

SBD CAPITAL CORP.
(FORMERLY WHITE PINE RESOURCES INC.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2018

SBD CAPITAL CORP. (FORMERLY WHITE PINE RESOURCES INC.) MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED MARCH 31, 2018

The following management's discussion and analysis ("MD&A") is management's assessment of the results and financial condition of SBD Capital Corp. ("SBD" or the "Company") and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2017 ("Q4 2018"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts are in Canadian dollars, unless otherwise noted. The date of this MD&A is July 30, 2018. SBD's most recent filings are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") and can be accessed through the Internet at www.sedar.com.

1. DESCRIPTION OF BUSINESS

SBD Capital Corp. was established in 2017 to identify and invest in venture and early stage craft alcohol companies, focusing on innovative brands built around human capital. As a pioneer in craft alcohol investing, the Company remains committed to innovation, social partnerships and sustainable growth. On October 17, 2017 the Company changed its name from White Pine Resources Inc. to SBD Capital Corp. The Company trades on CSE under the symbol SBD.

2. BUSINESS ACQUISITION ACTIVITIES

2.1 Secret Barrel Distillery Corporation

In 2017, the Company signed an agreement to acquire 100% of the outstanding shares of Secret Barrel Distillery Corporation ("Secret Barrel") in consideration of 2 million common shares of the Company and a working capital advance to Secret Barrel of \$175,000. As part of the transaction, the Company also completed a non-brokered private placement through the issuance of 150,000 common shares at a price of \$0.02 per common share for gross proceeds of \$3,000 and 13,850,000 units at a price of \$0.02 per unit for aggregate gross proceeds of \$277,000.

The Company also settled an aggregate of \$123,000 of indebtedness through the issuance of an aggregate of 6,150,000 units of the Company.

Subsequent to completing the acquisition of Secret Barrel Distillery Corporation, the Company entered into an agreement with Banks DIH Limited ("Banks") based in the republic of Guyana to be the exclusive distributor in Canada of their various brands of rum, including the highly regarded and award-winning XM Rums.

The Company has placed initial rum product orders with Banks and receipt of the product is expected shortly. In the meantime, management is negotiating to bring on sales representatives and brand ambassadors to promote and distribute the product. The company began selling XM rum in Alberta in May 2018.

On May 14, 2018, the Company entered into a strategic partnership with Pota Brands ("Pota") to distribute Secret Barrel Rum and XM Rum in Saskatchewan and Manitoba.

3. MINERAL PROPERTY EXPENDITURES AND COMMITMENTS

3.1 Mineral Property Expenditures

SBD's expenditures on mineral properties through the year ended March 31, 2018 were as follows:

Property	Balance March 31, 2017	Option & acquisition costs	Exploration	Disposition (Assignment)	Balance March 31, 2018
Lowland	\$ 1	\$ -	\$ -	\$ (1)	\$ -

The Company is no longer active in the pursuit of mineral exploration and is focused identifying and investing in venture and early stage craft alcohol companies, focusing on innovative brands built around human capital.

4. SELECTED ANNUAL INFORMATION

The following chart summarizes selected annual information for the three most recently completed years. The information has been prepared in accordance with IFRS:

	2018	2017	2016
Operating expenses	\$ 276,380	\$207,095	\$44,854
Net loss	232,435	207,095	44,854
Loss per share	(0.02)	(0.31)	(0.07)
Total assets	242,318	29,599	16,940
Total long-term financial liabilities	-	-	-
Cash dividends declared	-	-	-

5. RESULTS OF OPERATIONS

	Three months ended		Year ended	
	March 31,		March 31,	
	2018	2017	2018	2017
Revenue				
Sales of Product	8,450	-	26,956	-
Direct Costs				
Total Costs	39,781	-	26,528	-
Gross Profit	(31,331)	-	428	-
Expenses				
Management fees	9,500	-	44,000	56,000
Consulting fees	10,694	-	31,294	99,000
Professional fees	92,257	-	108,492	17,384
Office and administration	14,651	-	27,595	367
Label Design	-	-	15,822	-
Amortization	-	197	-	591
Meals and entertainment	-	-	276	-
Transfer agent fee	12,082	15,616	48,368	30,597
Interest and bank charges	394	75	961	456
Impairment of fixed asset	-	2,700	-	2,700
Total expenses	139,580	18,588	276,808	207,095
Loss for the period	(170,910)	(18,588)	(276,380)	(207,095)
Gain on acquisition	43,946	-	43,946	-
Assignment of asset	(1)	-	(1)	-
Net loss for the period	(126,965)	(18,588)	(232,435)	(207,095)
Net loss per share – Basic and fully diluted	(0.00)	(0.01)	(0.02)	(0.31)

Fully diluted weighted average common shares outstanding, used in the calculation of fully diluted loss per share, are not reflective of the outstanding stock options and warrants at that time as their exercise would be anti-dilutive in the loss per share calculation.

5.1 Three Months Ended March 31, 2018

Results of operations for the three months ended March 31, 2018 resulted in a loss of \$126,965 compared to a loss of \$18,588 for the same period in the prior year. The increase in costs between the three-month periods is primarily due to the Company's business launch activities compared to the same quarter in the previous year, resulting in higher management fees, consulting fees, legal and audit fees and office and administration expenses. These higher expenses were partially offset by a gain on acquisition.

The Company is in the process of acquiring additional inventory and developing its marketing strategy for growing the business and increasing sales.

5.2 Year Ended March 31, 2018

Results of operations for the year ended March 31, 2018 resulted in a loss of \$232,435, compared to a loss of \$207,095 for the same period in the prior year. Increased professional fees, office and general costs, transfer agent fees as well as a new expense category, label design, were partially offset by a reduction in management fees and consulting fees resulting in the moderate increase in overall expense levels which were partially offset by a gain on acquisition.

6. QUARTERLY FINANCIAL INFORMATION

The following is selected financial data from the quarterly interim consolidated financial statements of SBD for the last eight completed fiscal quarters ending March 31, 2018. This information should be read in conjunction with SBD's audited annual and unaudited interim consolidated financial statements for the periods below.

OPERATIONS	Quarter ended 2018-03-31	Quarter ended 2017-12-31	Quarter ended 2017-09-30	Quarter ended 2017-06-30
Revenue	\$8,450	\$12,287	\$27,271	\$0
Cost of Sales	\$39,781	\$8,263	\$13,253	\$0
General, administrative & amortization expenses	\$139,580	\$94,209	\$92,098	\$35,892
Loss	(\$170,910)	(\$90,186)	(\$78,080)	(\$35,893)
Gain on acquisition	\$43,946	\$0	\$0	\$0
Loss on disposition of asset	\$0	\$0	\$0	\$0
Net loss	(\$126,965)	(\$90,186)	(\$78,080)	(\$35,893)
Loss per share – Basic and fully diluted	(0.00)	(0.00)	(0.01)	(0.05)
Cash	\$33,763	\$131,484	\$138,353	\$4,323
Other current assets	208,555	77,399	61,513	53,828
Other Assets	\$0	26,923	55,913	\$0
Exploration and evaluation assets	\$0	\$0	\$0	\$0
Total Assets	\$242,318	\$235,806	\$255,779	\$58,151

Fully diluted weighted average common shares outstanding, used in the calculation of fully diluted net loss per share, are not reflective of the outstanding stock options and warrants at that time as their exercise would be anti-dilutive in the net loss per share calculation; and

OPERATIONS	Quarter ended 2017-03-31	Quarter ended 2016-12-31	Quarter ended 2016-09-30	Quarter ended 2016-06-30
Revenue	\$0	\$0	\$0	\$0
Cost of Sales	\$0	\$0	\$0	\$0
General, administrative & amortization expenses	\$45,174	\$15,888	\$69,312	\$76,721
Net loss	(\$45,174)	(\$15,888)	(\$69,312)	(\$76,721)
Loss per share – Basic and fully diluted	(0.01)	0.00	0.00	0.00
Cash	\$9,841	\$8,121	\$5,370	\$8,192
Other current assets	19,757	15,715	3,154	2,060
Other Assets	-	2,700	2,897	3,094
Exploration and evaluation assets	1	1	1	1
Total Assets	\$29,599	\$26,537	\$11,422	\$13,347

Significant period to period fluctuations in loss are the result of SBD's decision to reduce operations to minimal levels in order to conserve the Company's cash resources. The increase in assets in the last quarter is due to the purchase of Secret Barrel and the subsequent financing.

7. FINANCIAL CONDITION

As at March 31, 2018, SBD's total assets were \$242,380 compared to \$29,599 at March 31, 2017. This increase was primarily due to the \$280,000 share issuance during the year ended March 31, 2018 (see below for explanation for increase in cash).

Based on the March 31, 2018 working capital position, SBD does not have sufficient cash to continue business operations. As a result, SBD is conserving its cash resources. When capital markets permit, SBD intends to obtain proceeds from additional equity financing to finance marketing and operational expenditures, as well as general and administrative expenditures; however, there can be no assurance that additional capital or other types of financing will be available or that, if available, the terms of such financing will be favourable to SBD.

On June 6, 2018, the Company announced that it completed a non-brokered private placement through the issuance of 1,000,000 units at a price of \$0.32 per unit for aggregate gross proceeds of \$320,000. Each Unit is comprised of one common share of the Company and one Common Share purchase warrant. Each warrant entitles the holder thereof to purchase one common share for a period of one year from the closing of the Offering at a price of \$0.50 per common share.

8. LIQUIDITY AND CAPITAL RESOURCES

Presently, SBD is wholly dependent on equity financing to complete the development of its marketing and operational activities (see Section 13.7 – Risks Factors). SBD does not expect to generate any significant revenues from operations in its next fiscal year.

SBD is dependent on external financing to fund its marketing and operational activities. In order to carry out further marketing and pay for general and administrative costs, SBD may spend its existing working capital and attempt to raise additional funds as needed. SBD will continue to assess other companies and seek to acquire interests in additional properties if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

The ability of SBD to successfully acquire additional companies and proceed with marketing and operational activities on current companies is conditional on its ability to secure financing when required. SBD proposes to meet additional capital requirements through equity financing. In light of the continually changing financial markets, there is no assurance that new funding will be available at the times or in the amounts required or desired by SBD, or upon terms acceptable to SBD or at all.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of SBD, is reasonable. There were no changes in SBD's approach to capital management for the year ended March 31, 2018. SBD is not subject to externally imposed capital requirements.

SBD had no off-balance sheet arrangements as at March 31, 2018.

The Company trades on the CSE under the symbol SBD.

9. OUTLOOK AND FUTURE WORK

Working capital from SBD's treasury, as available from time to time, may also be used to acquire other companies as opportunities and finances permit.

SBD intends to target, review and, if desirable, acquire and develop additional companies in order to augment and strengthen its current corporate portfolio. In conducting its search for additional companies, SBD may consider acquiring companies that it considers prospective based on criteria such as the sales history or location of the company, or a combination of these and other factors.

There is no assurance that SBD's funding initiatives will continue to be successful to fund its planned purchase, operational and marketing activities.

An investment in SBD's securities is speculative; see Section 13.7 – Risk Factors.

10. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- (i) In a business combination, management makes estimates of the fair value of the assets acquired and liabilities assumed;
- (ii) Due to the nature of the Company's operations, various legal and tax matters are outstanding from time to time. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. In the opinion of management, these matters did not have a material effect on the Company's financial position or results of operations as at and for the year ended March 31, 2018; and,
- (iii) Management's assessment of the going concern assumption requires judgment with respect to the funds to be available over the next twelve months.

11. SIGNIFICANT ACCOUNTING POLICIES

SBD's significant accounting policies are summarized in note 2 to the audited annual consolidated financial statements for the year ended March 31, 2018. SBD is in early stage and is subject to risks and challenges similar to companies in a comparable stage. The policies described below, and estimates related to them, have the most significant effect in preparation and presentation of SBD's consolidated financial statements.

11.1 *Stock-Based Payment Transactions*

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense or capitalized to exploration and evaluation assets for grants to individuals working directly on mineral properties with a corresponding increase in equity over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. Fair values of share-based payments (including stock options and warrants) are determined based on estimated fair values at the time of grant using the Black-Scholes option pricing model.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period that the employees unconditionally become entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognized as personnel expense in profit or loss.

Share-based payment arrangements in which SBD receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by SBD.

12. ACCOUNTING ISSUES

12.1 Management of Capital Risk

The objective when managing capital is to safeguard SBD's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders, benefits to other stakeholders and to have sufficient funds on hand to meet its exploration and development plans to ensure the ongoing growth of the business.

SBD considers as capital its shareholders' equity and cash and equivalents. SBD manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust capital structure, SBD may issue new common shares through private placements, repurchase shares, sell assets, incur debt, or return capital to shareholders. SBD's working capital balance surplus at March 31, 2018 was \$44,894 (March 31, 2017 – working capital deficit of \$198,150). SBD will require additional funds to carry out the marketing and operational plans. Actual funding requirements may vary from those planned due to a number of factors, including the progress of marketing and operational activities. Due to the cyclical nature of the industry, there is no guarantee that when SBD needs to raise capital, there will be access to funds at that time.

12.2 Management of Financial Risk

SBD is exposed to various property and financial risks and assesses the impact and likelihood of this exposure. These risks include property risk, credit risk, liquidity risk, market risk and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors and they are more fully described in note 10 of the financial statements for the year ended March 31, 2018.

13. OUTSTANDING SHARE DATA

13.1 Common Shares

On January 25, 2017, the Company executed the consolidation of the outstanding common shares on the basis of 50 existing common shares for one new common share. This resulted in a reduction of outstanding shares from 33,966,533 to 678,971. The 50 to 1 consolidation affected all of the Company's outstanding common shares as at the effective date; as a result, the prior year presentation in the financial statements has been restated.

	Number of shares
Balance, March 31, 2017 and 2016	678,971
Shares issued for debt settlement (i), (ii)	6,550,000
Issued for cash (iii), (iv)	14,000,000
Shares issued for acquisition of Secret Barrell (v)	2,000,000
Fair value on warrants Note 8(c)	-
Share issuance costs (iv)	-
Balance, March 31, 2018	23,228,971

SBD has an authorized share capital consisting of an unlimited number of common shares, unlimited number of special shares and 500,000 preference shares.

13.2 Warrants

	Number of Warrants	Black-Scholes Value	Weighted average exercise Price
Balance, beginning of year	-	-	-
Issued (Note 7(a)(ii), (iv))	20,000,000	\$ 245,776	\$ 0.10
Balance, March 31, 2018	20,000,000	\$ 245,776	\$ 0.10

Each warrant entitles the holder thereof to acquire one common share at a price of \$0.10 per a common share for a period of 36 months from the date of issuance.

13.3 Stock Options

SBD has a stock option plan (the "Plan") under which it is authorized to grant stock options to acquire common shares to Directors, officers, employees and consultants. The aggregate number of common shares which may be issued and sold under the Plan will not exceed 10% of the aggregate number of common shares issued and outstanding from time to time. The current number of common shares reserved for issuance upon the exercise of options granted pursuant to the Plan is 2,322,897. The number of common shares which may be reserved for issue to any one individual under the Plan within any one-year period shall not exceed 5% of the outstanding issue. The Board of Directors shall determine the exercise price of stock options issued, as applicable, based on the market price. The stock options are non-assignable and may be granted for a term not exceeding five years. Stock options issued under the Plan may vest at the discretion of the Board of Directors.

During the year ended March 31, 2018, no stock options were granted. At March 31, 2018 there were no stock options outstanding. Subsequent to the year end the Company granted 2,400,000 stock options to certain officers, directors and consultants at an exercise price of \$0.32 for a term of 3 years.

14. OTHER INFORMATION

14.1 Contractual Commitments

SBD has no contractual commitments, other than leases on offices entered into in the ordinary course of business.

14.2 Disclosure Control and Procedures

SBD's Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the design and operation of SBD's disclosure controls and procedures as at March 31, 2018. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that SBD's disclosure controls and procedures are effective to ensure that information required to be disclosed in reports filed or submitted by SBD under Canadian securities legislation is reported within the time periods specified in those rules.

14.3 Internal Control over Financial Reporting

SBD's Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the Chief Financial Officer, SBD's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. There has been no change in SBD's internal control over financial reporting during the year ended March 31, 2018 that has materially affected, or is reasonably likely to materially affect, SBD's internal control over financial reporting.

14.4 Limitations of Controls and Procedures

SBD's Chief Executive Officer and Chief Financial Officer believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within SBD have been prevented or detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

14.5 Corporate Governance

SBD's Board of Directors follows corporate governance policies to ensure transparency and accountability to shareholders.

The Audit Committee fulfills its role of ensuring the integrity of the reported information through its review of the unaudited interim and audited annual consolidated financial statements prior to their submission to the Board of Directors for approval.

14.6 Related Party Transactions

The related party transactions during the year ended March 31, 2018 and 2017 are disclosed in note 9 of the notes to financial statements.

14.7 Risk Factors

SBD is in an early-stage company and is subject to the risks and challenges similar to other companies in a comparable stage. The risk factors set forth in SBD's MD&A for the year ended March 31, 2017, a copy of which is filed at SEDAR, could materially affect SBD's future operating results, the successful development of SBD's companies and could cause actual events to differ materially from those described in forward-looking statements relating to SBD.

15. FORWARD-LOOKING STATEMENTS

This MD&A may contain forward-looking statements that are based on SBD's expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of SBD are set out above under "Risk Factors". Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.

Certain information included in this MD&A may constitute forward-looking information within the meaning of securities laws. In some cases, forward-looking information can be identified by the use of terms such as "may", "will", "should", "expect", "believe", "plan", "scheduled", "intend", "estimate", "forecast", "predict", "potential", "continue", "anticipate" or other similar expressions concerning matters that are not historical facts. Forward-looking information may relate to management's future outlook and anticipated events or results and may include statements or information regarding the future plans or prospects of SBD. Forward-looking statements are necessarily based upon a number of estimates and assumptions that,

while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Although SBD believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Forward-looking information is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of SBD to be materially different from those expressed or implied by such forward-looking information, including but not limited to, risks related to SBD's goal of creating shareholder value; management's economic outlook regarding future trends; SBD's expected exploration budget and ability to meet its working capital needs at the current level in the short term (See "Liquidity and Capital Resources" and "Financial Conditions"); and expectations with respect to raising capital (See "Liquidity and Capital Resources").

Inherent in forward-looking statements are risks, uncertainties and other factors beyond SBD's ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, changes in debt and equity markets, timing and availability of external financing on acceptable terms, increases in interest rate and exchange rate fluctuations, changes in economic and political conditions and other risks involved in the liquor industry, as well as those risk factors listed in the "Risk Factors" section above. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about the following: the availability of financing for SBD's operations; operating and marketing; SBD's ability to retain and attract skilled staff; timing of the receipt of regulatory and governmental approvals; market competition; and general business and economic conditions.

For further discussion of certain risks and uncertainties that could contribute to a difference in results than those expressed in certain forward-looking statements contained herein, please review those risks listed under the heading "Risks Factors" in this MD&A. Although SBD has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Forward-looking statements are not guarantees of future performance and there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and SBD takes no responsibility to update them or to revise them to reflect new events or circumstances, except as required by law.

Brian Murray
Chief Executive Officer
July 30, 2018