Impact Housing Corporation and Subsidiaries
Management Discussion and Analysis
For the three months ended March 31, 2024 and 2023

This Management's Discussion and Analysis ("MD&A") provides a review of the results of operations, financial condition and cash flows for Impact Development Group Inc. ("IDG" or the "Company") formerly Yubba Capital Corp. (Yubba), on a consolidated basis, for the three ended March 31, 2024 and 2023. The Company's unaudited condensed consolidated interim financial statements have been prepared on the "going concern" basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

This document should be read in conjunction with the information contained in the Company's audited consolidated financial statements and related notes for the year ended December 31, 2023. Unless otherwise indicated, all amounts and references in this MD&A are in US dollars, unless otherwise stated.

Unless otherwise stated, in preparing this MD&A the Company has taken into account information available to it up to the date of this MD&A, June 5, 2024, being the date the Company's board of directors (the "Board") approved this MD&A.

Cautionary Note Regarding Forward Looking Information

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to our objectives and the strategies to achieve these objectives, as well as information with respect to our beliefs, plans, expectations, anticipations, estimates and intentions. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that infer actions, events or results with terminology such as "may", "could", "would", "might", "will be taken", "occur" or "be achieved".

Forward-looking information is provided for the purposes of assisting the reader in understanding the Company and its business, operations, prospects and risks at a point in time in the context of historical and possible future developments and, therefore, the reader is cautioned that such information may not be appropriate for other purposes. The Company has based these forward-looking statements on current expectations and projections about future events and financial trends that the Company believes may affect its financial condition, results of operations, business strategy and financial needs.

These forward-looking statements include, among other things, statements relating to:

- the economy generally;
- market participants' interest in IDG's services and products, both in respect of its current offerings and its proposed roll-out of future products and services;
- fluctuations in foreign currency exchange rates;
- business prospects and opportunities;
- anticipated and unanticipated costs;
- management's outlook regarding future trends;
- uncertainty regarding the market and economic impacts of pandemics;
- expectations regarding our revenue, expenses and operations;
- anticipated cash needs and our needs for additional financing;
- plans for and timing of expansion of products and services;
- ability to attract and retain personnel;
- competitive position and our expectations regarding competition;
- regulatory developments and the regulatory environments in which we operate;
- anticipated trends and challenges in our business and the markets in which we operate; and
- success of ongoing and future financing opportunities.

Forward-looking information is based upon numerous assumptions and is subject to a number of known and unknown risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to, the risk factors that are discussed in greater detail under "Business risks".

Although the forward-looking information contained herein is based upon what we believe are reasonable assumptions, readers are cautioned against placing undue reliance on this information since actual results may vary from the forward-looking information. Certain assumptions have been made in preparing the forward-looking information concerning availability of capital resources, business performance, market conditions, operational milestones, and customer demand. Consequently, all of the forward-looking information contained herein is qualified by the foregoing cautionary statements, and there can be no guarantee that the results or developments that we anticipate will be realized or, even if substantially realized, that they will have the expected consequences or effects on the business, financial condition or results of operation.

The forward-looking statements made in this MD&A relate only to events or information as of the date on which the statements are made in this MD&A and are expressly qualified in their entirety by this cautionary statement. Except as required by law, we do not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

Readers should read this MD&A with the understanding that our actual future results may be materially different from what we expect.

All of the forward-looking statements in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on IDG.

Core Business and Strategy

IDG completed the acquisition of Impact Housing Corporation ("IHC") through an acquisition agreement (“RTO Transaction”) whereby the Company acquired all of the issued and outstanding shares of IHC on November 30, 2023, with the former shareholders of IHC obtaining control over the Company. As a result of the completion of the RTO Transaction, the shareholders of IHC held 98.59% of the issued and outstanding common shares of the Company and the shareholders of Yubba held the remaining 1.41%.

IDG is a real estate development company providing affordable housing solutions supported by longstanding government subsidy programs. The principal business of IDG is to build and develop affordable, high quality subsidized homes in the Republic of Panama to support the emerging middle-class market. The vision of IDG is effectuated by a vertically integrated model which coordinates all services necessary to develop high-quality residential and commercial buildings; including but not limited to land acquisition, financing, architectural, engineering, off-site manufacturing, general contracting, property management, and administration.

IDG holds one hundred percent (100%) of the shares of the following subsidiaries:

Company	Date of Incorporation	Primary Business
Impact Housing Corporation	February 21, 2017	Administrative Services
Impact Housing Management Corporation	May 8, 2017	Administrative Services
Promotora Santiago Development Corp.	February 9, 2015	Real Estate Development
Promotora Sona, S.A.	February 27, 2013	Real Estate Development
Promotora Capellania, S.A.	December 4, 2020	Real Estate Development
Tekeros Santiago, S.A.	April 7, 2015	Construction Management
Tekeros Constructores, S.A.	February 27, 2013	Construction Management
Impact Santiago, S.A.	June 11, 2020	Construction Management
Impact Sona, S.A.	June 10, 2020	Construction Management
Impact Construction, S.A.	December 14, 2020	Construction Management
Comercializadora Sona, S.A.	February 27, 2013	Administrative Services
Impact Equipos, S.A.	June 11, 2020	Machinery and Equipment Management

Promotora Los Faros de Santiago, S.A.	March 3, 2023	Real Estate Development
Promotra Villas de Vizcaya, S.A.	March 9, 2023	Real Estate Development
Promotora Villas de Valencia, S.A.	March 9, 2023	Real Estate Development
Promotora Villas de Alicante, S.A.	March 15, 2023	Real Estate Development
Promotora Santiago Comercial, S.A.	March 8, 2023	Real Estate Development

Over the course of 10 years of operations**,** IDG has refined a vertically integrated go-to-market strategy consisting of four primary components to establish housing communities and deliver homes to prospective buyers:

1. IDG retains land ownership and controls the community master planning; all regulatory permitting and compliance; and architectural home designs that meet the affordable housing program requirements.

2. IDG builds homes in each phase of development using a unique, assembly line approach. Using an 11-step cast-in-place technique, which incorporates a custom mold design in the exact shape and style of home being built, IDG has the capacity to deliver 1.5 homes per day, averaged throughout the year, when operating at peak production speed.

3. IDG markets and sells the homes that it builds to the growing class of Panamanian middle-income families. After pre-qualifying families, IDG allows, on average, 4-6 months, and up to 12 months in some cases, to gather down payment and closing costs.

4. IDG controls the delivery of the homes to the end customers, ensuring quality control. Subsequently, IDG remains heavily involved in the operation of community services post-sale (i.e. home warranty items, maintaining parks, community spaces, and infrastructure until transferred to the applicable municipality).

IDG begins its process by acquiring and segregating viable land to develop residential communities. Once the land has been acquired and properly segregated, IDG utilizes community centric marketing techniques to engage potential customers. Once potential homebuyers have been identified and engaged, IDG requires that potential homebuyers undergo a diligent pre-qualification process to omit lower credit quality candidates early in the process. Due to IDG's thorough pre-qualification process, IDG can accurately determine if potential homebuyers have high credit quality and will be eligible for substantial government support. To date, the long-term default rate for approved buyers of IDG homes has been 2%.

To avoid overleveraging itself, IDG utilizes a staged approach to developing its properties. Properties are built in stages (phases) and based on demand to mitigate the risk of economic downturn or decrease in demand.

IDG has, in the past, pursued a policy of controlled organic growth and it intends to continue that policy in the future. IDG has grown both by expanding revenue of existing operations and through the acquisition of new development properties. IDG's growth has historically been limited by the availability of financing rather than consumer demand. IDG's policy of organic growth will continue to be founded on the following:

- Training and Recruitment of Personnel: One of the key components that could limit the growth of a real estate development company is the ability to secure professional staff. To address this issue, IDG has for many years focused on hiring new employees shortly following completion of their technical or engineering training. These employees become invested in IDG's operations early in their careers and become logical candidates for upward movement into regional management positions. IDG will continue this practice of hiring and training new talent as its primary method of increasing its staff to support growth.

- Optimizing IDG's supply chain: A key component that could limit the growth of a real estate development company is the ability to continue to rely on supply chain relationships for timely materials and qualified subcontractors to complete certain construction work activities. To address this issue, IDG has for many years continued to diversify the breadth and depth of its supply chain. As one of the largest developers in the respective regions it operates, IDG continues to receive favorable pricing and bulk delivery to ensure construction timelines are achieved. In addition, IDG has for years, as appropriate, worked with creditable subcontractors that are required to meet IDG stringent governance criteria. IDG qualifies vendors on the basis of entity good standing, licensing and regulatory, qualified work history, and appropriate bonding and insurance criteria.

- Acquiring New Property: Management has identified new land opportunities throughout Panama which it intends to acquire for the purpose of residential development, similar to the Santiago property. This would include residential housing that qualifies for the current subsidy programs and would include mixed use commercial space.

- Expanding Product Offering: IDG plans to expand its operations from focusing solely on residential construction to include commercial construction. Subject to necessary capital requirements, IDG has set aside land at the Santiago Property to develop commercial space.

- Expanding Into New Markets: IDG plans to evaluation options to expand beyond Panama to other Latin American jurisdictions with subsidy programs similar to the core Panamanian market. IDG will evaluate new regional markets that fit its business model and strategy. If management foresees sufficient demand in new geographic markets for IDG's services, management will consider expanding into those markets.

Three months ended March 31, 2024 Highlights and Results of Operations

Operational highlights for the three months ended March 31, 2024

The Santiago Project is subdivided into multiple social interest and preferential interest phases at various stages of completion. The Company further subdivides its ongoing activities into Legacy Phases, consisting of Santiago – Phase 4, Santiago – Phase 5 and La Reserva - Phase 1; and New Phases, consisting of Santiago – Phase 6/7, Santiago – Phase 8 and La Reserva - Phase 2.

As of March 31, 2024, IDG has delivered a total of 796 homes and maintains 204 homes in inventory at various stages of construction and delivery across all phases. Of said inventory, only 21 houses are available for sale all the others have purchase-sale agreement duly signed with customers.

Legacy Phases
Santiago - Phase 4:
As of March 31, 2024, IDG has built and delivered 57 out of the planned 199 homes in Phase 4. Currently, 142 homes are in various stages of completion, all under lien with Multibank. The remaining units have received occupancy permits from the municipality and are planned to be delivered by the second half of 2024. Of these, 83 houses have been segregated from the mother land to begin the collection process, and 59 are in the process of segregation. IDG will terminate the loan agreement with Multibank with the next 65 units delivered.

Santiago – Phase 5:
As of March 31, 2024, IDG has built and delivered 112 out of the planned 131 homes in Phase 5. Currently, 19 homes are in the finishing stages of completion. All units have obtained occupancy permits, with only 12 housing units pending segregation from the mother finca to begin the collection process. IDG aims to complete the construction and delivery of the remaining units in the second half of 2024.

La Reserva (Phase 1):
As of March 31, 2024, IDG has built and sold 149 out of the planned 151 homes in La Reserva - Phase 1. Currently, 2 homes are at inventory available for sale, awaiting the completion of the collection process. IDG anticipates finishing the deliveries of La Reserva - Phase 1 in the first half of 2024.

La Reserva Social:
As of March 31, 2024, IDG has built and sold 5 out of the planned 15 homes in La Reserva Social. Currently, 10 homes are in the finishing stages of completion. IDG anticipates finishing the deliveries of La Reserva Social in the second half of 2024.

New Phases

Santiago - Phase 8:

IDG commenced the earth movement work in April 2023 to develop up to 257 homes in Phase 8, which has been commercially named Villas de Alicante. As of March 31, 2024 the first 31 houses have a construction progress of 95% and expect to be completely built by the end of second quarter of 2024. Infrastructure works including treatment plant, streets, sidewalks and wells are in development. IDG currently expects to be able to deliver the first homes in the fourth quarter of 2024.

La Reserva - Phase 2:

On March 7, 2023, IDG received approval of the masterplan for La Reserva Phase 2 which includes the development of up to 141 preferential interest subsidy homes in lots of 200 sqm, commercially named “Los Faros de Santiago”. The refreshed design has in the ground floor an entrance hall, living room, dining area, kitchen, bathroom and two bedrooms, while the second floor has the master bedroom with its bathroom. The development of this phase remains subject to the availability of capital to commence and complete construction.

Santiago - Phase 6/7:

On July 18, 2023, IDG received approval of the drawings for the development of up to 267 homes at Santiago – Phase 6/7. The development of this phase remains subject to the availability of capital to commence and complete construction.

Commercial Area:

During 2023, IDG received the render of a potential 5,000 square meter commercial area in Santiago. This design proposal is being analyzed to determine its viability and it is estimated to have an approved plan in the first half of 2025.

Financial Performance

The following selected financial data has been extracted from the unaudited condensed consolidated interim financial statements, prepared in accordance with International Financial Reporting Standards, for the periods indicated and should be read in conjunction with the unaudited condensed consolidated interim financial statements.

	For the three months ended	
	March 31, 2024	March 31, 2023
Sales revenues	$ **1,641,967**	$ 783,989
Santiago	1,641,967	783,989
Cost of goods sold (includes depreciation cost)	**(1,352,223)**	(769,684)
Net earnings (loss)	**(662,235)**	(1,292,910)
Earnings (loss) per share, basic	**(0.04)**	(0.58)
Earnings (loss) per share, diluted	**(0.04)**	(0.58)

Sales revenue for the three months ended Mach 31, 2024 increased by $857,978 or 109% compared to the three months ended March 31, 2023 driven by the sale of 15 more houses during the first three months 2024 compared to the same period in 2023. The Company sold 11 houses in Santago Phase 4, 11 houses in Santiago Phase 5 and 3 houses in La Reserva, for a total of 25 houses in three months ended March 31, 2024. In 2023, the Company sold 10 houses all in La Reserva.

Consequently, cost of sales increased by $582,539 or 76% in the three months ended March 31, 2024 compared to the same period last year, primarily driven by the increase of home deliveries.

The net loss for the three months ended March 31, 2024 decreased by $630,675 or 49% compared to the three months ended March 31, 2023, mainly driven lower operating loss in 2024 compared to 2023, higher interest expense in 2023 partly offset by share-based compensation on warrants and RSUs issued to management as part of the RTO Transaction on November 30, 2023.

Operating Expenses

	For the three months ended			
		March 31, 2024		March 31, 2023
Employee benefits expense	**$**	**42,545**	$	40,705
Sales expenses		**76,981**		73,703
Depreciation expenses		**22,188**		56,123
Overhead and administrative expenses		**447,763**		391,061
Total	**$**	**589,478**		561,591

Operating expenses increased by $27,887 or 5%, for the three months ended March 31, 2023 compared to the three months ended March 31, 2024. This increase was mainly due to higher audit expense and public company compliance requirements.

As at		**March 31, 2024**		December 31, 2023
Total assets	**$**	**27,024,386**	$	26,612,818
Working capital		**18,782,681**		17,714,312
Property and other inventories		**11,055,912**		11,181,591
Total non-current liabilities		**2,564,788**		1,706,144
Shareholders' equity	**$**	**16,549,880**	$	16,132,548
Number of shares outstanding (including shares held in escrow)		**15,392,476**		14,141,928

Property and other inventories decreased by $125,679 at March 31, 2024 compared to December 31, 2023 is primarily due to the sale of 25 houses with cost of $1,340,138 partly offset by $1,214,459 of costs incurred in development.

Non-current liabilities increased by $858,644 at March 31, 2024 compared to December 31, 2023. This is primarily due to increase in borrowings. The balance of non-current borrowings as at March 31, 2024 of $2,509,460 reflects the liability associated with the senior secured debenture signed on January 25, 2024.

Summary of Quarterly Results

The following selected quarterly financial data has been extracted from the financial statements, prepared in accordance with International Financial Reporting Standards. The table below summarizes the quarterly results over the past fiscal quarters.

	2024 Q1
Revenue	$ 1,641,967
Cost of goods sold	1,352,223
Operating expenses	589,478
Net loss	(662,235)
Total assets	27,024,386
Working capital	18,782,681
Total non-current liabilities	2,564,788

	2023 Q4	2023 Q3	2023 Q2	2023 Q1
Revenue	$ 1,403,651	$ 1,791,277	$ 1,812,496	$ 783,989
Cost of goods sold	4,898,359	1,925,339	2,081,180	769,684
Operating expenses	476,300	657,348	777,318	561,591
Net Income (loss)	17,704,209	(1,459,927)	(1,825,935)	(1,292,910)
Total assets	26,612,818	29,525,101	29,675,152	28,727,139
Working capital	17,714,312	17,301,767	17,976,172	19,183,594
Total non-current liabilities	1,706,144	37,441,538	36,923,206	36,372,182

	2022 Q4	2022 Q3	2022 Q2	2022 Q1
Revenue	$ 617,015	$ 1,411,800	$ 2,697,250	$ 3,125,000
Cost of goods sold	6,410,329	1,524,248	2,254,619	2,992,984
Operating expenses	1,006,615	522,051	640,001	698,596
Net Income (loss)	(8,260,614)	(919,004)	(526,430)	(849,519)
Total assets	28,487,280	34,549,241	34,908,040	34,478,538
Working capital	19,939,770	26,917187	26,457,240	25,884,221
Total non-current liabilities	35,935,720	34,796,005	33,562,900	32,625,165

Liquidity and Capital Resources

The Company's liquidity risk is derived from its loans, accounts payable, and accrued liabilities, as it may encounter difficulty discharging those obligations, but the Company endeavors to mitigate that risk through the careful management of its debt holders and the assertive pursuit of capital inflow for its operations. The Company had working capital surplus of $18,782,681 as at March 31, 2024 compared to $17,714,312 as at December 31, 2023, an increase of $1,068,369.

Management intends to finance operating costs over the next twelve months predominantly with available working capital, proceeds generated from ongoing operations and issuance of new shares as part of private placement, subject to regulatory approval. Further, to maintain or adjust its capital structure, the Company may issue new shares, enter into new debt, or scale back the size and nature of its operations. The Company is not subject to any externally imposed capital requirements. As at March 31, 2024, shareholders' equity was $16,549,880 compared to $16,132,548 as at December 31, 2023.

Working capital

As at		March 31, 2024		December 31, 2023
Current Assets	$	**26,928,070**	$	26,488,438
Current Liabilities		**8,145,389**		8,774,126
Working Capital	$	**18,782,681**	$	17,714,312

Current Assets

Current assets of $26,928,070 as at March 31, 2024 were comprised primarily of $11,055,912 of property and other inventories, $13,897,177 of land held for development, prepaids, construction advances and solidarity bonus subsidy. Current assets of $26,488,438 as at December 31, 2023 were comprised primarily of $11,181,591 of property and other inventories, $13,897,177 of land held for development and solidarity bonus subsidy.

Current Liabilities

Current liabilities at March 31, 2024 amounted to $8,145,389 compared to $8,774,126 on December 31, 2023 and were comprised primarily of short-term borrowings, accounts payable and accrued liabilities and advances from customers. The decrease of $628,737 is primarily due to cancellation of promissory note with shareholders of $990,000 and replaced with non-current senior secured debentures.

Cash Flow

For the three months ended March 31		2024		2023
Net cash used in operating activities	$	**(986,459)**	$	(1.338.782)
Net cash from (used in) financing activities		**1,395,563**		1.343.941

Net cash from (used in) operating activities

Cash used in operating activities of $986,459 for the three months ended March 31, 2024 was $352, 323 lower than the cash used in operating activities of $1,338,782 for the three ended March 31, 2023, mainly due to higher home deliveres in 2023 compared to 2022.

Net cash provided by financing activities

The proceeds from borrowings of $2,140,000 during the three months ended March 31, 2024 was primarily due to proceeds from the senior secured debenture loan entered into on January 25, 2024.

The proceeds from borrowings of $2,915,373 during the three months ended March 31, 2023 was primarily due to proceeds of $2,315,373 from the shareholder loans and $600,000 on the facility agreement.

The payment on borrowings of $606,008 during the three months ended March 31, 2024 is primarily due payment on loan from multibank.

The payment on borrowings of $1,100,000 during the three months ended March 31, 2023 is primarily due payment on loan of $600,000 from facility agreement, $300,000 from shareholder loans and $200,000 from Panama equities.

Off-Balance Sheet Arrangements

The Company has no material undisclosed off-balance sheet arrangements that have or are reasonably likely to have, a current or future effect on our results of operations, financial condition, revenues or expenses, liquidity, capital expenditures or capital resources.

Related party transactions

Related party transactions in the normal course of operations are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Company entered into several transactions with key management personnel and entities wholly owned by those personnel. The Company considers the executive officers and directors as the key management of the Company. The remuneration of key management personnel includes those persons having the authority and responsibility for the planning, directing, and controlling of the activities of the Company are as follows:

	Three months ended	
	March 31, 2024	March 31, 2023
Remuneration for services		
Salaries and Wages	**$ 159,477**	$ 107,502
RSUs	**170,556**	-
	$ 330,033	$ 107,502

Amounts due to and from related parties as at March 31, 2024 and December 31, 2023 are as follows:

Related party assets (liabilities)	**March 31, 2024**	December 31, 2023
Key management personnel	**$ (12,869)**	$ (2,500)
Shareholder loan	**$ (3,182,800)**	$ (990,000)

The amount due to key management personnel, included in other accounts payable, relates to unpaid remuneration and reimbursement of business-related travel expense.

Share Capital

As at June 4, 2024, the Company has $15,392,476 in total shares outstanding of which $12,842,150 shares are held in escrow.

Contractual Obligations

As of March 31, 2024, and as of the date of this MD&A, and in the normal course of business, the following is a summary of the Company's material obligations to make future payments, representing contracts, and other commitments that are known and committed.

Lease liabilities

The Company has lease agreements for heavy equipment, rolling equipment and machinery directly used in construction and development projects. The total right of use assets and lease liabilities related to this construction equipment are presented in the consolidated statements of financial position. For details, please see note 9 (Leases) in the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2024.

The lease liabilities are secured by the related underlying assets. Future lease payments as at March 31, 2024 are as follows:

		Within 1 year	1-2 years	2-3 years	3-4 years	Total
Lease payments	$	64,009	-	-	-	64,009
Finance charges		(2,418)	-	-	-	(2,418)
Net present values	**$**	**61,591**	**-**	**-**	**-**	**61,591**

Payables and Borrowings

The table below shows the Company's main financial liabilities and reflect contractual cash flows as at March 31, 2024. The Company monitors the scheduled payments defined in the terms and conditions of each financing contract and has objective to maintain cash to meet its liquidity requirements for at least 30 days.

	Contractual obligations				
March 31, 2024	**In 6 months**	**7 to 12 months**	**More than 1 year up to 5 years**	**More than 5 years**	**Total**
Accounts payable	**$ 1,294,733**	**$ 1,163,136**	**$ -**	**$ -**	**$ 2,457,869**
Advances received from customers	**213,023**	**-**	**-**	**-**	**213,023**
Lease liabilities	**47,383**	**14,208**	**-**	**-**	**61,591**
Bank loans	**3,433,908**	**-**	**-**	**-**	**3,433,908**
Private loans	**-**	**1,661,496**	**-**	**-**	**1,661,496**
Shareholder loan	**-**	**-**	**3,182,800**	**-**	**3,182,800**
Other loans	**317,500**		**-**	**-**	**317,500**
TOTAL	**$ 5,306,547**	**$ 2,838,840**	**$ 3,182,800**	**$ -**	**$ 11,328,187**

Critical Accounting Policies and Estimates

For details see note 5 (Summary of material accounting policies) and note 6 (Critical accounting judgments, assumptions and estimates) to the audited consolidated financial statements for the years ended December 31, 2023.

Business Risks

There were no significant changes to the Company's business risk exposures or the processes used by the Company for managing those risk exposures at March 31, 2024 compared to those identified at December 31, 2023. For details see MD&A disclosure in the consolidated financial statements for the year ended December 31, 2023.

REGULATORY POLICIES

Internal Controls over Financial Reporting

The CEO and CFO, along with participation from other members of management, are responsible for establishing and maintaining adequate Internal Control over Financial Reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial statements prepared in accordance with IFRS. The Company's CEO and CFO, with support of management have assessed the design and operating effectiveness of the Company's ICFR as at December 31, 2023 based on criteria described in "Internal Control - Integrated Framework" issued in 2013 by the Committee of Sponsoring Organization of the Treadway Commission. Based on this assessment, it was concluded that the design and operation of the

Company's ICFR are effective as at December 31, 2023. During the three months ended March 31, 2024, there has been no change in the Company's ICFR that has materially affected, or is reasonably likely to materially affect, the Company's ICFR.

Limitations of Controls and Procedures

The Company's management, including its CEO and CFO, believe that any ICFR, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgements in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Outlook

In 2023, IDG completed a strategic transformation optimizing resources and positioning the Company for growth in 2024. The Company's primary focus for 2023 was to finalize and deliver legacy inventory of which the Company remains on track to completed construction for all remaining homes in the Legacy Phase by mid-2024. With the majority of these homes pre-sold, IDG expects to be well positioned to deliver all Legacy inventory by the end of 2024.

Looking forward, contingent on market demand and our financial capacity, IDG is strategically evaluating the feasibility of new phases, including an expansion of Phase 8, Phase 6/7 and La Reserva 2, at the Santiago project. This involves completing the 31 homes under construction in Phase 8 and monitoring market and capital availability for the expansion of this Phase and the launch of Phase 6/7.

In addition to the existing phases under development, IDG is exploring opportunities for a vibrant commercial space spanning 5,000 square meters at the Santiago project. This mixed-use area is envisioned to feature green spaces, local businesses, community events, and anchor tenant. Concurrently, the Company is also evaluating opportunities to expand IDG's strategic focus into new market segments and geographies to supplement growth of the core business.

In 2024, IDG is in the final stages of crafting a comprehensive long-term strategic plan encompassing IDG's vision for the Santiago property and areas for growth.

The Company will finance the projects using collections from houses to deliver in the upcoming year, debt financing or equity financing as required for specific phase build and working capital requirements.

Approval

This MD&A is authorized for issue by the Board on June 5, 2024.