

# **DUPORT CAPITAL LTD.**

## **Management's Discussion and Analysis**

**For the Fiscal Year Ended December 31, 2016**

### **General**

This management discussion and analysis of financial position and results of operations ("MD&A") is prepared as at April 28, 2017 and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2016 and related notes of Duport Capital Ltd. ("Duport" or the "Company"). These audited consolidated financial statements, including comparatives, have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

Management is responsible for the preparation and integrity of the consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the consolidated financial statements and Management Discussion and Analysis ("MD&A"), is complete and reliable.

All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted. This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Description of Business**

The Company is a business development services company. It provides business development services to new and emerging businesses, including making introductions to accountants, lawyers, brokers, transfer agents, and various other professionals and service providers to assist companies in raising capital and going public. During the year ended December 31, 2016 the Company was relatively inactive and did not carry out any material business transactions. The Company is a reporting issuer in the provinces of British Columbia and Alberta.

### **Plan of Arrangement**

Pursuant to an Arrangement Agreement dated December 10, 2014 between the Company (then 1020673 B.C. Ltd.) and Riske Capital Corp. ("Riske"):

- (a) Riske transferred and assigned to the Company all of Riske’s rights and interest in and to a Letter of Intent (and any amendments thereto) between Riske and Mattea Capital Corp., and \$1,000 cash, in consideration of 396,600 shares of the Company (the “Exchange Shares”); and
- (b) the Exchange Shares were subsequently distributed by Riske to all of its shareholders, such that the Riske shareholders became the controlling shareholders of the Company.

Riske is a reporting issuer in the provinces of Alberta and British Columbia; and as a result of completing the Arrangement Agreement the Company became a reporting issuer in each of British Columbia and Alberta.

**Share issuances**

During the year ended December 31, 2015, the Company completed a private placement and issued 5,300,000 common shares at \$0.015 per common share for gross proceeds of \$79,500.

**Results of Operations**

For the year ended December 31, 2016, the Company incurred a loss of \$20,443 compared to a loss of \$96,155 for the year ended December 31, 2015. In the current year, expenses included professional fees of \$15,683 as well as transfer agent costs of \$2,488. In the comparative period, transaction fees of \$6,932 on the completion of the plan of arrangement as well as transfer agent costs of \$6,856 to cover ongoing maintenance costs of the Company. The Company also incurred a one-time consulting fee of \$63,675 in the comparative period. The Company has not paid or accrued any consulting fees in the current year.

**Selected Annual Information**

	Years ended December 31		
	2016	2015	2014
	\$	\$	\$
Total revenues	-	-	-
Net loss	20,433	96,655	-
Net loss per share	0.00	0.01	0.00
Total assets	937	3,504	1
Total liabilities	30,103	12,227	-

## Selected Quarterly Information

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements. All dollar amounts are in Canadian dollars.

Quarter Ended	Loss for the period	Loss per Share (Basic & Diluted)	Total Assets	Interest Income
December 31, 2016	\$11,944	\$0.00	\$937	\$Nil
September 30, 2016	\$2,158	\$0.00	\$200	\$Nil
June 30, 2016	\$3,920	\$0.00	\$2,361	\$Nil
March 31, 2016	\$2,421	\$0.00	\$1,083	\$Nil
December 31, 2015	\$10,612	\$0.00	\$3,504	\$Nil
September 30, 2015	\$7,052	\$0.00	\$7,161	\$Nil
June 30, 2015	\$66,265	\$0.02	\$9,426	\$Nil
March 31, 2015	\$12,226	\$0.05	\$Nil	\$Nil

## Financial Condition, Liquidity and Capital Resources

The Company's working capital deficiency at December 31, 2016 was \$29,166 including cash of \$937. The Company does not currently have an active business generating positive cash flows. The Company is reliant on equity financing or shareholder loans to provide the necessary cash to acquire or participate in an active business. There can be no assurance that equity financings will be available to the Company in the future that will be obtained on terms satisfactory to the Company.

The Company has not entered into any off-balance sheet arrangements.

## Related Party Transactions

During the year ended December 31, 2016, the Company accrued professional fees of \$6,883 (2015 - \$9,008) to a law firm in which a partner is a director of the Company.

As at December 31, 2016 there was \$14,578 (December 31, 2015 - \$9,008) accrued to a law firm in which a partner is a director of the Company.

As at December 31, 2016 included in accounts payable is \$5,000 (December 31, 2015 - \$Nil) owing to a director of the Company. This amount is non-interest bearing and without specific terms of repayment.

## **Financial Instruments and Risk Management**

### **Fair Values**

The fair values of cash and equivalents, receivables and trade payables approximate their book values because of the short-term nature of these instruments.

#### **(a) *Financial Risk Management***

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

#### **(b) *Financial Instrument Risk Exposure***

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

#### *Credit Risk*

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company does not have any receivables, and anticipates any future receivables will consist primarily of tax receivables due from federal government agencies. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

#### *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

#### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. Such fluctuations may be significant, but the Company is not currently subject to any such risks in a material way.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency risk

The Company is not exposed to foreign currency risk on fluctuations in exchange rates.

(c) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

### **Contingencies**

The Company is not aware of any contingencies or pending legal proceedings as of April 28, 2017

### **Additional share information**

As at December 31, 2016 and as of the date of this report, the Company had outstanding:

- (i) 5,696,600 common shares; and
- (ii) no warrants, options or other securities convertible into shares.

### **Disclaimer**

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company, which can be accessed at [www.sedar.com](http://www.sedar.com). No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

### **Cautionary Statement on Forward Looking Information**

Certain statements contained in this document constitute "forward-looking statements". Such forward-looking statements involve 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 expressly stated or implied by such forward-looking statements.