

**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE SIX MONTHS ENDED MARCH 31, 2020**

The following Management's Discussion and Analysis ("MD&A") provides a review of the financial condition and results of operations of Gencan Capital Inc. ("GCC" or the "Company") for the six months ended March 31, 2020. This MD&A should be read in conjunction with the Company's unaudited condensed interim financial statements and notes thereto for the six months ended March 31, 2020, and audited financial statements and notes thereto and annual MD&A for the fiscal year ended September 30, 2019, which can be found on SEDAR at www.sedar.com.

In this document and in the Company's unaudited condensed interim financial statements and audited financial statements, unless otherwise noted, all financial data is prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts, unless specifically identified as otherwise, in the unaudited condensed interim financial statements, the audited financial statements and this MD&A, are expressed in Canadian dollars.

MD&A contains forward-looking statements, including statements concerning possible or assumed future results of operations of the Company. Forward-looking statements typically involve words or phrases such as "believes", "expects", "anticipates", "intends", "foresees", "estimates" or similar expressions. Forward-looking statements involve risks, uncertainties and assumptions, as described from time to time in the Company's reports and filed with securities commissions in Canada, which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. In addition, the Company expressly disclaims any obligation to publicly update or alter its previously issued forward-looking statements.

The discussion and analysis in this MD&A is based on information available to management as of May 20, 2020.

THE COMPANY

On October 30, 2015, pursuant to a Plan of Arrangement between the Company and Genterra Capital Inc. ("GCI"), the Company was spun-off as a public company and its shares were listed on the Canadian Securities Exchange under the symbol "GCA". GCI currently retains a 78% controlling interest in the Company.

The business objective of the Company is to create and maximize shareholder value through its business operations.

The Company is a Canadian Company operating in Canada, and up to July 4, 2018, held a significant interest in solar energy generation equipment located in Cambridge, Ontario, Canada.

OUTLOOK

The Board and senior management regularly assess the Company's operating performance and opportunities with a view to providing shareholders with the opportunity to maximize the value of their common shares. The Board concluded that in order to increase shareholder value, it would explore potential change of business opportunities for the Company. To that end and as a first step in the change of the business process, the Company completed the shareholder approved sale of the Company's solar energy generation equipment. Management continues to evaluate potential new prospects for the Company, however this could be adversely impacted by the Covid-19 pandemic.

RESULTS OF OPERATIONS

Summary of Quarterly Results

	2020		2019				2018	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue	\$ 1,467	\$ 1,759	\$ 1,733	\$ 1,533	\$ 1,408	\$ 1,585	\$ 12,071	\$180,740
Net income (loss)	(24,840)	(18,962)	(26,963)	(30,182)	(28,701)	(19,555)	640,942	44,542
Income (loss) per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ 0.04	\$ 0.00

“Q1” refers to the three months ended December 31; “Q2” refers to the three months ended March 31; “Q3” refers to the three months ended June 30; “Q4” refers to the three months ended September 30; “2020”, “2019” and “2018” refer to the twelve month fiscal years ending September 30, 2020, 2019 and 2018.

RESULTS FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2020 AND 2019

	Three Months Ended March 31			Six Months Ended March 31		
	2020	2019	Change	2020	2019	Change
Revenue						
Interest income	\$ 1,467	\$ 1,408	\$ +59	\$ 3,226	\$ 2,993	\$ +233
Expenses						
Administrative and general	35,262	40,504	-5,242	62,820	68,694	-5,874
Loss before income taxes	(33,795)	(39,096)	+5,301	(59,594)	(65,701)	+6,107
Income tax recovery	(8,955)	(10,395)	+1,440	(15,792)	(17,445)	+1,653
Net loss	\$ (24,840)	\$ (28,701)	\$ +3,861	\$ (43,802)	\$ (48,256)	\$ +4,454

Review of Results for the Three and Six Months ended March 31, 2020 and 2019

Interest Income

Interest income represents interest earned on the Company’s cash balances. Subsequent to the sale of the solar energy generation equipment on July 4, 2018, the Company’s cash balances increased substantially.

	Three Months Ended March 31			Six Months Ended March 31		
	2020	2019	Change	2020	2019	Change
Interest income	\$ 1,467	\$ 1,408	\$ +59	\$ 3,226	\$ 2,993	\$ +233

Administrative and General Expenses

Administrative and general expenses include audit fees, legal fees, liability insurance, director's fees and shareholder related costs such as transfer agent fees, listing fees, printing and meeting costs.

The decrease in administrative and general expenses during the three and six months ended March 31, 2020 compared to March 31, 2019 was mainly due to a reduction in liability insurance and audit fees offset by an increase in tax consulting fees and shareholder costs.

	Three Months Ended			Six Months Ended		
	March 31			March 31		
	2020	2019	Change	2020	2019	Change
Administrative and general	\$ 35,262	\$ 40,504	\$ -5,242	\$ 62,820	\$ 68,694	\$ -5,874

Income Tax Provision

There is essentially no difference between the Company's statutory tax rate of 26.5% and its effective tax rate for the three and six months ended March 31, 2020 and March 31, 2019.

	Three Months Ended			Six Months Ended		
	March 31			March 31		
	2020	2019	Change	2020	2019	Change
Loss before income taxes	\$ (33,795)	\$ (39,096)	\$ +5,301	\$ (59,594)	\$ (65,701)	\$ +6,107
Income tax recovery	(8,955)	(10,395)	+1,440	(15,792)	(17,445)	+1,653
Effective tax rate	26.5%	26.6%		26.5%	26.6%	

Net Loss

Net loss for the three and six months ended March 31, 2020 was \$24,840 and \$43,802 respectively compared to a net loss of \$28,701 and \$48,256 respectively for the three and six months ended March 31, 2019.

	Three Months Ended			Six Months Ended		
	March 31			March 31		
	2020	2019	Change	2020	2019	Change
Net loss	\$ (24,840)	\$ (28,701)	\$ +3,861	\$ (43,802)	\$ (48,256)	\$ +4,454

Inflation

Inflation has not had a material impact on the results of the Company's operations in its last quarter or fiscal period and is not anticipated to materially impact on the Company's operations during its next fiscal year.

LIQUIDITY AND CAPITAL RESOURCES

The Company's principal sources of liquidity are cash on hand and cash flow from operations.

	March 31	September 30	
	2020	2019	Change
Working Capital			
Current assets	\$ 546,020	\$ 598,694	\$ -52,674
Current liabilities	9,518	18,390	-8,872
	536,502	580,304	-43,802
Ratio of current assets to current liabilities	57.4	32.6	
Cash and cash equivalents	\$ 523,049	\$ 556,560	\$ -33,511

Working capital is primarily represented by cash and cash equivalents, accounts receivable and income taxes recoverable offset by outstanding accounts payable.

The Company's working capital decreased by \$43,802 to \$536,502 as at March 31, 2020 compared to \$580,304 as at September 30, 2019 mainly due to a decrease in cash and income taxes recoverable offset by a decrease in accounts payable.

During the six months ended March 31, 2020 the Company's cash position decreased by \$33,511 to \$523,049 from \$556,560 as at September 30, 2019. The net decrease was due to the following:

- Operating Activities decreased cash by \$33,511. This was a result of \$21,499 of cash used for operations and an decrease of \$12,012 from changes in non-cash components of working capital;
- Financing Activities did not impact cash;
- Investing Activities did not impact cash.

The Company anticipates that it will require approximately \$120,000 in order to meet its ongoing expected costs for the next twelve months. These costs include insurance, audit fees, director's fees, and shareholder costs. The Company expects to utilize cash on hand in order to service these expenditures.

RELATED PARTY TRANSACTIONS

The Company entered into transactions and had outstanding balances with companies related by common ownership and management.

The transactions with related parties are in the normal course of business.

Related party transactions for the six months ended March 31, 2020 are summarized as follows:

The Company has an administrative services agreement with GCI for \$6,000 per annum. Under this agreement administrative services fees of \$3,000 were charged by and paid to GCI.

Director's fees of \$25,000 were paid to independent directors.

SHARE DATA

The following table sets forth the Outstanding Share Data for the Company as at May 20, 2020:

	<u>Authorized</u>	<u>Issued</u>
Common Shares	Unlimited	16,092,284

RISKS AND UNCERTAINTIES

The Company is subject to a number of broad risks and uncertainties including general economic conditions. In addition to these broad business risks, the Company has specific risks that it faces, the most significant of which are outlined in the Company's MD&A for the year ended September 30, 2019. **The risks and uncertainties discussed therein highlight the more important factors that could significantly affect the Company's operations and profitability. They do not represent an exhaustive list of all potential issues that could affect the financial results of the Company and are not presented in any particular order of relevance.**

While there were no significant changes to these risks and uncertainties as of the date of this MD&A, the Covid-19 pandemic could potentially have an impact on future operations.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's discussion and analysis of its results of operations and financial condition are based upon its financial statements that have been prepared in accordance with IFRS. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. Estimates and assumptions are evaluated on an ongoing basis and are based on historical and other factors believed to be reasonable under the circumstances. The results of these estimates may form the basis of the carrying value of certain assets and liabilities and may not be readily apparent from other sources. Actual results, under conditions and circumstances different from those assumed, may differ from estimates.

Notes 2, 3 and 4 of the Company's audited financial statements for the year ended September 30, 2019 and notes 2 and 3 of the Company's unaudited condensed interim financial statements for the six months ended March 31, 2020 provide a detailed discussion of the Company's significant accounting policies and application of critical accounting estimates and judgements.

FINANCIAL INSTRUMENTS, FINANCIAL RISK MANAGEMENT AND OTHER INSTRUMENTS

The Company does not utilize financial instruments such as hedging instruments to manage financial risks.

For cash and cash equivalents, accounts receivable, income taxes recoverable, trade and other payables with a maturity of less than one year, fair value is not materially different from the carrying amount due to the effect of the time value of money. See Note 10 of the Company's audited financial statements for the year ended September 30, 2019 for a more detailed discussion and additional fair value disclosures.

Proposed Transactions

Management periodically enters into informal discussions with prospective business partners in the normal course of operations. However, management does not believe that any of these discussions constitute a proposed transaction for the purpose of this report.

Off-Balance Sheet Arrangements

The Company had no off balance sheet arrangements as of March 31, 2020 and September 30, 2019.

NEW ACCOUNTING STANDARDS AND ACCOUNTING PRONOUNCEMENTS

New Accounting Standards Adopted

Leases

IFRS 16, *Leases*: introduces a new standard replacing IAS 17 Leases, that results in bringing many leases on balance sheet that are considered operating leases under IAS 17. Lessor accounting remains largely unchanged. The adoption of IFRS 16 did not have any impact to the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company, including the Company's annual report, audited year-end financial results and unaudited quarterly financial results, can be accessed on SEDAR (www.sedar.com). For further information shareholders may also contact the Company by email at ivy@forumfinancialcorp.com.