

**Richmond Road Capital Corp.**  
Management Discussion and Analysis  
*Nine Months Ended June 30, 2017*

**FORM 51-102F1**

*The following management's discussion and analysis ("MD&A") should be read in conjunction with the Corporation's financial statements and notes thereto for the period ended June 30, 2017. Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com).*

This MD&A was prepared by management of Richmond Road Capital Corp. ("the Corporation"), and was approved by the Board of Directors on July 10, 2017. All amounts are in Canadian dollars unless otherwise stated.

**Forward-Looking Statements**

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", used by any of the Corporation's management, are intended to identify forward-looking statements. Such statements reflect the Corporation's forecasts, estimates and expectations, as they relate to the Corporation's current views based on their experience and expertise with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Corporation's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. There can be no assurance that it will be completed as proposed or at all. The Corporation does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments unless required by law.

**Description of the Business**

The Corporation was incorporated under the Business Corporations Act (Alberta) on September 19, 2012 with the intent to being classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange") corporate finance manual. The Corporation has no assets other than cash. The Corporation proposes to identify and evaluate potential acquisitions or businesses, and once identified and evaluated, to negotiate an acquisition or participation subject to regulatory and, if required, shareholders' approval. The Corporation failed to complete its qualifying transaction in accordance with the Exchange policies within two years, which resulted in its transfer to the NEX board of the Exchange and 300,000 agent's options and 1,000,000 Seed Shares held by directors being cancelled.

The Corporation operates from its primary office in Calgary, Alberta, Canada. Its registered head office is located at 1900, 520 3<sup>rd</sup> Avenue S.W., Calgary, Alberta T2P 0R3.

**Selected Financial Information**

The Corporation was incorporated under the *Business Corporation Act* (Alberta) on September 19, 2012 and September 30 is the date of its fiscal year end.

The following selected financial data is derived from the financial statements of the Corporation prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards applicable to the preparation of interim financial statements, including IAS 34.

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Selected Statement of Financial Position Data

	<u>As at June 30,</u> <u>2017</u>	<u>As at September 30,</u> <u>2016</u>
Net working capital	\$ 81,275	\$129,884
Total current assets	\$113,775	\$142,706
Total current liabilities	<u>\$ 32,500</u>	<u>\$ 12,822</u>
Total shareholders' equity	\$ 81,275	\$129,884

Selected Statement of Operations Data

	<u>Nine months Ended</u> <u>June 30, 2017</u>	<u>Three months Ended</u> <u>June 30, 2017</u>
Expenses	\$48,609	\$38,578
Net loss for the period	\$48,609	\$38,578
Basic loss per share	(0.02)	(0.01)

The Corporation does not have any operations and will not conduct any business other than the identification and evaluation of business and assets for potential acquisition.

During the nine months ended June 30, 2017, the Corporation recorded a net loss of \$48,609 consisting of professional fees and filing and communication fees.

**Liquidity, Capital Resources, and Outlook**

As at June 30, 2017, the Corporation had working capital of \$81,275 and \$113,775 in cash. Management believes that it has sufficient cash to meet its ongoing obligations and its objective of completing a Qualifying Transaction. However, additional equity or debt financing may be required to complete a Qualifying Transaction.

There can be no assurance that the Corporation will be able to obtain adequate financing to complete a Qualifying Transaction.

**Off-Balance Sheet Arrangements**

There are no off-balance sheet arrangements as at June 30, 2017.

**Critical Accounting Estimates and Policies**

The Corporation's significant accounting policies and the adoption of new accounting policies are disclosed in the unaudited financial statements for the period ended June 30, 2017.

**Financial Instruments and Other Instruments**

The Corporation's financial instruments consist of cash and accounts payable and accrued liabilities. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair value of these financial instruments approximates their carrying values, as applicable.

**Disclosure of Outstanding Share Data**

As at the date of this MD&A, the following is a description of the outstanding equity securities and convertible securities previously issued by the Corporation:

	Authorized	Outstanding
Voting or equity securities issued and outstanding	Unlimited Common Shares	5,000,000 Common Shares
Preferred Shares	Unlimited Preferred Shares	Nil
Securities convertible or exercisable into voting or equity securities – stock options	Directors’ and officers’ stock options to acquire up to 10% of the issued and outstanding common shares	Directors’ and officers’ stock options to acquire up to 600,000 common shares at an exercise price of \$0.10 per common share
Voting or equity securities issuable on conversion or exchange of outstanding securities	as above	as above

**Risks and Uncertainties**

The Corporation has a limited history of existence. There can be no assurance that a Qualifying Transaction will be completed. Equity or debt financing may be required to complete a Qualifying Transaction. There can be no assurance that the Corporation will be able to obtain adequate financing to continue. The securities of the Corporation should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Corporation's securities:

- a) until completion of a Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;
- b) the Corporation has had no business activity and has not acquired any material assets since its incorporation other than cash;
- c) the Corporation does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the completion of the Qualifying Transaction;
- d) the Corporation has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Corporation will be able to identify a suitable Qualifying Transaction;
- e) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction;

- f) the Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Corporation and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Corporation;
- g) there can be no assurance that an active and liquid market for the common shares will develop and an investor may find it difficult to resell its common shares;
- h) if the Corporation fails to complete a Qualifying Transaction within 24 months of listing, the TSX Venture Exchange could suspend or delist the common shares of the Corporation and an interim cease trade order may be issued against the Corporation's securities by an applicable securities commission if its common shares are suspended from trading on or delisted from the TSX Venture Exchange or otherwise; and
- i) the Corporation competes with many Capital Pool Companies that are seeking suitable Qualifying Transactions. In addition, other Capital Pool Companies may have substantially greater financial and technical resources than the Corporation.

### **Related Party Transactions**

Transactions with related parties are incurred in the normal course of business.

During the three and nine months ended June 30, 2017 the Company incurred approximately \$29,000 and \$32,800 respectively (three and nine months ended June 30, 2016 - \$53,168 and \$53,488, respectively) in legal fees for services provided by a law firm whose partner is a director of the Company. As at June 30, 2017 \$29,000 is owing to this law firm.

### **Letter of Intent**

On June 8, 2017, the Company entered into a non-binding letter of intent ("LOI") with a private company ("Private Co.") to acquire Private Co. that would serve as the Company's Qualifying Transaction (the "Transaction"). The proposed Transaction is expected to be structured by way of a share exchange, merger, amalgamation, arrangement or other similar transaction which will result in Private Co. merging directly or indirectly with the Company. In connection with the Transaction, it is anticipated Private Co. will undertake an equity financing of up to \$75 million through the private placement of subscription receipts. Concurrent with the closing of the Transaction the subscription receipts would be automatically exchanged for common shares of the resulting issuer on a one-for-one basis. The Company and Private Co. intended to negotiate the terms and condition of a definitive agreement and to enter into such agreement on or before July 7, 2017. A press release is going to be issued when it has been signed. It is anticipated that the common shares of the Company will be consolidated on the basis of 18.5:1.00.

The completion of the Transaction is subject to various approvals including TSXV, Board of Directors of both the Company and Private Co. and if applicable the shareholders of the Company and Private Co.

### **Other Information**

The policies of the TSX Venture Exchange prohibit Capital Pool Companies from carrying on formal investor relations activities. Corporate communications and investor inquiries are handled by the Directors of the Corporation. Additional information about the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com).