

BMBG CAPITAL CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended September 30, 2018

Dated November 21, 2018

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Introduction

This Management's Discussion and Analysis ("MD&A") of the financial position and results of operations of BMGB Capital Corp. (the "**Company**" or "**BMGB**") should be read in conjunction with the condensed interim financial statements of the Company for the three months ended September 30, 2018 and the related notes contained therein. The condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") using policies consistent with IFRS as issued by the IASB. All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company and its activities can be found on SEDAR at www.sedar.com.

This MD&A is current as at November 21, 2018.

This MD&A contains forward-looking statements and forward-looking information as further described under "Forward-Looking Statements and Forward-Looking Information" at the end of this MD&A.

The Company

BMGB Capital Corp. (the "**Company**") was incorporated in the Province of British Columbia on April 21, 2018. The Company's registered and records office is Suite 600 – 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7.

The Company was formed for the primary purpose of completing an Initial Public Offering ("**IPO**") on the TSX Venture Exchange ("**Exchange**") as a Capital Pool Company ("**CPC**") as defined in Policy 2.4 of the Exchange. As a CPC, the Company's principal business would be to identify, evaluate and acquire assets, properties or businesses which would constitute a qualifying transaction in accordance with Policy 2.4 of the Exchange ("**Qualifying Transaction**"). A CPC has 24 months from when the shares are listed on the Exchange to complete a Qualifying Transaction. Such a transaction will be subject to shareholder and regulatory approval. Until completion of the Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction.

As a Capital Pool Company, the proceeds raised by the Company from the issuance of share capital may only be used to identify and evaluate assets of business for future investment, with the exception that no more than the lesser of 30% of the gross proceeds from the sale of securities issued by the Company and \$210,000 may be used to cover prescribed costs of issuing common shares or administrative and general expenditures of the Company. These restrictions apply until the completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange.

Overall Performance

The key factors pertaining to the Company's overall performance for the three months ended September 30, 2018 are as follows:

- The Company had working capital of \$83,207 as at September 30, 2018, as compared to working capital of \$100,000 as at June 30, 2018. The decrease was mainly due to administrative expenses in the normal course of business.

- The Company incurred a net loss of \$16,793 for the three months ended September 30, 2018, as compared to a net loss of \$Nil for the period from incorporation on April 21, 2018 to June 30, 2018.

Selected Annual Information

The following table sets forth summary financial information for the Company for the period from incorporation to June 30, 2018. This information has been summarized from the Company's audited financial statements for the same period and should only be read in conjunction with the Company's audited financial statements, including the notes thereto.

	<u>Period from Incorporation to June 30, 2018</u>
Total assets	100,000
Total revenues	-
Long-term debt	-
General and administrative expenses	-
Net loss	-
Basic and diluted loss per share ⁽²⁾	-

Discussion of Operations

The Company incurred a net loss of \$16,793 for the three months ended September 30, 2018, as compared to a net loss of \$Nil for the period from incorporation on April 21, 2018 to June 30, 2018. Total expenses for the three month period were \$16,793, of which \$6,300 was professional fees, \$10,240 was filing fees and \$253 was general and administration. Professional fees consist of legal, accounting and audit fees.

Summary of Quarterly Results

The following financial data was derived from the Company's financial statements for each of the Company's two completed financial quarters since incorporation:

	<u>Period of incorporation to June 30, 2018 (\$)</u>	<u>September 30, 2018 (\$)</u>
Revenues	-	-
Net income (loss) before other income/ expenses	-	(16,793)
Net income (loss) after other income / expenses	-	(16,793)
Net Income (loss) per share – basic and diluted	-	(16,793)
Weighted average number of shares outstanding		

Liquidity and Capital Resources

The Company is in the evaluation stage and therefore has no cash flow from operations. The Company's only source of funds since incorporation has been from the sale of common shares. From the date of

incorporation on April 21, 2018, to September 30, 2018, it has raised \$100,000 from the sale of shares for cash through the issuance of 2,000,000 shares. In total, there are 4,500,000 shares outstanding as of the date of this MD&A.

As at September 30, 2018, current assets were \$83,207 (June 30, 2018 - \$100,000) and current liabilities were \$Nil (June 30, 2018 - \$Nil), resulting in working capital of \$83,207 (June 30, 2018 - \$100,000) at that time. There are no known trends affecting liquidity or capital resources.

As at September 30, 2018, the Company had total assets of \$83,207 (June 30, 2018 - \$100,000) which are comprised of \$62,957 cash and \$20,250 prepaid expenses.

While the information in this MD&A has been prepared in accordance with IFRS on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future, there are conditions and events that cast significant doubt on the validity of this presumption. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. While the Company is making its best efforts in this regard, the outcome of these matters cannot be predicted at this time.

Disclosure of Outstanding Security Data

As of the date of this MD&A, the Company has the following securities issued and outstanding: 4,500,000 common shares; 450,000 stock options, each of which are exercisable for one common share of the Company for \$0.10 until November 5, 2028; and 250,000 agent's warrants, each exercisable for one share at a price of \$0.10 per share until November 5, 2020. The Company has no other securities issued or outstanding that are convertible into, or exercisable or exchangeable for, voting or equity securities of the Company.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Transactions Between Related Parties

During the three month period ended September 30, 2018, the Company had no related party transactions.

Trends

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. See "Forward-Looking Statements and Forward-Looking Information" at the end of this MD&A.

Outlook

The Company's priorities are to identify, evaluate and acquire assets, properties or businesses which would constitute a qualifying transaction in accordance with Policy 2.4 of the Exchange.

Changes in Accounting Policies Including Initial Adoption

A detailed summary of all of the Company's significant accounting policies is included in Note 2 to the financial statements. The Company, in consultation with its auditor, periodically reviews accounting policy changes implemented within its industry.

Financial Instruments and Other Instruments

The carrying values of cash and cash equivalents and accounts payable approximate their fair values because of the short-term maturity of these financial instruments. The Company has no exposure to Asset Backed Commercial Paper.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of shares, it is uncertain as to whether it will be able to continue this form of financing due to uncertain economic conditions. There were no changes in the Company's approach to capital management during the year.

The Company is not subject to externally imposed capital requirements.

- Categories of financial instruments

	September 30, 2018	June 30, 2018
Financial assets at fair value through profit or loss		
Cash and cash equivalents	\$62,957	\$22,500

The fair values of cash and cash equivalents approximate their carrying values due to the short term to maturities of these financial instruments.

The Company's financial instruments are exposed to certain financial risks, including market risk, credit risk and liquidity risk. The Company's exposure to these risks and its methods of managing the risks remain consistent.

- Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign currency rates and other price risk.

- Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Should the market interest rates increase/decrease by 1%, the impact on cash would be immaterial.

The Company monitors its exposure to interest rates and has not entered into any derivative financial instruments to manage this risk. The Company's exposure to interest rate risk is immaterial.

- Foreign currency risk

The Company is not exposed to foreign currency risk as all expenditures incurred by the Company are denominated in Canadian dollars.

- Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk on its financial instruments.

- Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash. The carrying value of the financial assets represents the maximum credit exposure.

Credit risk is minimal as \$62,957 of cash is on deposit with a Canadian chartered bank.

- Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its expansionary plans. The Company ensures there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Liquidity risk is minimal as the Company can satisfy its commitments for the coming year.

There were no changes in the Company's approach to financial risk management during the year.

Forward-Looking Statements and Forward-Looking Information

The information provided in this MD&A may contain forward-looking statements and forward-looking information about BMGB within the meaning of applicable securities laws. In addition, BMGB may make or approve certain statements or information in future filings with Canadian securities regulatory authorities, in news releases, or in oral or written presentations by representatives of BMGB that are not statements of historical fact and may also constitute forward-looking statements or forward-looking information. All statements and information, other than statements of historical fact, made by BMGB that address activities, events, or developments that BMGB expect or anticipate will or may occur in the future are forward-looking statements and information, including, but not limited to, statements and information preceded by, followed by, or that include words such as "may", "would", "could", "will", "likely", "expect", "anticipate", "believe", "intends", "plan", "forecast", "budget", "schedule", "project", "estimate", "outlook", or the negative of those words or other similar or comparable words. This forward-looking information and forward-looking statements include, without limitation, information about the Company's opportunities, strategies, competition, expected activities and expenditures as the Company pursues its business plan, the adequacy of the Company's available cash resources and other statements about future events or results.

Forward-looking statements and information involve significant risks, assumptions, uncertainties and other factors that may cause actual future performance, achievement or other realities to differ materially from those expressed or implied in any forward-looking statements or information and, accordingly, should not be read as guarantees of future performance, achievement or realities.

Actual performance, achievement or other realities could differ materially from those expressed in, or implied by, any forward-looking statements or information in this MD&A and, accordingly, investors should not place undue reliance on any such forward-looking statements or information. Further, any forward-looking statement or information speaks only as of the date on which such statement is made, and BMGB does not intend, and expressly disclaims any intention or obligation to, update or revise any forward-looking statements or information whether as a result of new information, future events or otherwise, except as required by applicable law. All forward-looking statements and information contained in this MD&A and other documents of BMGB are qualified by such cautionary statements.

In addition, forward-looking statements and information herein, including financial information, is based on certain assumptions relating to the business and operations of BMGB. Although BMGB has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements and forward-looking information in this MD&A, and the documents incorporated by reference herein, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There is no assurance that such statements and information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information contained in this MD&A.