

REBEL CAPITAL INC.
Management's Discussion and Analysis
For the Three and Nine Months Ended September 30, 2018

Introduction

The following management's discussion and analysis ("**MD&A**") is dated November 22, 2018, unless otherwise indicated, and should be read in conjunction with the unaudited interim condensed financial statements of Rebel Capital Inc. (the "**Corporation**" or "**Rebel**") for the three and nine months ended September 30, 2018 (the "**Quarterly Financial Statements**"), as well as the audited financial statements for the year ended December 31, 2017 (the "**Audited Financial Statements**"), and the related notes thereto. This MD&A was written to comply with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*. Results are reported in Canadian dollars, unless otherwise noted. The results presented for the three and nine months ended September 30, 2018 are not necessarily indicative of the results that may be expected for any future period.

Forward-Looking Statements

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Corporation's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. The Corporation's actual results could differ materially from those anticipated in these forward-looking statements as a result of various risk factors.

Overview

The Corporation was incorporated under the *Business Corporations Act* (British Columbia) on September 16, 2016 and, subsequent to the completion of its initial public offering on October 31, 2017, is a Capital Pool Corporation ("**CPC**") as defined in the Policy 2.4 of the TSX Venture Exchange (the "**Exchange**") Corporate Finance Manual. The Corporation has authorized an unlimited number of common shares ("**Common Shares**") to be issued. The registered office of the Corporation is located at 2000, 250 Howe Street, Vancouver, British Columbia, V6C 3R8.

The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("**QT**"). Until the completion of a QT, the Corporation will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a QT. The Corporation's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition or business, or an interest therein. Such an acquisition

will be subject to the approval of the regulatory authorities concerned and, in the case of a non-arm's length transaction, of the majority of the minority shareholders.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that the lesser of 30% of the gross proceeds (\$99,900) and \$210,000 may be used by the Corporation in respect of covering the prescribed costs of issuing the Common Shares and general administrative expenses of the Corporation. These restrictions apply until completion of the QT by the Corporation as defined under the policies of the Exchange. The Corporation is required to complete its QT on or before two (2) years from the date of listing of the Common Shares on the Exchange, being November 3, 2019.

There is no assurance that the Corporation will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Corporation's shares for trading.

Initial Public Offering

On October 31, 2017, the Corporation completed the Offering and issued 2,000,000 Common Shares at a price of \$0.10 per Common Share for total consideration of \$200,000. Pursuant to an agency agreement dated August 11, 2017 (the "**Agency Agreement**") between the Corporation and Leede Jones Gable Inc. (the "**Agent**"), the Agent received a cash commission of \$20,000, a corporate finance fee of \$10,000 and an amount equal to the Agent's reasonable expenses of \$8,549. Effective November 3, 2017, the date that the Common Shares were listed for trading on the Exchange, the Corporation issued to the Agent options to purchase 200,000 common shares at an exercise price of \$0.10, exercisable until November 3, 2019 (the "**Agent's Option**"). The Corporation incurred total share issue costs of \$76,108, consisting of cash transaction costs of \$65,565 directly related to the Offering and \$10,543 for share-based payments related to the Agent's Options.

As a result of the Offering, the Corporation has 4,660,000 Common Shares issued and outstanding (2,660,000 of which are subject to escrow restrictions), 200,000 Common Shares reserved for issuance upon the exercise of the Agent's Option, and 200,000 Common Shares reserved for issuance upon the exercise of outstanding Stock Options (as defined below).

After the completion of the Offering, Common Shares previously issued will be subject to an escrow agreement and may be cancelled in the event the Corporation is unable to complete a QT within the required time limit of two (2) years. These shares are accounted for as contingently returnable shares and are excluded from the calculation of loss per share.

Stock Options

On April 3, 2017, the Corporation adopted a stock option plan, where the board of directors has the discretion to grant directors, officers, employees and consultants of the Corporation, non-transferable options to purchase Common Shares, in accordance with the Exchange requirements ("**Stock Options**"). For as long as the Corporation is a CPC under the policies of the Exchange, the aggregate number of Common Shares issuable upon exercise of all Stock Options granted under the stock option plan shall not exceed 10% of the Common Shares of the Corporation issued and outstanding at the closing of the Offering. As a CPC, the number of Common Shares reserved for issuance to any individual or director or officer will not exceed 5% of the issued and outstanding Common Shares and the number of Common

Shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding Common Shares in any twelve (12) month period.

Stock Options granted to the directors, officers, employees or consultants of the Corporation while it is a CPC may be exercised during the greater of twelve (12) months after the completion of the QT and ninety (90) days following cessation of the optionee's position with the Corporation, provided that if the cessation of office, directorship, or technical consulting arrangement is by reason of death, the Stock Option may be exercised within a maximum period of one (1) year after such death, subject to the expiry date of such Stock Option. Any Common Shares acquired pursuant to the exercise of Stock Options prior to the completion of the QT must be deposited in escrow and will be subject to the requirements of the Exchange under a CPC escrow agreement.

The Corporation granted Stock Options to its directors and officers on April 10, 2017, entitling the purchase of 200,000 Common Shares at an exercise price of \$0.10 per Common Share. The Stock Options are for a five (5) year term, expiring on April 10, 2022, with one-third vesting on April 10, 2017, one-third vesting on April 10, 2018 and one-third vesting on April 10, 2019. The Stock Options granted were valued using the Black-Scholes option pricing model to estimate the fair value. During the nine months ended September 30, 2018, the Corporation recognized stock-based compensation expense of \$3,208 (\$8,470 - September 30, 2017) that was recorded as contributed surplus.

Summary of Quarterly Results

Results for the most recent quarters ending with the last quarter for the three months ending on September 30, 2018 are:

	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Total Assets	\$ 198,970	\$ 201,589	\$ 224,087	\$ 228,609
Total Revenues	530	124	-	-
Total Expenses	4,422	43,458	5,215	19,185
Net Loss	3,892	43,334	5,215	19,185
Basic and diluted net loss per share	0.00	0.02	0.00	0.01

	Q3 2017	Q2 2017	Q1 2017	Q4 2016 ⁽¹⁾
Total Assets	\$ 137,786	\$ 99,750	\$ 102,927	\$ 101,210
Total Revenues	-	-	-	-
Total Expenses	16,716	13,108	6,947	3,113
Net Loss	16,716	13,108	6,947	3,113
Basic and diluted net loss per share	-	-	-	-

(1) As the Corporation was incorporated September 16, 2016, no quarterly results before that date are available.

Operating results for each quarter since incorporation are composed of general and administrative expenses, business development expenses, and stock-based compensation expenses incurred in each quarter. To date, the Corporation has generated no revenue.

Results of Operations

The Corporation recorded net losses of \$3,892 and \$52,441 for the three and nine months ended September 30, 2018, respectively (\$16,716 and \$36,771 for comparative periods ending September 30, 2017). These net losses are due mainly to general and administrative costs, business development expenses and stock-based compensation expenses incurred in each period as well as costs incurred in 2017 relating to its listing on the Exchange.

Additional Disclosure for Venture Issuers without Significant Revenue

Since the Corporation has no revenue from operations, the following is a breakdown of the material costs incurred for the three and nine months ended September 30, 2018 and 2017:

Material Costs (\$)	Q3 2018	Q3 2017	YTD 2018	YTD 2017
General and administrative				
Professional fees	2,664	5,450	13,426	12,950
Investor relations	904	9,175	8,392	14,525
Other costs	25	219	481	826
Business development expenses	205	-	27,588	-
Stock-based compensation	624	1,872	3,208	8,470

Financial Condition including Cash Flows, Liquidity and Capital Resources

At September 30, 2018, working capital was \$169,475. Cash as at September 30, 2018 was \$198,970, compared with \$225,990 as at December 31, 2017. The decrease in cash is due to expenditures for general and administrative costs and business development expenses of the Corporation during the three and nine months ended September 30, 2018.

Other than accounts payable and accrued liabilities, the Corporation does not otherwise have any outstanding commitments and has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. Based on current information, the Corporation anticipates that its working capital is sufficient to meet its expected ongoing obligation for the coming year.

Outstanding Share Data

The following table summarizes the Corporation's outstanding common share and options data as of the date of this MD&A:

Common Shares	4,666,000
Agent's Options	200,000
Stock Options	200,000

* There have been no changes to outstanding common shares and options from year end December 31, 2017.

Escrowed shares

As at the date of this MD&A, the Corporation has 4,660,000 Common Shares (December 31, 2017 – 4,660,000) outstanding, 2,660,000 Common Shares of which are held in escrow and contingently cancellable. These Common Shares will be held in escrow and will be released pro-rata to the shareholders as to 10% of the escrowed shares upon issuance of notice of final acceptance of a QT by the Exchange, and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months. These escrowed shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities. If the Corporation does not receive final acceptance of a QT and is delisted, the common shares held in escrow may be cancelled and the proceeds returned to the shareholders.

Off-Balance Sheet Arrangements

As of the date of this MD&A, the Corporation does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Corporation including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Proposed Transactions

Although the Corporation has commenced the process of identifying potential acquisitions with a view to completing a QT, the Corporation has not yet entered into any agreement.

Related Party Transactions

Related parties include the board of directors and executive officers of the Corporation, close family members and enterprises which are controlled by individuals as well as certain persons performing similar functions.

The Exchange prohibits directors and officers from receiving remuneration while the Corporation is a CPC. As of September 30, 2018, the Corporation has not completed a QT and accordingly, the officers and directors of the Corporation have not been paid any compensation other than the stock options granted on April 10, 2017 (see above).

There were no related party transactions during the nine months ended September 30, 2018 or the year ended December 31, 2017.

The Corporation does not have amounts owing to or from related parties as of September 30, 2018 or December 31, 2017.

Capital Management

Capital is comprised of the Corporation's shareholders' equity and any debt that it may issue. As at September 30, 2018, the Corporation's shareholders' equity was \$169,475 and it had \$29,495 in current liabilities. The Corporation's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current

financial strength rating requirements and internally-determined capital guidelines and calculated risk management levels.

The capital for expansion was entirely from proceeds from the issuance of Common Shares. The net proceeds raised will only be sufficient to identify and evaluate a limited number of assets and businesses for the purpose of identifying and completing a QT. Additional funds may be required to finance the Corporation's QT.

The Corporation's capital management objectives, policies and processes have not been changed over the period presented. The Corporation is not subject to any externally imposed capital requirements.

Financial Instruments and Risk Management

The Corporation, as part of its operations, carries financial instruments consisting of cash and cash equivalents, accounts receivables and accounts payable and accrued liabilities. It is management's opinion that the Corporation is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

Fair Value

Fair value represents the price at which a financial instrument could be exchanged in an orderly market in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. Certain accounting policies and disclosures of the Corporation's require the determination of fair value, for both financial and non-financial assets and liabilities. The Corporation's fair value measurements are classified as one of the following levels of the fair value hierarchy:

- (1) Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.
- (2) Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
- (3) Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The fair value of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximates their fair value due to the short-term maturities of these items.

Credit Risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Corporation's cash and cash equivalents and accounts receivable. The carrying amount of cash and cash equivalents and accounts receivable represent the maximum credit exposure to the Corporation. The Corporation held cash in the bank of \$198,970 at September 30, 2018 (December 31, 2017 - \$225,990).

The Corporation manages credit exposure related to cash and cash equivalents by selecting financial institution counterparties with high credit ratings. The accounts receivable balance of \$2,619 existing as of December 31, 2017 (September 30, 2018 - nil) consists entirely of Goods & Services Tax receivable, which is reimbursed on a timely basis by the Government of Canada subject to applicable filings and assessment.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Corporation has accounts payable and accrued liabilities of \$29,495 as at September 30, 2018 (December 31, 2017 - \$9,901) that are considered payable within the next year.

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. The Corporation does not have significant exposure to these risks.

Critical Accounting Estimates

The Corporation's Audited Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board ("**IASB**"). The Corporation's significant accounting policies are summarized in Note 3 within the Audited Financial Statements. Given the early stage of the Corporation, there were no significant estimates or judgments made by management in the preparation of the Audited Financial Statements.

New standards and interpretations adopted on January 1, 2018

IFRS 9: Financial Instruments

On January 1, 2018, the Corporation adopted IFRS 9 "Financial Instruments", which includes a principle-based approach for classification and measurement of financial assets and a forward-looking 'expected credit loss' model. IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("**FVOCI**"); or fair value through profit or loss ("**FVTPL**"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. The classification and measurement of financial instruments under IFRS 9 did not have a material impact on the Corporation's consolidated financial statements.

Impairment of financial assets under IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss" model. The new impairment model applies to financial assets measured at amortized cost, and contract assets and debt investments at FVOCI. Under IFRS 9, credit losses are recognized earlier than under IAS 39. The application of the expected credit loss model to financial assets classified as amortized cost did not result in a material adjustment on transition.

IFRS 9 was applied retrospectively in accordance with transition requirements with no impact to opening retained earnings or comparative periods. Cash and cash equivalents, and trade and other receivables continue to be measured at amortized cost and are now classified as "amortized cost". The Corporation's financial liabilities previously classified as "other financial liabilities" being trade and other payables and accrued liabilities continue to be measured at amortized cost and are now classified as "amortized cost". The Corporation has not designated any financial instruments as FVOCI or FVTPL, nor does the Corporation use hedge accounting.

IFRS 15: Revenue from Contracts with Customers

The Corporation adopted IFRS 15 "Revenue from Contracts with Customers" effective January 1, 2018, which establishes a comprehensive framework for determining whether, how much, and when revenue from contracts with customers is recognized. The Corporation adopted IFRS 15 using the modified retrospective approach to contracts that were not completed at the date of initial application. Under this transitional provision, the cumulative effect of initially applying IFRS 15 is recognized on the date of initial application as an adjustment to retained earnings. Given that the Corporation has no revenue-generating operations to date, no adjustment to retained earnings was required upon adoption of IFRS 15.

Recent Accounting Pronouncements

The following are new IFRS pronouncements that have been issued, although not yet effective and have not been early adopted, and may have an impact on the financial statements in the future as discussed below.

IFRS 16: Leases

On January 1, 2019, the Corporation will be required to adopt IFRS 16 "Leases" to replace the existing guidance of IAS 17 "Leases". The standard establishes principles and disclosures related to the amount, timing and uncertainty of cash flows arising from a lease. The Corporation does not expect any material impact from the adoption of this standard.

Outlook

The Corporation intends to evaluate direct or indirect acquisitions of assets to complete a QT. The Corporation continues to monitor its spending and will amend its plans based on business opportunities that may arise in the future.

Additional Information

For further details, see the Corporation's Quarterly Financial Statements and other additional information about the Corporation as can be found on SEDAR.