

DUCKWORTH CAPITAL CORP.
Management Discussion and Analysis
First Quarter Report – August 31, 2017

This Management Discussion and Analysis (“MD&A”) of Duckworth Capital Corp. (“Duckworth” or the “Corporation”) provides analysis of the Corporation’s financial results for the three-month period ended August 31, 2017. The following information should be read in conjunction with the unaudited condensed interim financial statements and the notes to the unaudited condensed interim financial statements for the three-month period ended August 31, 2017 and the audited financial statements for the period from the date of incorporation on May 1, 2017 to May 31, 2017, which are prepared in accordance with International Financial Reporting Standards (“IFRS”). All amounts are expressed in Canadian dollars unless otherwise noted.

This discussion includes certain statements that may be deemed “forward-looking statements”. Forward-looking statements usually include words such as may, will, would, expect, plan, anticipate, budget, estimates, potential, believe, intend, or other similar words. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing and general economic, market or business conditions. The Corporation does not update or revise forward-looking information even if new information becomes available unless legislation requires us to do so. Investors should not place undue reliance on forward-looking statements. Additional details of the specific risks associated with the operations of the Corporation and such forward-looking statements are set out below under “Risks and Uncertainties”. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

Date of Report

This MD&A is prepared as of October 18, 2017.

Corporate Profile and Overall Performance

Duckworth Capital Corp. (“Duckworth” or the “Corporation”) was incorporated under the Canada Business Corporations Act on May 1, 2017. The Corporation is classified as a “Capital Pool Company” for the purposes of Policy 2.4 of the TSX Venture Exchange Inc. (the “TSXV” or the “Exchange”). As a result, the Corporation’s principal business is the identification and evaluation of a Qualifying Transaction (“QT”) and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities. The Corporation has not conducted commercial operations other than to enter into discussions for the purpose of identifying potential acquisitions or interests.

Until completion of a Qualifying Transaction, the Corporation 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 described in the Corporation’s prospectus dated July 28, 2017, the funds raised pursuant to the Corporation’s Initial Public Offering and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and, to the extent permitted by Policy 2.4, for general and administrative expenses.

Qualifying Transaction

To date, the Corporation has not yet completed a Qualifying Transaction. The Corporation has limited funds to identify and complete a QT, and therefore there can be no assurance that the Corporation will be able to complete a QT within the time period permitted.

Initial Public Offering

On July 28, 2017, the Corporation filed a Prospectus in respect of an Initial Public Offering (“IPO”). The Corporation’s IPO was completed on August 24, 2017 with the issuance of 4,000,000 common shares at a price of \$0.10 per share, for gross proceeds of \$400,000. The total cost of issuing the shares was \$81,563. In connection with the financing, the Corporation entered into an Agency Agreement with Haywood Securities Inc. (the “Agent”). As part of the Agency Agreement, the Agent received a cash commission of 10% of gross proceeds, or \$40,000, a corporate finance fee of \$10,000, and a legal cost reimbursement of \$10,000. Additional costs of the IPO included other legal costs of \$21,563. The Agent was also granted an option to acquire 10% of the common shares issued in connection with the IPO at a price of \$0.10 per common share, exercisable for a period ending twenty-four months from the date the Corporation’s common shares are listed on the Exchange. These broker warrants were valued at \$21,059.

The Corporation commenced trading on the Exchange on August 24, 2017 under the symbol DUKE.P.

Results of Operations

Three months ending August 31, 2017

The Corporation’s only activity to date has been to attempt to identify businesses with a view to completing a Qualifying Transaction. During the three-month period ending August 31, 2017, the Corporation had a net loss of \$42,616. The loss related primarily to professional fees of \$11,302 and securities and regulatory costs of \$30,930. These costs were related to the initial set up of the Corporation, the Corporation’s listing on the Exchange, as well as audit and legal expenses relating to the filing of the Corporation’s Prospectus.

As the Corporation was incorporated on May 1, 2017 and has not completed a full fiscal year, no comparable financial statements are presented. During the period from date of incorporation on May 1, 2017 to May 31, 2017, the Corporation incurred professional fees of \$7,500 relating to the start-up of the business.

Liquidity and Capital Resources

At August 31, 2017, the Corporation had a working capital surplus of \$662,071, including cash of \$661,647, an increase of \$259,147 over May 31, 2017 due to the completion of the Corporation’s IPO during the first quarter. During the current quarter, the Corporation spent cash of \$69,040 on operating costs. Net cash proceeds from the IPO were \$318,437. The Corporation also had a decrease in deferred share issue costs of \$9,750.

As of the date of this report, the Corporation has not paid dividends and does not have any commitments for capital expenditures.

Management believes the Corporation has sufficient working capital at this time to meet its ongoing financial obligations, however there is no revenue generated from operations, and any additional working capital would require raising additional debt and/or equity capital. Management cannot provide assurance

that the Corporation will ultimately achieve profitable operations, become cash flow positive, or raise additional debt and/or equity capital.

Transactions with Related Parties

There were no transactions with related parties and no remuneration paid to key management personnel during the three-month period ended August 31, 2017 or for the period from the date of incorporation on May 1, 2017 to May 31, 2017.

Outstanding Share Data

As at August 31, 2017 and October 18, 2017, there are 12,050,000 common shares issued and outstanding with a value of \$691,128. There are 8,050,000 common shares currently held in escrow.

As at August 31, 2017 and October 18, 2017, the Corporation has 400,000 broker warrants outstanding with a value of \$21,059, exercisable into common shares of the Corporation at an exercise price of \$0.10 per share and expiring on August 24, 2019.

There are no stock options outstanding as at August 31, 2017 or October 18, 2017.

Risks and Uncertainties

The Corporation's sole objective is to identify a satisfactory Qualifying Transaction. The closing of any proposed Qualifying Transaction is subject to a number of terms and conditions, including completion of due diligence procedures by parties to the transaction and receipt of all required regulatory approvals, and there is no assurance that a transaction will be completed. If the Corporation does not complete a Qualifying Transaction within the time permitted by the Exchange, its common shares could be delisted.

The Corporation does not have a source of income, has not commenced commercial operations, and has no significant assets other than cash. There can be no assurance that the Corporation will be able to raise additional funding in the future on terms acceptable to the Corporation.

The Corporation is exposed to financial instrument related risks. The type of risk exposure and the management of the exposure are as follows:

Credit risk

The Corporation's financial asset is cash. The Corporation's maximum exposure to credit risk, as at period-end, is the carrying value of its financial asset. The Corporation mitigates its credit risk by holding cash with high-quality financing institutions or in trust with the Corporation's lawyer.

Liquidity risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at August 31, 2017, the Corporation had a cash balance of \$661,647. The Corporation's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on future support of shareholders through public or private equity offerings.

Off Balance Sheet Transactions

The Corporation does not have any off balance sheet arrangements as at August 31, 2017 or as of the date of this report.

Management Updates

Effective May 1, 2017, James Megann, Carl Sheppard, and Paul Sparkes were elected to the Board of Directors of Duckworth. Carl Sheppard was appointed as President and Chief Executive Officer, and Rob Randall, CPA,CA, was appointed as the Corporation's Chief Financial Officer. Wade Dawe is a Promotor of the Corporation. Management believes that, on a collective basis, the Directors, Officers and Promotor of Duckworth possess the appropriate experience, qualifications and history to be capable of completed the Corporation's Qualifying Transaction.

Additional Information

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com.