

**ANGUS VENTURES INC.**

**(A Capital Pool Company)**

**“INTERIM MANAGEMENT’S DISCUSSION AND ANALYSIS –  
QUARTERLY HIGHLIGHTS”**

**FOR THE THREE AND SIX MONTHS ENDED JULY 31, 2018**

**(EXPRESSED IN CANADIAN DOLLARS)**

## **Introduction**

The following interim Management's Discussion & Analysis ("Interim MD&A") of Angus Ventures Inc. ("Angus" or the "Company") for the three and six months ended July 31, 2018 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management's discussion & analysis, being the Management's Discussion & Analysis ("Annual MD&A") for the fiscal year ended January 31, 2018. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations*. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual financial statements for the years ended January 31, 2018 and January 31, 2017, together with the notes thereto, and unaudited condensed interim financial statements for the three and six months ended July 31, 2018, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of September 13, 2018, unless otherwise indicated.

Further information about the Company and its operations is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Description of Business**

The Company was incorporated under the *Business Corporations Act* (British Columbia) on September 28, 2010. On September 1, 2017, the Company completed its Initial Public Offering ("IPO") and is classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The Company's common shares were listed for trading on the TSX-V under the trading symbol "GUS.P" on September 1, 2017 and commenced trading at the open on September 6, 2017. The principal business of the Company is the identification and evaluation of assets or a business and, once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

The Company's head office, principal address and registered and records office is located at 2080-777 Hornby Street, Vancouver, British Columbia, Canada, V6Z 1S4.

The Company's financial year ends on January 31.

The Company has not commenced commercial operations and has no assets other than cash. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a transaction where the Company acquires significant assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means (a "Qualifying Transaction"). Any proposed Qualifying Transaction must be accepted by the TSX-V.

There is no assurance that the Company will identify a business or asset that warrants acquisition or participation.

The Company has not conducted commercial operations and it is focused on the identification and evaluation of businesses or assets to acquire. Until completion of the Qualifying Transaction, the

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Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a Qualifying Transaction. Except as described in the Company’s prospectus dated April 27, 2017, the funds raised by the Company will be utilized only for the identification and evaluation of potential Qualifying Transactions and, to the extent permitted by Policy 2.4, for general and administrative expenses. While the Company has commenced the process of identifying potential acquisitions, it has not yet entered into a definitive agreement for any particular transaction.

**Cautionary Note Regarding Forward-Looking Information**

This Interim MD&A contains certain forward-looking information and forward-looking statements, 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”, “is expected”, “budget”, “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. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Interim MD&A speak only as of the date of this Interim MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this Interim MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

<b>Forward-looking statements</b>	<b>Assumptions</b>	<b>Risk factors</b>
The Company expects to complete a Qualifying Transaction	The Company expects to identify an asset or business to acquire and close a Qualifying Transaction, on terms favourable to the Company	The Company’s inability to find a target to complete a Qualifying Transaction, resulting in the Company remaining as a public shell on the NEX trading board of the TSX-V
The Company’s ability to meet its working capital needs at the current level for the twelve-month period ending July 31, 2019	The operating activities of the Company for the twelve-month period ending July 31, 2019, and the costs associated therewith, will be consistent with the Company’s current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; regulatory compliance and changes in regulatory compliance and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company’s ability to predict or control. Please also make reference to those risk factors referenced in the “Risk Factors” section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ,

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and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. 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.

### **Trends**

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Strong equity markets are favourable conditions for completing a public merger or acquisition transaction. Apart from these and the risk factors noted under the heading "Risk Factors", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

### **Major Operating Milestones**

None

### **Financial Highlights**

#### **Financial Performance**

The Company's net loss totaled \$19,341 for the three months ended July 31, 2018, with basic and diluted loss per share of \$0.00, versus a loss of \$29,088 for the three months ended July 31, 2017, with basic and diluted loss per share of \$0.01. Activities for the three months ended July 31, 2018, principally related to bank charges of \$135, filing and regulatory fees of \$226, professional fees of \$7,227, share-based payments of \$8,777 and travel expenses of \$2,976. In the 2017 comparative period, net loss related to bank charges of \$26, filing and regulatory fees of \$6,990 and professional fees of \$22,072. Professional fees decreased by \$14,845 and filing and regulatory fees decreased by \$6,764 over the comparative period due to support costs for the Initial Public Transaction incurred in the 2017.

At July 31, 2018, the Company had assets of \$1,613,961 and total equity of \$1,596,122. This compares with assets of \$1,640,613 and total equity of \$1,623,308 at January 31, 2018. At July 31, 2018, the Company had \$14,991 of current liabilities, compared to \$14,457 of current liabilities at January 31, 2018.

#### **Cash flow**

At July 31, 2018, the Company had a working capital of \$1,598,970, compared to a working capital of \$1,626,156 at January 31, 2018. The Company had cash of \$1,613,961 at July 31, 2018, compared to \$1,640,613 at January 31, 2018, a decrease of \$26,652, primarily due to ongoing public company reporting costs and proposed Qualifying transaction costs.

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Management believes the Company's working capital is sufficient for the Company to meet its ongoing obligations and meet its objective of completing a Qualifying Transaction.

### **Liquidity and Financial Position**

The Company manages its capital structure and makes adjustments to it, based on available funds to the Company. Pursuant to the policies of the TSX-V, the proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of its initial public offering or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the policies of the TSX-V.

### **Risk Factors**

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk & Uncertainties" in the Company's Annual MD&A for the fiscal year ended January 31, 2018, available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Major Shareholders and Related Party Disclosures**

#### **Major shareholders**

To the knowledge of the directors and senior officers of the Company, as at July 31, 2018, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than set out below:

<b>Names</b>	<b>Number of common shares</b>	<b>Percentage of outstanding common shares</b>
David Palmer	3,960,000	20.90%
Jamie Sokalsky	3,960,000	20.90%
Patrick Langlois, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO")	2,910,000	15.36%

None of the Company's major shareholders have different voting rights than other holders of the Company's common shares.

#### **Related party disclosures**

Related parties include the members of the Board of Directors, officers of the Company, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

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(i) As of July 31, 2018, the Company has a balance owing to one of its directors of \$5,824 (January 31, 2018 - \$2,848), for expenses paid on behalf of the Company. The amount due to the director is non-interest bearing.

(ii) Remuneration of directors and key management of the Company was as follows:

<b>Share-based payments<sup>(1)</sup></b>	<b>Three Months Ended July 31, 2018</b>	<b>Three Months Ended July 31, 2017</b>	<b>Six Months Ended July 31, 2018</b>	<b>Six Months Ended July 31, 2017</b>
Patrick Langlois, CEO and CFO	2,140	nil	6,425	nil
Dennis Peterson, director	1,556	nil	4,673	nil
<b>Total</b>	<b>3,696</b>	<b>nil</b>	<b>11,098</b>	<b>nil</b>

<sup>(1)</sup> Other than share-based payments, compensation to officers and directors is strictly prohibited

**Subsequent Event**

On September 4, 2018, the Company and AAA Medic Montreal Inc. (“AAA Medic”) announced that they entered into a binding letter of intent (“LOI”) to complete a business combination transaction (the “Transaction”). Upon completion of the Transaction, the combined entity (the “Resulting Issuer”) will continue to carry on the business of AAA Medic, a vertically integrated cannabis company incorporated under the Canada Business Corporations Act. The closing of the Transaction is subject to the receipt of all necessary regulatory and third party consents and approvals, including without limitation, the listing of the common shares of the combined entity (the “Resulting Issuer Shares”) on the TSX-V and the concurrent delisting of the common shares of Angus (the “Angus Shares”) from the TSX-V.

As of the date hereof, the following Angus securities are issued and outstanding: (i) 18,946,180 Angus Shares; (ii) 113,820 Angus warrants; and (iii) 1,128,000 Angus stock options, for a total of 20,188,000 Angus Shares on a fully diluted basis. As of the date hereof, the following AAA Medic securities are issued and outstanding: (i) 44,535,000 common shares of AAA Medic (“AAA Medic Shares”); (ii) 4,005,000 stock options; (iii) and an additional 775,000 stock options to be issued prior to the closing of the Transaction, for a total of 49,315,000 AAA Medic Shares on a fully diluted basis.

The Transaction is expected to be completed by way of a three-cornered amalgamation between AAA Medic and Angus, pursuant to which all of the issued and outstanding common shares of AAA Medic will be converted into Resulting Issuer Shares on the basis of 1.1 Resulting Issuer Share for each AAA Medic Share.

The terms of the Transaction will also provide that all issued and outstanding AAA Medic stock options will be exchanged for stock options of the Resulting Issuer on equivalent terms, subject to adjustment to reflect the exchange ratio under the Transaction.

It has been agreed by both AAA Medic and Angus that the proposed structure may be revised to accommodate tax considerations, accounting treatments and applicable legal and regulatory requirements.

Prior to the completion of the Transaction, AAA Medic will complete a private placement financing (the “Private Placement”) to secure gross proceeds of up to \$9 million on a commercially reasonable efforts

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basis. The proceeds from the Private Placement will be used for the construction of the Laval and First Nations facilities as well as provide funding for working capital and consultants.

A meeting of Angus shareholders will be held prior to the closing of the Transaction to obtain shareholder approval for: (i) the Transaction; (ii) the listing of the Resulting Issuer Shares on the TSX-V; (iii) the concurrent delisting of the Angus Shares from the TSX-V; and (iv) the changing of the name of Angus to "AAA Medic Montreal Corp".

Angus will also seek approval for new board members of Angus ("Board Members") who will replace the existing board members and be the directors of the Resulting Issuer upon the closing of the Transaction. In connection with the Transaction, the directors of Angus will step down from the Company's Board of Directors in favour of nominees of AAA Medic, namely Mr. Renaud Adams, Mr. Luc Mainville, Mr. Mario Maillet and Mr. Scott Jardin. AAA Medic may appoint a maximum of two more directors and Angus will have the right to appoint one director, all directors to be appointed upon the closing of the Transaction. In addition, Mr. Patrick Langlois will step down as the President, CEO and CFO. It is expected that Scott Jardin will be named as President and CEO; Nicole Veilleux will be named CFO; and Ryan Veli will be named Chief Operating Officer of the Resulting Issuer.

The transaction terms outlined in the LOI are binding on the parties and the LOI is expected to be superseded by a definitive agreement (the "Definitive Agreement") to be signed between the parties on or before September 27, 2018.

The Transaction is subject to a number of conditions, including, but not limited to:

- regulatory approval, including the approval of the TSX-V;
- the approval of the Definitive Agreement and the Transaction by the Board of Directors of each of Angus and AAA Medic;
- the completion of due diligence investigations to the satisfaction of each of Angus and AAA Medic;
- the receipt of all required shareholder approvals;
- the completion of the Private Placement for minimum gross proceeds of \$5 million;
- Angus having \$1.5 million in cash and no debts and liabilities at the closing of the Transaction;
- the Resulting Issuer being in compliance with the initial listing requirements of the TSX-V; and
- the satisfaction of other customary closing conditions.

Sponsorship may be required by the TSX-V unless exempt in accordance with the TSX-V policies. The Company intends to apply for an exemption from the sponsorship requirements. There is no assurance that an exemption from this requirement will be obtained.