

REBEL CAPITAL INC.
Management's Discussion and Analysis
For the Year Ended December 31, 2017

Introduction

The following management's discussion and analysis ("**MD&A**") is dated April 20, 2018, unless otherwise indicated, and should be read in conjunction with the audited financial statements of Rebel Capital Inc. (the "**Corporation**" or "**Rebel**") for the year ended December 31, 2017 as well as for the period from incorporation on September 16, 2016 to December 31, 2016 (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 year ended December 31, 2017 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. As at December 31, 2017, the Company has spent \$75,743 of the allowable limit. 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 three months and year ended December 31, 2017, the Corporation recognized stock-based compensation expense of \$1,872 and \$10,342, respectively, 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 December 31, 2017 are:

	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016 ⁽¹⁾
Total Assets	\$ 228,609	\$ 137,786	\$ 99,750	\$ 102,927	\$ 101,210
Total Revenues	-	-	-	-	-
Total Expenses	19,185	16,716	13,108	6,947	3,113
Net Loss	19,185	16,716	13,108	6,947	3,113
Basic and diluted net loss per share	0.01	-	-	-	-

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

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

Results of Operations

The Corporation recorded a net loss of \$55,956 during the year ended December 31, 2017. The net loss is due mainly to costs in relation 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 year ended December 31, 2017:

Material Costs (\$)	Year 2017	Year 2016⁽¹⁾
Stock-based compensation	10,342	-
General and administrative		
Professional fees	17,992	2,823
Investor relations	26,597	-
Other costs	1,025	290

(1) For the period from incorporation on September 16, 2016 to December 31, 2016.

Financial Condition including Cash Flows, Liquidity and Capital Resources

At December 31, 2017, working capital was \$218,708. Cash as at December 31, 2017 was \$225,990, compared with \$5,710 as at December 31, 2016. The increase in cash is due to the receipt of funds through non-brokered financing and the completion of the Offering by way of the issuance of 2,660,000 and 2,000,000 Common Shares, respectively, for cumulative consideration of \$333,000.

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, 2016 – 2,000,000) 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 December 31, 2017, 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 year ended December 31, 2017 or the period ended December 31, 2016.

The Corporation does not have amounts owing to or from related parties as of December 31, 2017 or December 31, 2016.

Capital Management

Capital is comprised of the Corporation's shareholders' equity and any debt that it may issue. As at December 31, 2017, the Corporation's shareholders' equity was \$218,708 and it had \$9,901 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 \$225,990 at December 31, 2017 (December 31, 2016 - \$5,710).

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 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 \$9,901 as at December 31, 2017 (December 31, 2016 - \$4,323) 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.

Future Changes in Accounting Policies

The following standards have been issued but are not yet effective:

- i. As of January 1, 2018, the Corporation is required to adopt IFRS 15 "Revenue from Contracts with Customers". IFRS 15 was issued in May 2014 and replaces IAS 11 "Construction Contracts", IAS 18 "Revenue Recognition", IFRIC 13 "Customer Loyalty Programmes", IFRIC 15 "Agreements for the Construction of Real Estate", IFRIC 18 "Transfers of Assets from Customers" and SIC-31 "Revenue – Barter Transactions Involving Advertising Services". IFRS 15 provides a single, principle-based five-step model that will apply to all contracts with customers with limited exceptions, including, but not limited to, leases within the scope of IAS 17 and financial instruments and other contractual rights or obligations within the scope of IFRS 9 "Financial Instruments", IFRS 10 "Consolidated Financial Statements" and IFRS 11 "Joint Arrangements". In addition to the five-step model, the standard specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The standard's requirements also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the Corporation's ordinary activities. The Corporation currently has no revenue-generating activities.
- ii. As of January 1, 2018, the Corporation is required to adopt IFRS 9 "Financial Instruments", which is the result of the first phase of the International Accounting Standards Board's ("IASB") project to replace IAS 39 "Financial Instruments: Recognition and Measurement" and IFRIC 9 "Reassessment of Embedded Derivatives". The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. Amendments to IFRS 7 "Financial Instruments: Disclosures" is also required to be adopted by the Corporation simultaneously with IFRS 9. The Corporation does not anticipate a change with the adoption of this standard.

- iii. 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 the principals and disclosure related to the amount, timing and uncertainty of cash flows arising from a lease. The Corporation is assessing the impact of this standard.

The Corporation will assess the impact of the new IFRS pronouncements on its financial statements by the required implementation dates.

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.