

**Alternate Health Corp.**  
(Formerly 1017344 BC Ltd)  
**Management's Discussion and Analysis**  
**September 30, 2015**

**General**

This management discussion and analysis of financial position and results of operations (“**MD&A**”) is prepared as at November 30, 2015 and should be read in conjunction with the unaudited condensed interim financial statements for the period from July 1, 2015 to September 30, 2015 and related notes of Alternate Health Corp. (“**AHC**” or the “**Company**”). These revised unaudited condensed interim financial statements, including comparatives, have been prepared in accordance with the International Financial Reporting Standards (“**IFRS**”) issued by the International Accounting Standards Board (“**IASB**”) and interpretations of the IFRS Interpretations Committee (“**IFRIC**”).

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and Management Discussion and Analysis (“**MD&A**”), is complete and reliable.

All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted. This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing 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 October 26, 2014.

As a result of a Plan of Arrangement described below the Company became a reporting issuer in the provinces of British Columbia and Alberta in April 2015 and will seek to do a share exchange with a company with an operating business.

**Plan of Arrangement**

On October 29, 2014, the Company entered into an Arrangement Agreement with Riske Capital Corp. (“**Riske**”). Riske is a reporting issuer in the provinces of Alberta and British Columbia.

Final Court Order approving the Arrangement was received by Riske on December 3, 2014. Under the terms of the Arrangement: (i) Riske will transfer to the Company all of

its interest in a letter of intent with Fusion Business Group and \$1,000 cash; and (ii) the Company will issue 396,600 Common Shares to the shareholders of Riske valued at \$0.02 per share. By resolution of the board of directors of Riske, the Closing of the transaction and Effective Date of Arrangement as it pertains to the Company was deemed to have occurred on April 15, 2015. The letter of intent with Fusion Business Group was cancelled on April 15, 2015.

Following completion of the Arrangement Agreement, the Company became a reporting issuer.

### **Significant events**

Pursuant to the Plan of Arrangement, the Company issued 396,600 common shares to Riske and such shares were subsequently distributed to each shareholder of Riske pursuant to the Arrangement. On April 15, 2015 the Company cancelled one common share which was originally issued on its incorporation on October 26, 2014 for gross proceeds of \$1.00.

### **Results of Operations**

From the period of incorporation on October 26, 2014 to March 31, 2015, the Company incurred a loss of \$0.00, as there was no activity within the Company. For the three and nine months ended September 30, 2015 the Company incurred a gain (loss) of \$582 and (\$6,489) respectively or \$0.0002 loss per share for the nine months. The Company had no active operations and the loss was related to the Plan of Arrangement transaction costs.

### **Summary of Quarterly Results**

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements. All dollar amounts are in Canadian dollars.

<b>Quarter Ended</b>	<b>Profit (loss) for the period</b>	<b>Profit (loss) per Share (Basic &amp; Diluted)</b>	<b>Total Assets</b>	<b>Interest Income</b>
September 30, 2015	\$582	nominal	\$5,900	\$Nil
June 30, 2015	(\$7,071)	(\$0.0002)	\$12,868	\$Nil
March 31, 2015	\$Nil	\$Nil	\$1	\$Nil
December 31, 2014	\$Nil	\$Nil	\$1	\$Nil

## **Financial Condition, Liquidity and Capital Resources**

The Company's working capital position September 30, 2015 was 1,443. The Company does not currently have an active business generating positive cash flows. The Company is reliant on equity financing and/or debt to provide the necessary cash to acquire or participate in an active business. To date short term liquidity funds have been largely funded by the issuance of share capital and from an unsecured, interest free loans from Alternate Health Inc. ("AHI") a related party seeking to do a share exchange with the Company. There can be no assurance that equity or debt financings will be available to the Company.

The Company has not entered into any off-balance sheet arrangements.

## **Related Party Transactions**

During the nine months ending September 30, 2015 the Company acted as paying agent for Alternate Health Inc. a company with overlapping directors with AHC. Under the paying agent arrangement AHI made an interest free loan of \$77,000 to the Company to pay AHI expenses and the balance outstanding at September 30, 2015 was \$4,245. AHC did not charge a fee for this arrangement and the expenses paid have been recorded on the books of AHI.

## **Financial Instruments and Risk Management**

### **Fair Values**

The fair values of cash and equivalents, receivables and trade payables approximate their book values because of the short-term nature of these instruments.

### **(a) *Financial Risk Management***

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

### **(b) *Financial Instrument Risk Exposure***

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

#### *Credit Risk*

Credit risk is the risk of a financial loss to the Company if counter-party to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk

includes cash and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

#### *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

#### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. Such fluctuations may be significant.

#### (a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

#### (b) Foreign currency risk

The Company is not exposed to foreign currency risk on fluctuations in exchange rates.

### **Contingencies**

The Company is not aware of any contingencies or pending legal proceedings as of September 30, 2015.

### **Additional share information**

As at September 30, 2015 and as of the date of this MD&A, the Company had 396,600 common shares outstanding. The Company has no stock options or warrants outstanding.

### **Officers and directors of the Company**

As at September 30, 2015, the directors and officers of the Company were:

Bobby Curtola – Director and Chairman

Marjorie Sanderson – Director and CEO

Rick Macartney – Director

Marcelin O'Neill – Director and Corporate Secretary

James Tykolis – Director

James Griffiths- Director and CFO

## **Subsequent event**

### **Share Exchange Agreement**

On November 23, 2015, the Company, and Alternate Health Inc. and its shareholders (“AHI”), an arms’ length British Columbia-based company signed a definitive share exchange agreement to complete a proposed acquisition of AHI by AHC (the “Share Exchange Agreement”).

Pursuant to the terms of the Share Exchange Agreement, AHC will acquire all of the issued and outstanding shares of AHI in exchange for issuance of AHC shares on a one for one basis to the Company’s shareholders, which will result in AHI becoming a wholly-owned subsidiary of AHC and the business of AHI becoming the business of AHC (the “Acquisition”). Pursuant to the terms of the proposed Acquisition, AHC will issue 29,970,000 shares to the shareholders of AHI for the Acquisition, resulting in AHI becoming a wholly owned subsidiary of AHC. 550,000 Warrants of AHC will also be issued to/exchanged with the holders of warrants of the Company on a one for one basis.

The proposed Acquisition will be used by AHC to file for listing on the Canadian Securities Exchange (“CSE”). Completion of the Acquisition is subject to approval of the CSE.

### **Disclaimer**

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company, which can be accessed at [www.sedar.com](http://www.sedar.com). No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein

### **Cautionary Statement on Forward Looking Information**

Certain statements contained in this document constitute “forward-looking statements”. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements. Such factors include, among others, capitalization requirements.