

**Alternate Health Corp.**  
(Formerly 1017344 BC Ltd)  
**Management's Discussion and Analysis**  
**For the Quarter Ending March 31, 2016**

**General**

**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 here.

This management discussion and analysis of financial position and results of operations (“**MD&A**”) is prepared as at May 30, 2016 and should be read in conjunction with the unaudited condensed interim financial statements for the period from January 1, 2016 to March 31, 2016 and related notes of Alternate Health Corp. (“**AHC**” or the “**Company**”). These 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**”) and have not been reviewed by the Company's auditors.

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 has agreed to do a share exchange with Alternate Health Inc. as described below.

## **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 transferred to the Company all of its interest in a letter of intent with Fusion Business Group and \$1,000 cash; and (ii) the Company issued 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.

## **Share Exchange Agreement**

On November 23, 2015, the Company, Alternate Health Inc. and its shareholders (“AHI”), 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 actual number of AHC shares and warrants issued at closing will be increased by the number of additional AHI shares and warrants issued between November 23, 2015 and closing of the Acquisition.

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

## **The Business of Alternate Health Inc.**

AHI owns or holds exclusive licenses to operational, proprietary technologies being launched in both Canada and the United States for a series of medical service software systems:

- VIP-Patient Electronic Medical Records & Practice Management System (“VIP-Patient”).
- Patent-protected CanaCard Controlled Substance Management System

("CanaCard") modified for the medical cannabis industry.

Both systems offer similar features, including:

- Electronic Medical Records for Doctors and Clinics
- Patient portal for access to medical records.
- Pharmacy portal for prescription handling & cross-checking for harmful drug interactions will be coming soon (have approached a large pharmacy chain in Canada).
- Medical records billing services will integrate into VIP-Patient for dynamic, accurate Doctor/Clinic billing submission.
- Toxicology Lab software can be integrated into VIP-Patient along with a modified billing system to service this undeveloped market segment and offer electronic links between Doctors and Labs.

### 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>
March 31, 2016	(3,469)	(\$0.01)	\$436	\$Nil
December 31, 2015	(\$9,259)	(\$0.02)	\$872	\$Nil
September 30, 2015	(\$5,418)	(\$0.01)	\$4,647	\$Nil
June 30, 2015	(\$7,071)	(\$0.02)	\$12,868	\$Nil
March 31, 2015 *	\$Nil	\$Nil	\$1	\$Nil
December 31, 2014*	\$Nil	\$Nil	\$1	\$Nil

\* The Company only became a reporting issuer in April 2015

## **Results of Operations**

The Company had no active business operations during the year. Quarterly losses highlighted in the Quarterly Summary all relate to professional fees incurred in relation to becoming a reporting issuer and related to the preparation of the Company's prospectus required to complete the share exchange with AHI and list on the CSE. These fees include legal, audit and transfer agent fees. AHI has funded all but \$7,932 of the joint expenses related to the Share Exchange Agreement and legal and audit required for the prospectus. No compensation was paid to officers or directors since incorporation.

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

The Company had a negative working capital position at March 31, 2016 of \$17,285. Pending the completion of its Share Exchange Agreement with AHI and listing on the CSE, the Company does not have an active business generating positive cash flows. It is reliant on equity financing and/or debt to provide the necessary cash to meet its financial obligations. To date short term liquidity funds have been substantially funded by unsecured, interest free loans from Alternate Health Inc. AHI has indicated that it will continue to fund AHC expenses pending the closing of the Share Exchange Agreement. As of the date of this MD&A, Alternate Health Inc. has raised common share equity of \$919,000 which will be available to the AHC upon completing the Share Exchange Agreement and listing on the CSE. While management expect to close the Share Exchange Agreement, there can be no assurance that the CSE will approve its listing and that equity or debt financings will be available to the Company. Assuming the listing is approved management believes that the Company will have sufficient capital and the ability to source growth capital to fund its business plan and get the Company to positive cash flow and until that occurs the directors and officers of the Company have agreed to take no cash compensation.

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

## **Related Party Transactions**

During a three month period 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 did not charge a fee for this arrangement. The expenses paid have been recorded on the books of AHI. AHI also advanced to AHC \$6,742 to fund operating expenses including \$2,015 in the first quarter of 2016.

## **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.

##### *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.

### *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 March 31, 2016.

### **Additional share information**

As at March 31, 2016 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 March 31, 2016, 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

### **NEW ACCOUNTING STANDARDS**

#### International Financial Reporting Standards (“IFRS”)

The Company’s audited financial statements have been prepared in accordance with IFRS as issued by the IASB.

### **Additional Information**

Additional information relating to the Company is available on the SEDAR website at [www.sedar.com](http://www.sedar.com) or by contacting the Company at Suite 309 – 1485 6<sup>th</sup> Avenue West, Vancouver, BC, Canada V6H 4G1.