

VIER Capital Corp
Management's Discussion and Analysis
For the Period ended September 30, 2017

**VIER CAPITAL CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the three and nine months ended September 30, 2017 and 2016

Management's Discussion and Analysis ("MD&A") is dated November 27, 2017 and should be read in conjunction with the audited financial statements for the years ended December 31, 2016 and 2015 for a full understanding of the financial position and results of operations of VIER Capital Corp. ("VIER" or the "Corporation" or the "Company").

Certain statements included in this MD&A may constitute forward-looking statements involving known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this MD&A, such statements use words such as "may", "will", "expect", "believe" and "plan". These statements reflect management's current expectations regarding future events and operating performance and are valid only as of the date hereof. These forward-looking statements involve a number of risks and uncertainties, including the impact of general economic conditions, industry conditions, and changes in laws and regulations, increased competition, fluctuations in commodity prices and foreign exchange, and interest rates and stock market volatility. The Company does not reconcile past forward-looking information but presents its most current view based on the known facts on hand at the time of dissemination. Specifically, the outlook section may contain forward-looking information which will be identified as such.

This MD&A and Financial Statements and comparative information for the three and nine months ended September 30, 2017 and 2016 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), which are also the generally accepted accounting principles ("GAAP") for publicly accountable enterprises in Canada.

Description of the Business and Qualifying Transaction

VIER Capital Corp. (the "Company") was incorporated under the laws of the Province of Alberta on September 23, 2014. The Company is classified as a Capital Pool Corporation as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange") and trades under the symbol VIE.P. The principal business of the Company will be to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising of an option or by any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a Qualifying Transaction (QT) under the Exchange rules. The address of the registered office is 1900, 520 3rd Avenue SW Calgary, Alberta.

On June 15, 2017, the Company was granted conditional acceptance of an extension to January 31, 2018 in which to complete a Qualifying Transaction (QT). Should the Company not complete a QT or file the required documentation to transfer to the NEX prior to January 31, 2018, the shares of the Company will be delisted at that date.

At the Annual General Meeting on May 17, 2017 the Company considered, and if deemed advisable, approved:

1. an amendment to the articles of incorporation to consolidate the issued and outstanding Common Shares on the basis of one (1) post-consolidation Common Share for up to every ten (10) pre-consolidation Common Share
2. the transfer to the NEX board of the TSX Venture Exchange
3. to cancel an amount of Seed Shares (as defined in the TSXV policies) purchased by non-arm's length parties to the Company so that the average cost of the remaining Seed Shares is at least equal to the IPO (as defined in the TSXV Policies) price

VIER has entered into a letter of intent dated as of July 17, 2017 (the "LOI") with Vertex Resources Group Ltd. ("Vertex"), a private company incorporated under the Business Corporations Act (Alberta), whereby the Company will acquire all the issued and outstanding securities of Vertex (the "Vertex Securities") by way of an arrangement, share exchange or similar transaction (the "Transaction"), subject to the terms and conditions outlined below. VIER intends that the Transaction will constitute its Qualifying Transaction, as such term is defined in the policies of the Exchange.

In connection with the Qualifying Transaction, VIER anticipates that the 7,350,000 currently issued and outstanding shares will be consolidated (the "Consolidation") on a 10 for 1 basis.

Subsequent Event

Qualifying Transaction

The Company completed the Qualifying Transaction on October 16, 2017 and also received conditional approval on the Qualifying Transaction with trading in the common shares of the Company. On October 18, 2017, following the issuance by the TSX of its final bulletin in respect of the Qualifying Transaction, the Company began trading on the TSXV under the symbol "VTX".

Pursuant to the Qualifying Transaction: (i) Vier acquired all of the issued and outstanding class A common shares of Vertex Resource Group Ltd. ("Old Vertex") from the shareholders of Old Vertex in exchange for an aggregate of 85,773,459 Common Shares; and (ii) Vier, Old Vertex and a wholly-owned subsidiary of Old Vertex amalgamated to form the Vertex Resource Group Ltd., the successor to the amalgamation.

Following completion of the Qualifying Transaction and the issuance of an aggregate of 12,895 Common Shares upon the concurrent exercise of Vier options to acquire Common Shares, the Company now has 86,521,354 Common Shares issued and outstanding, on a non-diluted basis. The aggregate 51,314,475 Common Shares and 2,197,206 Warrants held by the current and previous directors and officers of the Company, as well as certain Common Shares held by certain other shareholders of the Company are subject to escrow restrictions as described in the Filing Statement.

Concurrent with the completion of the Qualifying Transaction, all directors and officers of VIER resigned and were replaced by the directors and officers of Vertex. Additional directors will be added to the board of directors of the Resulting Issuer in the normal course and once identified, information with respect to the proposed additional directors will be included in a subsequent news release.

Initial Public Offering

On April 30, 2015, the Company successfully completed its initial public offering raising gross proceeds of \$350,000 on the issuance of 3,500,000 common shares, the agent received a cash commission of 10% of the gross proceeds of the offering, an agent's fee of \$10,000 and an option to purchase 350,000 options at a price of \$0.10 for a period of 24 months from the date of the listing valued at \$16,722 using the Black Scholes pricing model. The Company incurred \$143,097 of share issue costs which have been charged against share capital.

Selected Financial Information

Selected Statement of Financial Position Data (000's)

	As at September 30, 2017	As at September 30, 2016
Net working capital	\$ 130	\$ 299
Total current assets	171	300
Total current liabilities	41	1
Total shareholders' equity	130	299

Selected Statement of Operations Data (000's)

	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Period Ended September 30, 2017	Period Ended September 30, 2016
Revenue	\$ -	\$ -	-	-
Expenses	113	3	158	99
Net loss for the period	113	3	158	99
Net loss per share (basic & diluted)	(0.032)	(0.001)	(0.045)	(0.028)

Nine-Months Ended September 30

In 2017 expenses include \$129,363 (2016 - \$84,802) for professional fees, \$19,945 (2016 - \$8,595) for transfer agent and stock exchange costs, \$4,500 (2016 - \$4,500) for directors and officers insurance, \$4,410 (2016 - \$1,130) for office and annual general meeting costs, \$1,026 (2016 - \$1,533) travel and meals related costs offset by \$1,248 (2016 - \$1,230) of interest income. The 2017 professional fees were incurred in pursuit of a Qualifying Transaction that was successful as noted in "Subsequent Events".

At September 30, 2017, the corporation had \$163,941 (2016 - \$293,478) of cash, \$6,775 (2016 - \$6,775) of prepaid expenses consisting of \$6,775 for the annual stock exchange listing that expires in February 2018. The corporation had \$40,821 (2016 - \$1,000) of professional fee payables.

Three Months Ended September 30

In 2016 expenses include \$99,380 (2016 - nil) of professional fees, \$10,195 (2016 - \$1,911) of transfer agent and stock exchange costs, \$1,500 (2016 - \$1,500) for directors and officers insurance, and \$2,680 (2016 - nil) of office costs offset by \$336 (2016 - \$433) of interest income. The 2017 professional fees were incurred in pursuit of a Qualifying Transaction that was successful as noted in "Subsequent Events".

Summary of Quarterly Financial Information

(000's except for share amounts)	2017			2016				2015
	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec
Working Capital	\$ 130	\$ 247	\$ 263	\$ 288	\$ 299	\$ 302	\$ 310	\$ 399
Total Assets	\$ 171	\$ 251	\$ 263	\$ 297	\$ 300	\$ 303	\$ 379	\$ 406
Total Liabilities	\$ 41	\$ 4	-	\$ 9	\$ 1	\$ 1	\$ 69	\$ 7
Total Equity	\$ 130	\$ 246	\$ 263	\$ 288	\$ 299	\$ 302	\$ 310	\$ 399
Loss	\$ 113	\$ 20	\$ 25	\$ 12	\$ 3	\$ 7	\$ 89	\$ 8
Loss per share - Basic (\$)	0.032	0.006	0.007	0.003	0.001	0.002	0.025	0.001

Liquidity and Capital Resources

As at September 30, 2017 the Corporation had working capital of \$129,896 including sufficient cash to meet its ongoing obligations now to complete the Qualifying Transaction.

Off-Balance Sheet Arrangements

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

Critical Accounting Estimates

The preparation of financial statements requires management to make certain judgments, accounting estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the period. The nature of estimation means that actual outcomes could differ from those estimates. Accordingly, the impact of these estimates, assumptions and judgments on the consolidated financial statements in future periods could be material. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next fiscal year is discussed below.

Recent accounting pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or International Financial Reporting Interpretations Committee ("IFRIC"). Based on current operations there are no impending changes that will affect the financial statements of the Company.

After the completion of the Qualifying Transaction, the Company could be subject to these changes depending on the nature and terms of the Qualifying Transaction.

Financial Instruments and Other Instruments

The Corporation's financial instruments consist of cash and accounts payable and accruals. 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

Authorized Share Capital

Unlimited number of voting Common Shares, without nominal or par value

Unlimited number of non-voting Preferred Shares, without nominal or par value

<u>ISSUED</u>	<u>Number Of Shares</u>	<u>\$</u>
Issued to officers and directors	3,850,000	192,500
Initial public offering	3,500,000	350,000
Share issue costs	-	(143,097)
Balance as at December 31, 2016 and September 30, 2017	<u>7,350,000</u>	<u>399,403</u>

On September 23, 2014, the Company issued 3,850,000 common shares to directors of the Company at a price of \$0.05 per share. All 3,850,000 common shares are subject to an escrow agreement revised and ratified based on the pre-acquisition agreement dated September 8, 2017 for the transaction, whereby 25% of the shares will be released upon completion and approval of the Company's qualifying transaction. An additional 25% of the escrowed common shares will be released on each six-month anniversary thereafter unless otherwise permitted by the Exchange.

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.

As part of the close of the Initial Public Offering (IPO), the Company granted 735,000 options at \$0.10 per share to the directors and officers of the Company exercisable for a period of 10 years that all vested at the time of the grant. The fair value is recognized as stock based compensation expense at the time of vesting. The estimated fair value of these options as calculated using the black Scholes pricing model is \$46,827 and was charged to operations in Q2 2015.

The Contributed Surplus balance is comprised of:

	<u>Total</u>
Officers & directors options	\$ 46,827
Agents options	16,722
Balance, end of period	<u>\$ 63,549</u>

The following table reflects the continuity of options granted under the Plan:

	<u>September 30, 2017</u>	
	<u>Number of Options</u>	<u>Fair Value Recorded</u>
Balance, beginning of period	-	-
Issued to directors & officers	735,000	\$ 46,827
Issued to agent	350,000	16,722
Balance, end of period	<u>1,085,000</u>	<u>\$ 63,549</u>

As at September 30, 2017 the remaining contractual life for options outstanding to directors and officers is 1.08 years and agent options 0.08 years. The contractual life for options outstanding to all parties was revised on September 8, 2017 based on the pre-acquisition agreement. Subsequent to September 30, 2017, the agent exercised all of its options.

<u>Expiry Date</u>	<u>Exercise Price</u>	<u>Outstanding June 30, 2016</u>	<u>Exercisable</u>	<u>Remaining Contractual Years</u>
October 2018	\$ 0.10	735,000	735,000	1.08
October 2017	\$ 0.10	350,000	350,000	0.08

Risks and Uncertainties

The Corporation has a limited history of existence. There can be no assurance that the identified Qualifying Transaction will be completed and if uncompleted. 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 Transaction;
- 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 complete the identified Qualifying Transaction
- e) 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;
- f) if the Corporation fails to complete the identified Qualifying Transaction, 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
- g) the Corporation competes with many Capital Pool Companies that are seeking suitable Qualifying Transaction. In addition, other Capital Pool Companies may have substantially greater financial and technical resources than the Corporation.

Related Party Transactions

There were no related party transactions during the period other than those disclosed elsewhere in the report.

Other Information

The policies of the TSX Venture Exchange prohibit Capital Pool Companies from carrying on formal investor relations activities. The Directors of the Corporation handle corporate communications and investor inquiries. Additional information about the Corporation is available on SEDAR at www.sedar.com.