

Big Dougie Capital Corp.
(A Capital Pool Company)
Management Discussion and Analysis
For the period from December 14, 2017
(date of incorporation) to December 31, 2018

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FORM 51-102F1

The following management's discussion and analysis ("MD&A") should be read in conjunction with the Company's audited annual financial statements and notes thereto for the period December 14, 2017 (date of incorporation) to December 31, 2018. Additional information relating to the Company is available on SEDAR at www.sedar.com.

This MD&A was prepared by management of Big Dougie Capital Corp. ("the Company") and was approved by the Board of Directors on April 25, 2019. 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 Company's management, are intended to identify forward-looking statements. Such statements reflect the Company's forecasts, estimates and expectations, as they relate to the Company'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 Company'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. The Company 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 applicable securities law.

Description of the Business

The Company was incorporated on December 14, 2017, by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (Alberta). The Company is classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange") corporate finance manual. The Company has no assets other than cash. The Company 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 Company's registered head office is located at Suite 1600, 333 – 7th Avenue S.W., Calgary, AB, T2P 2Z1.

Selected Financial Information

December 31 is the date of the Company's fiscal year end.

The following selected financial data is derived from the financial statements of the Company 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.

Selected Statement of Financial Position Data	As at December 31, 2018	
Net working capital	\$	578,872
Total current assets		585,815
Total current liabilities		6,943
Total shareholders' equity	\$	578,872

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Selected Statement of Operations Data	Period from December 14, 2017 (date of incorporation) to December 31, 2018	
Expenses		
General and administrative	\$	70,510
Stock-based compensation	\$	97,810
Net loss and comprehensive loss	\$	168,320
Loss per share	\$	(0.18)
Weighted average number of shares outstanding	\$	947,945

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

Share Capital

Authorized

Unlimited number of voting Common Shares

Unlimited number of non-voting Preferred shares issuable in series

Issued Common Shares	Number of Shares	\$
Issued on incorporation	-	-
Issued at \$0.05 per share (i)	10,000,000	500,000
Issued at \$0.10 per share (ii)	2,000,000	200,000
Share issuance costs		(59,218)
As at December 31, 2018	12,000,000	640,782

- (i) The Company has issued 10,000,000 Common Shares subject to an escrow agreement whereby 10% of the shares will be released upon completion and approval of the Company's qualifying transaction. An additional 15% of the escrowed Common shares will be released on each six-month anniversary thereafter unless otherwise permitted by the Exchange. Common Shares issued upon the exercise of options held by officers and directors are subject to the same escrow conditions. These Common Shares, which are considered contingently issuable until the Company completes a Qualifying Transaction, are not considered to be outstanding for the purpose of the loss per share calculation.
- (ii) On July 11, 2018, the Company completed its initial public offering and raised gross proceeds of \$200,000 through the issuance of 2,000,000 Common Shares at a price of \$0.10 per share. Included in the share issue costs balance of \$59,218 is \$25,000 relating to the December 14, 2017 deferred financing costs balance.

The Company granted Agent's Options (the "Agent's Options") which entitles the Agent to purchase in aggregate up to 200,000 Common Shares at an exercise price \$0.10 per Common Share. The Agent's Options will expire 24 months from the date the Common Shares were listed on the TSX Venture. The Agent also received a cash commission equal to 10% of the gross proceeds of the Offering, a corporate finance fee of \$10,000 and was reimbursed for its legal fees and reasonable expenses. The value of the Agent Options is \$8,600 as determined by the Black-Scholes option pricing model and has been recorded as share issue

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Share-based payments

The Company has adopted an incentive stock option plan which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares. However, other than in connection with a Qualifying Transaction, during the time that the Company is a CPC, the aggregate number of Common Shares issuable upon exercise of all options granted under the Option Plan shall not exceed 10% of the Common Shares of the Company issued and outstanding at the closing of the Company's initial public offering. Such options will be exercisable for a period of up to ten years from the date of grant and vest immediately in accordance with the terms of their grant.

The Black-Scholes option pricing model was used to estimate the fair value of options on the date of grant using the following assumptions:

	Expiry (year)	Risk-free interest rate (%)	Expected life (years)	Expected dividend yield (%)	Expected volatility (%)	Forfeiture Rate (%)
Director Options	2028	2.07	5	0.0	116	0.0
Agent Options	2020	1.95	2	0.0	78	0.0

The fair value of the options granted to directors and officers of \$97,810 is included in share-based compensation expense on the statement of net loss and comprehensive loss.

<i>Options</i>	Number of options	Weighted average exercise price
As at December 14, 2017	-	-
Issued to directors and officers	1,200,000	0.10
As at December 31, 2018	1,200,000	0.10

<i>Options</i>	Number of warrants	Weighted average exercise price
As at December 14, 2017	-	-
Issued to agents	200,000	0.10
As at December 31, 2018	200,000	0.10

Liquidity, Capital Resources, and Outlook

As at December 31, 2018, the Company had working capital of \$578,872 and cash of \$585,815. Management believes that it has sufficient cash to meet its ongoing obligations and sufficient further resources to be able to identify, evaluate and complete a Qualifying Transaction.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as at December 31, 2018.

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Critical Accounting Estimates and Policies

The Company's significant accounting policies and the adoption of new accounting policies are disclosed in the audited financial statements for the year ended December 31, 2018.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. It is management's opinion that the Company 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 Company:

	Authorized	Outstanding
Voting or equity securities issued and outstanding	Unlimited number of Common Shares	12,000,000 Common Shares
Securities convertible or exercisable into voting or equity securities – stock options	Options to acquire up to 10% of the issued and outstanding Common Shares from time to time Agent's options to acquire up to 10% of the Common Shares issued in connection with the initial public offering	Options to acquire 1,200,000 Common Shares at an exercise price of \$0.10 per Common Share Agent's options to acquire 200,000 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 Company 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 Company will be able to obtain adequate financing to continue. The securities of the Company should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's securities:

- a) until completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;
- b) the Company has had no business activity and has not acquired any material assets since its incorporation other than cash;
- c) the Company 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;

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- d) the Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company 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 Company 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 Company 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 Company;
- 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 Company fails to complete a Qualifying Transaction within 24 months of listing, the Exchange could suspend or delist the common shares of the Company and an interim cease trade order may be issued against the Company's securities by an applicable securities commission if its common shares are suspended from trading on or delisted from the Exchange or otherwise; and
- i) the Company competes with other 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 Company.

Related Party Transactions

Transactions with related parties are incurred in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and approved by the related parties. There were no related party transactions in the twelve months ending December 31, 2018.

Other Information

The policies of the Exchange prohibit Capital Pool Companies from carrying on formal investor relations activities. Corporate communications and investor inquiries are handled by the Directors of the Company. Additional information about the Company is available on SEDAR at www.sedar.com.

CORPORATE INFORMATION

CONTACT

Head Office

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Al Kroontje
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MNP LLP

Calgary, Alberta

BANKERS

ATB

Calgary, Alberta

TRANSFER AGENT

Computershare Trust Company

Calgary, Alberta