



EDGEFRONT REALTY CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the period from July 30, 2012 (Date of Incorporation) to December 31, 2012

April 29, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A") of Edgefront Realty Corp (the "Company") for the period from July 30, 2012, date of incorporation, to December 31, 2012 should be read in conjunction with the Company's audited financial statements as at December 31, 2012 and for the period then ended.

Additional information about the Company can be accessed at www.sedar.com.

FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking statements which reflect the Company's current expectations and projections about future results. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. 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 expressed or implied by the forward-looking statements. 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. Such forward-looking statements are based on a number of assumptions that may prove to be incorrect.

While the Company anticipates that subsequent events and developments may cause its views to change, the Company specifically disclaims any obligation to update these forward-looking statements. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date of this MD&A. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Company.

BUSINESS OVERVIEW

Edgefront Realty Corp. (the Company) was incorporated under the Business Corporation Act (Ontario) on July 30, 2012. As at December 31, 2012, the Company was a capital pool company, as defined in Policy 2.4 of the TSX Venture Exchange, the principal business of which was the identification and evaluation of assets or businesses for the purpose of completing a qualifying transaction. The registered office of the Company is located at 1 Toronto Street, Suite 201, Toronto, Ontario.

SUMMARY OF RESULTS

Select Operating Results	Period from July 30, 2012 to December 31, 2012
	\$
Net loss	(289,775)
Basic and diluted loss per share	(0.01)
Select Balance Sheet Data	As at December 31, 2012
	\$
Cash and cash equivalents	4,939,718
Shareholders' equity	4,928,676

Net loss of \$289,775 during the period includes stock-based compensation expense of \$263,500, general and administrative expenses of \$38,635, and bank charges of \$395, net of interest income earned on guaranteed investment certificates of \$12,755. Administrative expenses for the period included costs of the initial listing of the common shares of the Company on the TSX Venture Exchange, legal, audit, and public company costs. On March 8, 2013, the Company acquired a leasehold interest in a property in Prince Edward Island, and is expecting to complete the purchase of an office building in Miramichi, New Brunswick on May 1, 2013. No expenditures were incurred during the period ended December 31, 2012 for the identification or analysis of potential acquisitions.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The Company's principal source of liquidity is cash and cash equivalents on hand. As at December 31, 2012, the Company had cash and cash equivalents of \$4,939,718 and working capital of \$4,928,676. Until such time as the Company completes its qualifying transaction as defined in Policy 2.4 "Capital Pool Companies" of the TSX Venture Exchange Policies, it will not have a source of significant revenue, and is expected to incur losses. On March 8, 2013, the Company completed its qualifying transaction, purchasing a leasehold interest in a property located at 695 University Avenue, Charlottetown, Prince Edward Island for a purchase price of \$1,148,000.

The Company believes that it has sufficient resources to meet its current obligations, to identify, investigate and complete potential acquisitions, and to fund further expenditures as required to continue as a going concern.

During the period from July 30, 2012 to December 31, 2012, financing activities, including private placements and the Company's initial public offering, increased cash by \$4,954,951 and the Company used \$15,233 to fund its operating activities.

SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

A summary of significant accounting policies and accounting estimates can be found in note 2 to the Company's financial statements for the period from July 30, 2012 to December 31, 2012.

FINANCIAL INSTRUMENTS

Fair Value

The Company's financial instruments consist of cash and cash equivalents and accounts payable and accrued liabilities, the fair value of which approximates carrying values due to the short-term nature of these instruments.

Liquidity risk

Liquidity risk is the risk that the Company will not have the financial resources required to meet its financial obligations as they become due. The Company manages this risk by ensuring it has sufficient cash and cash equivalents on hand to meet obligations as they become due by forecasting cash flows from operations, cash required for investing activities and cash from financing activities. As at December 31, 2012, the Company had cash and cash equivalents of \$4,939,718 and accounts payable and accrued liabilities of \$11,042, and was not subject to significant liquidity risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's cash equivalents consist of investments in guaranteed investment certificates which bear interest at fixed rates, and the Company is therefore exposed to the risk of changes in the fair value of the cash equivalents from interest rate fluctuations.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss to another party by failing to pay for its obligations. The Company is subject to credit risk with respect to its cash and cash equivalents. The Company mitigates credit risk by depositing cash with and investing in guaranteed investment certificates of a Canadian schedule I chartered bank and monitoring the bank's credit ratings.

OFF-BALANCE SHEET ARRANGEMENTS

As at December 31, 2012, the Company does not have any off-balance sheet arrangements.

OUTSTANDING SHARE DATA

	Shares	Amount \$
Authorized		
Unlimited number of common shares		
Issued and outstanding		
Common shares issued for cash		
Issued at \$0.05 per share	10,000,000	500,000
Issued at \$0.10 per share, net of \$52,549 of issuance costs	45,000,000	4,447,451
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	55,000,000	4,947,451
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On July 30, 2012, the Company issued 100 common shares for cash consideration of \$5. On August 30, 2012, the Company issued 9,999,900 common shares for cash consideration of \$499,995. This total of 10,000,000 shares will be held in escrow and will be released in future periods in accordance with an escrow agreement to be entered into between the Company and the initial shareholders.

On August 31, 2012, the Company issued 31,100,000 common shares at \$0.10 per share for cash consideration of \$3,110,000 in a private placement. Of these 31,100,000 common shares, 22,000,000 common shares will be held in escrow and will be released in future periods in accordance with an escrow agreement to be entered into between the Company and the shareholders of the private placement.

On September 25, 2012, the Company issued 9,900,000 common shares at \$0.10 per share for cash of \$990,000 in a private placement.

On November 22, 2012, in connection with the Company's initial public offering, 4,000,000 common shares were sold at \$0.10 per share for aggregate gross proceeds of \$400,000. Cash share issue costs of \$45,049 were incurred in connection with the offering. These costs were recognized directly in equity as share issue costs. In connection with the initial public offering, the Company granted its agent under the offering, Desjardins Financial, an option to purchase 240,000 shares at a price of \$0.10 per share. The company determined the fair value of the options to be \$7,500, which has been recognized in equity as share issue costs.

Also on November 22, 2012, the Company granted share options to directors and officers of the Company to purchase 5,500,000 common shares at \$0.10 per share. The share options vested immediately and will expire 5 years from the date of grant.

As at December 31, 2012, the directors and officers of the Company beneficially own, directly or indirectly, or have control or direction over 23,000,000 common shares or approximately 41.8% of the issued and outstanding common shares of the Company.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

There are several pending changes to IFRS which are not yet effective for the period ended December 31, 2012 which have not been applied in the preparation of the Company's financial statements for the period ended December 31, 2012. These changes are not expected to have a material impact on the financial statements of the Company. The standards issued or amended but not yet effective at December 31, 2012 include the following:

Standard	Effective for annual periods beginning on or after:
IFRS 9, Financial Instruments	January 1, 2015
IFRS 10, Consolidated Financial Statements	January 1, 2013
IFRS 11, Joint Arrangements	January 1, 2013
IFRS 12, Disclosure of Interests in Other Entities	January 1, 2013
IFRS 13, Fair Value Measurement	January 1, 2013
IAS 19, Employee Benefits	January 1, 2013
IAS 32, Financial Instruments: Presentation	January 1, 2014

IFRS 9, Financial Instruments, is a new standard which will replace IAS 39, Financial Instruments: Recognition and Measurement, and addresses classification and measurement of financial assets, as well as providing guidance on financial liabilities and derecognition of financial instruments. IFRS 9 provides a single approach, based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial assets to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options in IAS 39.

IFRS 10, Consolidated Financial Statements, identifies the concept of control as the determining factor as to whether an entity should be consolidated in the consolidated financial statements of the parent company.

IFRS 11, Joint Arrangements, replaces IAS 31, Interests in Joint Ventures, and SIC 13, Jointly Controlled Entities – Non-Monetary Contributions by Venturers. The standard reduces the type of joint arrangements to two: joint ventures and joint operations. Under the standard, joint ventures are required to follow equity accounting, and joint operations are accounted for in a manner similar to accounting for jointly controlled assets and jointly controlled operations under IAS 31.

IFRS 12, Disclosure of Interest in Other Entities, replaces disclosure requirements currently found in IAS 28, Investments in Associates with new disclosure requirements for entities reporting under IFRS 10 and IFRS 11.

IFRS 13, Fair Value Measurement, defines fair value and provides a single source of fair value measurement and disclosure where the use of fair value is already required or permitted by other standards within IFRS.

IAS 19, Employee Benefits, is amended: to eliminate the option to apply the corridor method to defer the recognition of gains and losses; to streamline the presentation of changes in assets and liabilities arising from defined benefit plans, requiring remeasurements to be presented in comprehensive income; and to enhance disclosure requirements for defined benefit plans.

IAS 32, Financial Instruments: Presentation, clarifies requirements for offsetting of financial assets and financial liabilities.

SUBSEQUENT EVENTS

On March 8, 2013, the Company completed the purchase of a leasehold interest in a property located at 695 University Avenue, Charlottetown, Prince Edward Island for a purchase price of \$1,148,000. The purchase was funded by the assumption of a mortgage maturing September 1, 2017, with a remaining principal balance of approximately \$497,000, with the remainder of the purchase price settled in cash, net of closing adjustments. On closing, the Company received a closing credit equal to the amount to buy down the mortgage interest rate to 4.0%, and the mortgage interest rate was bought down to 4.0% at closing.

The purchase was approved by the TSX Venture Exchange as the Company's qualifying transaction as defined in Policy 2.4 "Capital Pool Companies" of the TSX Venture Exchange Policies.

In March 2013, the Company entered into a firm agreement to purchase an office building located in Miramichi, New Brunswick, for a purchase price of approximately \$5.5 million subject to customary closing adjustments. The purchase price will be satisfied with cash on hand as well as a mortgage to be negotiated. The closing date is anticipated to be May 1, 2013.

On April 15, 2013, the Company announced that it had entered into conditional agreements to purchase three properties located in the Halifax and Bedford, Nova Scotia areas for an aggregate purchase price of approximately \$31.3 million. The purchase price is expected to be satisfied through cash generated from new mortgages and / or the issuance of new securities by the Company, and the assumption of existing mortgages on the properties.