

**Plymouth Realty Capital Corp.**  
**(A Capital Pool Company)**

**Form 51-102F1 - Management's Discussion & Analysis for the period ended  
September 30, 2017**

**Date: November 15, 2017**

**Introduction**

*Corporate structure and background*

The following management's discussion and analysis ("MD&A"), prepared as of November 15, 2017, is a review of operations, current financial position and outlook for Plymouth Realty Capital Corp. (the "Company"). Additional information relevant to the Company's activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

This MD&A should be read in conjunction with the Company's unaudited condensed interim financial statements for the period ended September 30, 2017 and the audited financial statements as at December 31, 2016 and the notes thereto. Amounts are reported in Canadian dollars, unless otherwise specified.

*Forward-Looking Statements*

Certain statements contained in the following MD&A 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 forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the 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. Readers are cautioned not to place undue reliance on these 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, except as required by law.

*Risks and Uncertainties*

The Company has no active business or assets other than cash. It 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 a Qualifying Transaction (as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange")) and may never pay dividends.

Until the completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. Although management of the Company is working diligently to identify and complete a Qualifying Transaction, there is no assurance that a Qualifying Transaction will be completed. The continued operation of the Company is dependent on its ability to complete a Qualifying Transaction and generate profitable operations in the future.

In addition, as the Company has failed to complete a Qualifying Transaction within the time limitations permissible, the Exchange could suspend or delist the Company's common shares, in which event the applicable securities regulatory authorities may issue a cease trade order against the Company's securities. In addition, as a consequence of having failed to complete a Qualifying Transaction within the time limitations, the Company has cancelled 1,300,000 common shares of the Company held by related parties.

### **Overall Performance**

The Company was incorporated under the Business Corporations Act (Ontario) on July 15, 2013 and is classified as a Capital Pool Company as defined in Policy 2.4 of the Exchange. The Company has no significant assets other than cash and proposes to identify and evaluate potential acquisitions or businesses with a view of completing a Qualifying Transaction. As at the date of this MD&A, the Company has completed its proposed initial public offering and obtained a listing of its common shares on the Exchange, but as it has failed to complete a Qualifying Transaction within the time limitations permissible, its common shares are now on the NEX board of the Exchange.

The Company proposes to identify and evaluate potential acquisitions or businesses which will constitute the Company's Qualifying Transaction, and once identified and evaluated, to negotiate an acquisition, merger or other transaction subject to receipt of regulatory and, if required, shareholder approval.

When a potential Qualifying Transaction has been identified for completion, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional equity and debt financing.

For the period ended September 30, 2017, the Company reported no discontinued operations, no changes in accounting policies and declared no cash dividends. The Company's balance sheet remains free from long-term debt and capital leases.

### **Significant Events and Transactions**

On October 17, 2013, pursuant to an agency agreement dated August 28, 2013, the Company completed an initial public offering in British Columbia, Alberta and Ontario of 3,925,000

common shares at a price of \$0.10 per share for gross proceeds of \$392,500 (the "Offering"). The Company paid the Agent (as defined in the Prospectus) a 9% cash commission of the aggregate gross proceeds, a corporate finance fee and issued options to purchase up to 9% of the common shares sold in connection with this Offering at a price of \$0.10 per share (the "Agent's Warrants"). The Agent's Warrants may be exercisable any time prior to October 22, 2015. The Agent's warrants were not exercised and subsequently expired on October 22, 2015.

As a result, pursuant to the Offering, the Company issued 353,250 Agent's warrants for a total amount of \$18,585 that was included into the costs related to the Offering. The fair value of warrants granted during the period determined using Black-Scholes valuation model was \$18,585. The significant inputs into the model were exercise price of \$0.10 shown above, volatility of 100%, an expected dividend yield of NIL, an expected option life of 2 years and an annual risk-free interest rate of 1.17%.

Upon completion of the Offering, the Company granted 652,500 stock options to certain officers and directors of the Company. These options vest immediately. Each option entitles the holder to purchase one common share at \$0.10 per share at any time on or before October 22, 2018.

Of the 652,500 stock options, 314,505 are currently outstanding.

The fair value of options granted during the period determined using Black-Scholes valuation model was \$48,817. The significant inputs into the model were share price of \$0.10, exercises price shown above, volatility of 100%, an expected dividend yield of NIL, an expected option life of 5 years and an annual risk-free interest rate of 1.80%.

On September 8, 2015, the Company issued 1,000,000 Common Shares for cash at a price of \$0.05 per share.

On January 25, 2016, the shareholders of the Company approved the cancellation of 1,300,000 common shares held by certain shareholders who initially acquired those shares at \$0.05 per share. All such common shares were subsequently cancelled.

## **Results of Operations**

As of the date of this MD&A, the Company had not yet commenced operations other than the identification, evaluation of assets or businesses that would constitute a Qualifying Transaction. Therefore, the Company had not yet recorded any operating revenues.

For the three and nine months ended September 30, 2017, the company incurred expenses of \$665 and \$11,132, respectively. These expenses related to regulatory listing costs and in meeting the Company's continuous disclosure obligations under applicable securities legislation.

Net loss for the three and six month period ended September 30, 2017 was \$665 and \$11,132, respectively, which translates to a loss of \$NIL per share respectively, on both a basic and diluted basis. The diluted loss per share does not include the effect of stock options as the effect of their inclusion would be anti-dilutive as there was a loss for the period.

### Summary of Results

	Period from January 1, 2017 – September 30, 2017	Period from January 1, 2016 – September 30, 2016
Total Revenue	\$Nil	\$Nil
Net Loss	\$(11,132)	\$(20,753)
Net Loss per share (Basic and Diluted)	\$Nil	\$(0.004)

### Liquidity

As at September 30, 2017, the Company had cash of \$57,279. The Company's total liabilities outstanding as of September 30, 2017 were \$4,683. The Company's working capital as at September 30, 2017 was \$52,596.

The Company has not pledged any of its assets as security for loans, and is not otherwise subject to any debt covenants.

Until such time as the Company identifies a Qualifying Transaction, it is contemplated that the working capital requirements of the Company will relate generally to the expenses of maintaining the listing of the Company's common shares on the Exchange, other expenses associated with the Company's continuous disclosure obligations under applicable securities legislation and costs incurred in identifying, evaluating and executing a potential Qualifying Transaction. The only material ongoing obligations of the Company relates to the payment of transfer agency fees and legal, audit and accounting fees.

The Company and Jeff Witherell, CEO were added as defending parties to a legal proceeding commenced in Massachusetts, USA against Plymouth Group Real Estate LLC, its sponsor, and the sponsor's affiliated entities wherein the seller of a hotel property located in Lenox, Massachusetts is seeking, among other things, approximately US \$250,000 plus interests, costs and fees from the defendants. The Company understands that its sponsor's external counsel is of the view that the claim against the Company is without merit and unlikely to prevail against

the Company. Certain of the sponsor's related entities have also agreed to indemnify the Company and its directors against any loss resulting from such claim.

The Company does not have any commitments.

### **Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

### **Transactions with Related Parties**

A related entity under common control, Plymouth Group Real Estate, LLC (the Sponsor) allocates certain employees and office space in order to provide the day-to-day operations of the Company. To date the Sponsor has not charged the company for any of these costs.

### **Termination of Proposed Transaction**

The Company has cancelled the proposed transaction to purchase a 57,960 square foot mixed-use plaza located at 1945 Dundas Street East, Mississauga, Ontario, as its qualifying transaction.

### **Financial Instruments and Other Instruments**

The Company's financial instruments, consisting of cash, accounts payable and accrued liabilities, approximate fair values due to the relatively short term maturities of the instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

### **Outstanding Share Data**

#### *Authorized*

The Company is authorized to issue an unlimited number of common shares.

#### *Issued*

The Company has issued 6,225,000 common shares.

### **Additional Information**

Additional information relating to the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com).