase and sale of securities and, accordingly, the majority of its assets are currently comprised of financial instruments. The use of financial instruments can expose the Company to several risks, including price, liquidity and interest rate risks. A discussion of the Company's use of financial instruments and their associated risks is provided below:

*Price Risk*

Price risk is the risk that the fair value of, or future cash flows from the Company's financial instruments will significantly fluctuate because of changes in prices. The value of the financial instruments can be affected by changes in equity prices.

With respect to long positions, rising equity prices may increase the price of an investment while declining equity prices may have the opposite effect. The Company's short selling activities are also affected by equity prices. There is no assurance that securities will decrease in price during the period of a short sale enough to make a profit for the Company, and securities sold short may instead increase in price.

The Company invests in publicly traded securities. These investments are subject to market risk such that the fair value of these items may change as a result of factors specific to a particular investment or as a result of factors affecting all instruments traded in the market.

As at September 30, 2020, the Company held no investments. At December 31, 2020, the Company held one investment (Moneta Porcupine Mines Inc.) accounting for 100% of the estimated fair value of the investment portfolio.

As at September 30, 2020, based on a 1% change in the fair value of the Company's investments, the estimated sensitivity of the Company's net income (loss) was $Nil (December 31, 2019 – approximately $2,500).

*Liquidity Risk*

Liquidity risk is the risk that results from the Company's potential inability to meet its financial obligations as they come due. The nature of investments exposes the Company to a liquidity risk whereby it may not be able to liquidate the investments quickly at close to fair value. The Company generates cash flow primarily from its investment activity and proceeds from the liquidation of its investments, in addition to interest income earned on its investments. The Company has sufficient cash and marketable securities, which are freely tradable and relatively liquid to fund its obligations as they become due under normal operating conditions.

The Company manages liquidity risk by reviewing the amount of cash available, on a daily basis, to ensure that it can meet its current obligations. The Company holds investments, which can be readily converted into cash when required.

*Interest Rate Risk*

Interest rate risk is the risk of loss due to the volatility of interest rates and the impact that changes in interest rates could have on the Company's earnings and liabilities. Liabilities can be repaid by the Company at any time, without notice or penalty, which provides the Company with some ability to manage and mitigate its interest rate risk. The Company does not hedge against any interest rate risks. The Company may be exposed to interest rate risk from borrowings that are interest bearing. As at September 30, 2020, based on a 1% change in interest rates would have no effect on the Company's net income.

## Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses and other income during the period.

The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

*Fair value of investments and derivatives*

Investments and derivatives are valued using the closing market prices on the reporting date. The value eventually obtained when the investment is liquidated is subject to such things as movement of the stock market and the future performance of the investee. As these are based on future events, the eventual value obtained from the Company's investments is subject to uncertainty.

*Fair value of stock-based compensation*

Stock based compensation is valued using the Black-Scholes option pricing model, which requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different than those of traded options and because changes in the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurementuncertainty.

The areas which require management to make significant judgments include:

*Future benefits of unutilized tax losses and temporary differences*

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable income. Factors considered in the assessment of the likelihood and value of the realizable deferred tax assets include the Company's forecast of the amount and timing of future income before taxes, and the remaining period of loss carry-forwards.

*Derivatives*

Investments in options and warrants that are not traded on a recognized securities exchange do not have a readily available market value. When there are sufficient and reliable observable market inputs, a valuation technique is used; if no such market inputs are available, the warrants and options are valued at intrinsic value.

*Income, value added, withholding and other taxes*

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

**Subsequent Events**

On October 8, 2020, the Company granted 1,010,039 stock options to directors and officers. The options have a three-year term, vest immediately, and have a strike price of $0.46.

**Forward-Looking Statements**

This MD&A contains certain "forward-looking information" as defined in applicable securities laws (collectively referred to herein as "**forward-looking statements**"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "budgeted", "scheduled", "estimates", "continues", "forecasts", "projects", “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statements.

Forward-looking statements in this MD&A include, but are not limited to, statements with respect to: the Company’s ability to access sufficient funds to meet its obligations and short-term working capital requirements; the Company’s ability to accomplish its strategic plans and complete a successful corporate transaction; and the mitigation of liquidity risk through obtaining additional financing on favourable terms or at all.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Forward-looking statements are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements. The risks and other factors include, but are not limited to: the need for additional financing; reliance on key personnel; the potential for conflicts of interest among certain officers, directors or promoters with certain other projects; the effects of the global COVID-19 pandemic on the Company; the Company’s dependence on debt and equity financing; the absence of dividends; competition; dilution; the volatility of the Company’s common share price and volume; and the additional risks identified in the “Risk Factors” section of this MD&A or other reports and filings with applicable Canadian securities regulations.

Forward-looking statements are based upon certain assumptions and other important factors which could prove to be significantly incorrect. The Company has made assumptions regarding, among other things: present and future business strategies; conditions in general economic and financial markets; the 10 environment in which the Company will operate in the future; cash flow; timing and amount of capital expenditures; future operating costs; and the Company's ability to obtain financing on acceptable terms.

The Company is pursuing a course of action to pursue a corporate transaction. This course of action may require additional capital. There is no guarantee that the Company will be successful in finding a corporate transaction, or if such transaction is found, that the transaction can be successfully completed. There is no guarantee that, should additional funds be required, such funds would be available to the Company on terms acceptable to the Company.

The above summary of risks and assumptions related to forward-looking statements is included in this MD&A in order to provide readers with a more complete perspective on the future operations of the Company. Readers are cautioned that this information may not be appropriate for other purposes.

All forward-looking statements herein are expressly qualified by this cautionary note. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.