

**CLUNY CAPITAL CORP.**

**(a capital pool company)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS –**

**YEAR ENDED DECEMBER 31, 2018**

**(EXPRESSED IN CANADIAN DOLLARS)**

**Introduction**

The following management’s discussion and analysis (“MD&A”) of the financial condition and results of the operations of Cluny Capital Corp. (“Cluny”, or the “Company”) constitutes management’s review of the factors that affected the Company’s financial and operating performance for the years ended December 31, 2018 and 2017. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the years ended December 31, 2018 and 2017, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The financial statements and the financial information contained in this MD&A were prepared in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). Information contained herein is presented as of April 26, 2019, unless otherwise indicated.

As a result of ongoing review and possible amendments by interpretive guidance from the IASB and IFRIC, IFRS in effect at December 31, 2018, may differ from IFRS and interpretation statements applied in preparing the audited annual financial statements for the year ended December 31, 2018.

Further information about the Company and its operations can be obtained on [www.sedar.com](http://www.sedar.com).

Information about the Company and its operations can be obtained from the offices of the Company or from [www.sedar.com](http://www.sedar.com).

**Cautionary Note Regarding Forward-Looking Information**

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as “forward-looking statements”). These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

<b>Forward-looking statements</b>	<b>Assumptions</b>	<b>Risk factors</b>
The Company expects to complete a Qualifying Transaction (defined below)	The Company expects to identify an asset or business to acquire and close a Qualifying Transaction, on terms favourable to the Company	The Company’s inability to find a target to complete a Qualifying Transaction, resulting in the Company remaining as a public shell on the NEX trading board of the Exchange (defined below)

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<p>The Company's ability to meet its working capital needs at the current level for the twelve-month period ending December 31, 2019</p>	<p>The operating activities of the Company for the twelve-month period ending December 31, 2019, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company</p>	<p>Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; regulatory compliance and changes in regulatory compliance and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions</p>
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Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risks and uncertainties" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. 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.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

**Description of Business**

The Company was incorporated under the *Business Corporations Act* (Ontario) on August 11, 2011 and is classified as a capital pool company ("**CPC**") as defined in Policy 2.4 *Capital Pool Companies* ("**Policy 2.4**") of the TSX Venture Exchange Inc. (the "**Exchange**"). The Company has no significant assets. The common shares of the Company were listed on the Exchange at the close of business on August 19, 2014 and commenced trading on the Exchange under the stock symbol "CLN.P" on August 20, 2014.

The Company proposes to identify and evaluate potential acquisitions or businesses with a view to completing a Qualifying Transaction (as such term is defined in Policy 2.4).

Effective March 13, 2017, the Company was transferred to the NEX trading board of the Exchange. In connection with the transfer to the NEX, a total of 500,001 common shares of the Company issued to non-arm's length parties that constituted "seed shares" under Policy 2.4 were cancelled. In addition, the trading symbol for the Company was changed from CLN.P to CLN.H.

On May 23, 2018, the following persons were appointed as the new officers and directors of the Company: Michael Frank (Director/Chief Executive Officer/Chief Financial Officer), James Greig (Director), Jaimie Grossman (Director), and Robbie Grossman (Corporate Secretary).

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The Company also granted 323,370 stock options to new officers and directors of the Company at an exercise price of \$0.06 per common share expiring on May 23, 2028. Upon resignation all of the stock options held by the departing officers and directors were forfeited.

On June 6, 2018, the Company closed a non-brokered private placement for aggregate gross proceeds of \$300,000 through the issuance of 6,000,000 common shares at a price of \$0.05 per share. All shares issued pursuant to the financing are subject to a four month hold period from the date of issuance. The net proceeds will be used by the Company for working capital and the identification and evaluation of a Qualifying Transaction. In connection with the private placement the Company paid finder's fees of an aggregate of \$16,400. The Company received subscriptions from its four new officers and directors for an aggregate amount of \$25,000 for 500,000 common shares. In addition, in accordance with Policy 2.4, 1,300,000 common shares acquired by Non-Arm's Length Parties (as such term is defined by the Exchange) have been placed in escrow pursuant to an Exchange Form 2F *Escrow Agreement*.

The Company also completed securities for debt transactions with two arm's length service providers. Pursuant to the transactions the Company issued an aggregate of \$56,500 of unsecured convertible debentures in satisfaction of \$56,500 of indebtedness. The convertible debentures, which mature on June 6, 2019 and accrue interest at 6% per annum, are automatically convertible into an aggregate of 941,666 common shares of the Company at a deemed price of \$0.06 per share concurrent with the closing of a Qualifying Transaction. The Company determined to satisfy the indebtedness with convertible debentures in order to preserve its cash for use on working capital and the identification and evaluation of a Qualifying Transaction. The convertible debentures issued in satisfaction of the indebtedness are subject to a four month hold period from the date of issuance.

On June 6, 2018, the Company granted 450,000 stock options to new officers and directors of the Company at an exercise price of \$0.06 per common share expiring on June 6, 2028. Pursuant to the approval of the Exchange, the directors also amended the stock option plan of the Company to remove the cap on the number of common shares to be reserved under the option plan from 10% of the number of common shares issued and outstanding at the time of the Company's initial listing on the Exchange to 10% of the number of common shares of the Company issued and outstanding at the time of the grant.

The registered address of the Company is located at 1 First Canadian Place, 100 King Street West, Suite 6000, Toronto, Ontario M5X 1E2.

The Company's financial year end is on December 31.

Until completion of a 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. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. Except as permitted by Policy 2.4, the funds that will be raised and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions.

For the year ended December 31, 2018, the Company reported no discontinued operations and declared no cash dividends. The Company's statement of financial position at December 31, 2018 and December 31, 2017 remains free from capital leases.

### Operational Highlights

On June 26, 2018, the Company entered into a binding letter of intent, as amended, with Ronin Blockchain Corp. ("**Ronin**"), a wholly-owned subsidiary of Datametrex AI Limited, a reporting issuer listed on the Exchange, for the proposed combination of the businesses of the two companies (the "**Proposed Transaction**"). The Proposed Transaction was intended to constitute the Company's Qualifying Transaction and would result in a reverse take-over of the Company by Ronin.

On November 15, 2018, the letter of intent for the Proposed Transaction terminated.

### Trends

For the immediate future, the Company intends to work towards, completing the Proposed Transaction. The Company continues to monitor its spending and will amend its plans based on business opportunities that may arise in the future.

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.

Strong equity markets are favourable conditions for completing a public merger or acquisition transaction.

Apart from these and the risk factors noted under the heading "Risks and Uncertainties", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

### Selected Annual Financial Information

The following is selected financial data derived from the audited financial statements of the Company at December 31, 2018, December 31, 2017 and December 31, 2016.

	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
Net loss	\$(183,302)	\$(86,866)	\$(186,891)
Net loss per share (basic and diluted)	\$(0.04)	\$(0.04)	\$(0.08)
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2016
Total assets	\$202,043	\$3,774	\$87,614

## **Discussion of Operations**

### Year ended December 31, 2018, compared to the year ended December 31, 2017

The Company's net loss totaled \$183,302 for the year ended December 31, 2018, with basic and diluted loss per share of \$0.04. This compares with a net loss of \$86,866 with basic and diluted loss per share of \$0.04 for the year ended December 31, 2017. The increase in the net loss of \$96,436 was principally because:

- Listing fees decreased by \$14,295 mainly due to lower fees as the Company was transferred to the NEX;
- On May 23, 2018, the Company granted 323,370 stock options to new officers and directors of the Company at an exercise price of \$0.06 per common share expiring on May 23, 2028. These options vested immediately. The fair value of these stock options was estimated to be \$14,377 at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions: share price - \$0.05; expected dividend yield - nil; risk free interest rate - 2.37%; expected life 10.0 years; and expected volatility - 100%;
- On June 6, 2018, the Company granted 450,000 stock options to new officers and directors of the Company at an exercise price of \$0.06 per common share expiring on June 6, 2028. These options vested immediately. The fair value of these stock options was estimated to be \$19,994 at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions: share price - \$0.05; expected dividend yield - nil; risk free interest rate - 2.26%; expected life 10.0 years; and expected volatility - 100%; and
- On June 6, 2018, the Company completed securities for debt transactions with two arm's length service providers. Pursuant to the transactions the Company issued an aggregate of \$56,500 of unsecured convertible debentures in satisfaction of \$56,500 of indebtedness. The convertible debentures, which mature on June 6, 2019 and accrue interest at 6% per annum, are automatically convertible into an aggregate of 941,666 common shares of the Company at a deemed price of \$0.06 per share concurrent with the closing of a Qualifying Transaction.

The convertible debenture was separated into its liability component of \$44,654 and equity component of \$11,846 using the effective interest rate method with an effective interest rate of 25% per annum. During the year ended December 31, 2018, the Company recorded an accretion expense of \$6,361 (2017 - \$nil) and interest expense of \$1,931 (2017 - \$nil).

### Three months ended December 31, 2018, compared to the three months ended December 31, 2017

The Company's net loss totaled \$4,918 for the three months ended December 31, 2018, with basic and diluted loss per share of \$0.00. This compares with a net loss of \$11,251 with basic and diluted loss per share of \$0.01 for the three months ended December 31, 2017. The decrease in the net loss of \$6,333 is the result of less corporate activity.

## **Cash Flow**

At December 31, 2018, the Company had working capital of \$137,952, compared to a working deficiency of \$8,563 at December 31, 2017. The Company had cash and funds in trust of \$202,043 at December 31, 2018, compared to cash of \$3,774 at December 31, 2017, an increase of \$198,269, due to the non-brokered private placement that closed on June 6, 2018. The Company raised gross proceeds of \$300,000 through the issuance of 6,000,000 common shares at a price of \$0.05 per share.

### **Liquidity and Capital Resources**

The Company manages its capital structure and makes adjustments to it, based on available funds to the Company. Pursuant to the policies of the Exchange, the proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of its initial public offering or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under Policy 2.4. The Company has exceeded this limit. The impact of this violation, if any, is unknown and is ultimately dependent on the Exchange.

As at December 31, 2018, the Company has accounts payable and accrued liabilities of \$13,077 (December 31, 2017 - \$12,337) due within 12 months, convertible debentures with a carrying value of \$51,014 due on June 6, 2019 and cash and funds in trust of \$202,043 (December 31, 2017 – cash of \$3,774). Management believes the Company's working capital is sufficient for the Company to meet its ongoing obligations and meet its objective of completing a Qualifying Transaction within 12 months.

### **Related Party Transactions**

Related parties include the directors of the Company, close family members and enterprises which are controlled by these individuals as well as persons performing similar functions.

During the year ended December 31, 2018, 773,370 (2017 - nil) stock options were granted to directors and officers which were valued at \$34,371 (2017 - \$nil). There was no further compensation to key management personnel.

During the year ended December 31, 2018, the Company incurred \$10,692 (2017 - \$48,350) in legal and agent fees to a law firm where a former director (Peter Simeon) of the Company was a partner. As at December 31, 2018, \$nil (December 31, 2017 - \$2,381) was payable to the firm.

During the year ended December 31, 2018, the Company incurred \$49,400 (2017 - \$nil) in legal fees to a law firm where a current officer (Robbie Grossman) of the Company is a partner. As at December 31, 2018, \$145 (December 31, 2017 - \$nil) was payable to the firm.

The Company received subscriptions from related parties for an aggregate amount of \$65,000 for 1,300,000 common shares.

### Selected Quarterly Information

Three Months Ended	Net Revenues (\$)	Net Loss	
		Total (\$)	Basic and Diluted Loss per Share (\$)
December 31, 2018	-	(4,918)	(0.00)
September 30, 2018	-	(33,725)	(0.00)
June 30, 2018	-	(138,381)	(0.04)
March 31, 2018	-	(6,278)	(0.00)
December 31, 2017	-	(11,251)	(0.01)
September 30, 2017	-	(14,305)	(0.01)
June 30, 2017	-	(44,433)	(0.02)
March 31, 2017	-	(16,881)	(0.01)

### Major Operating Milestones

None

### Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

### Additional Information Outstanding Share Data as at the date of this MD&A

As of the date of this MD&A, there are currently 9,233,700 common shares of the Company issued and outstanding and 773,370 stock options outstanding.

### Changes in Accounting Policies

There were no changes in accounting policies for the years ended December 31, 2018 and December 31, 2017.

### Risks and Uncertainties

Investing in the common shares of the Company involves risk. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A before making an investment decision. If any of the following risks actually occurs, the business, financial condition or results of operations of the Company could be harmed. In such an event, the trading price of the common shares could decline and prospective investors may lose part or all of their investment.

### No Operating History

The Company has not commenced commercial operations and has no assets other than cash. The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future. 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. 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. Even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction.

#### **Possible Trading Suspension or Delisting**

The Exchange may suspend from trading or delist the securities of the Company where the Company has failed to complete a Qualifying Transaction within the 24 months of the date of listing or if the Company fails to meet initial listing requirements of the Exchange upon Completion of the Qualifying Transaction. Suspension from trading of the common shares may, and delisting of the common shares will, result in the regulatory securities authorities issuing an interim cease trade order against the Company. In addition, delisting of the common shares will result in the cancellation of all of the currently issued and outstanding common shares of the Company held by Insiders. Trading in the common shares of the Company may be halted at other times for other reasons, including for failure by the Company to submit documents to the Exchange in the time periods required.

#### **Halt of Trading**

Upon public announcement of a potential Qualifying Transaction, trading in the common shares of the Company will be halted and will remain halted until completion of a Qualifying Transaction, or sooner pursuant to Policy 2.4. Neither the Exchange nor any securities regulatory authority passes upon the merits of the potential Qualifying Transaction.

#### **Exchange May Not Approve a Qualifying Transaction**

Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval, as such terms are defined in Policy 2.4.

Notwithstanding that a transaction may meet the definition of a Qualifying Transaction; the Exchange may not approve a Qualifying Transaction:

- (a) if the Company fails to meet the initial listing requirements prescribed by Policy 2.1 – Initial Listing Requirements of the Exchange upon completion of a Qualifying Transaction;
- (b) if, following completion of a Qualifying Transaction, the Company will be a finance company or a mutual fund as defined under applicable securities laws;
- (c) the consideration proposed to be paid by the Company in connection with the Qualifying Transaction is not acceptable to the Exchange; or
- (d) for any other reason at the sole discretion of the Exchange.

#### **Approval by the Majority of the Minority**

Where Majority of the Minority Approval is required, unless the shareholder has the right to dissent and be paid fair value in accordance with the applicable corporate or other law, a shareholder who votes against a proposed Non-Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Company of fair value for the common shares.

#### **Dilution**

If the Company issues treasury shares to finance acquisition or participation opportunities, control of the Company may change and subscribers may suffer dilution of their investment.

**Reliance on Management**

The Company is relying solely on the past business success of its directors and officers to identify a Qualifying Transaction of merit. The success of the Company is dependent upon the efforts and abilities of its directors and officers. The loss of any of its directors or officers could have a material adverse effect upon the business and prospects of the Company.

**Directors and Officers**

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company but will be devoting such time as required to effectively manage the Company. Some of the directors and officers of the Company are engaged and will continue to be engaged in the search for assets or businesses on their own behalf or on behalf of others such that conflicts may arise from time to time. As a consequence of such conflicts, the Company may be exposed to liability and its ability to achieve its business objectives may be impaired.

Additionally, directors and officers of the Company may also serve as directors and/or officers of other reporting issuers from time to time.

The Company has not purchased "key-man" insurance, nor has it entered into non-competition and non-disclosure agreements with management and has no current plans to do so.

**Foreign Acquisition**

In the event the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

**Loans or Advances**

Subject to prior acceptance from the Exchange, the Company may be permitted to loan or advance up to an aggregate of \$250,000 (\$25,000 without prior Exchange approval) of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Company will be able to recover the loan or advance.