SBD CAPITAL CORP.
217 Queen St. West, Suite 401
Toronto, Ontario M5V 0R2

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual meeting (the "**Meeting**") of shareholders of **SBD Capital Corp.** (the "**Company**") will be held on **Tuesday, October 15, 2019**, at the hour of **10:00 a.m.** (Eastern time), at Suite 401, 217 Queen Street West, Toronto, Ontario M5R 0R2 for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Company for the years ended March 31, 2018 and March 31, 2019, and the report of the auditors thereon;

2. to elect the directors of the Company;

3. to confirm the appointment by the board of directors of, and to appoint, the auditors of the Company and to authorize the directors to fix their remuneration;

4. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

A shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his or her duly executed form of proxy with the Company's transfer agent and registrar, TSX Trust Company at Suite 301, 100 Adelaide Street West, Toronto, Ontario M5H 4H1 not later than **10:00 a.m**. (Eastern time) on Thursday, October 10, 2019 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays and holidays, preceding the time of such adjourned meeting.

Shareholders who are unable to attend the Meeting in person, are requested to date, complete, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting.

The board of directors of the Company has by resolution fixed the close of business on Friday, September 6, 2019 as the record date, being the date for the determination of the registered holders of common shares of the Company entitled to receive notice of, and to vote at, the Meeting and any adjournment thereof.

The accompanying management information circular provides additional detailed information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this notice of annual meeting. Additional information about the Company and its financial statements are also available on the Company's profile at www.sedar.com.

DATED at Toronto, Ontario this 6th day of September, 2019

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BY ORDER OF THE BOARD

"*John Dyer*" *(signed)*

Chief Financial Officer and
Interim Chief Executive Officer

SBD CAPITAL CORP.

217 Queen St. West, Suite 401
Toronto, Ontario M5V 0R2

MANAGEMENT INFORMATION CIRCULAR
As at September 6, 2019

SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF SBD CAPITAL CORP. (the "**Company**") of proxies to be used at the annual meeting of shareholders of the Company to be held on Tuesday, October 15, 2019 at Suite 401, 217 Queen Street West, Toronto, Ontario M5V 0R2 at **10:00 am** (Eastern time), and at any adjournment or postponement thereof (the "**Meeting**") for the purposes set out in the accompanying notice of meeting (the "**Notice**"). Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), arrangements have been made with brokerage houses and clearing agencies, custodians, nominees, fiduciaries or other intermediaries to send the Notice, this management information circular ("**Circular**"), the consolidated annual financial statements of the Company for the financial years ended March 31, 2018 and 2019 and related management's discussion and analysis and other meeting materials, if applicable (collectively the "**Meeting Materials**") to the beneficial owners of the common shares of the Company (the "**Common Shares**") held of record by such parties. The Company may reimburse such parties for reasonable fees and disbursements incurred by them in doing so. The costs of the solicitation of proxies will be borne by the Company. The Company may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the shareholders of the Company in favour of the matters set forth in the Notice.

APPOINTMENT AND REVOCATION OF PROXIES

A Registered Shareholder may vote in person at the Meeting or may appoint another person to represent such Registered Shareholder as proxy and to vote the Common Shares of such Registered Shareholder at the Meeting. In order to appoint another person as proxy, a Registered Shareholder must complete, execute and deliver the form of proxy accompanying this Circular, or another proper form of proxy, in the manner specified in the Notice.

The purpose of a form of proxy is to designate persons who will vote on the shareholder's behalf in accordance with the instructions given by the shareholder in the form of proxy. The persons named in the enclosed form of proxy are officers or directors of the Company**. A REGISTERED SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY, TO REPRESENT HIM OR HER AT THE MEETING MAY DO SO BY FILLING IN THE NAME OF SUCH PERSON IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER PROPER FORM OF PROXY.** A Registered Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must, in all cases, deposit the completed form of proxy with the Company's transfer agent and registrar, TSX Trust Company (the "**Transfer Agent**") not later than **10:00 a.m.** (Eastern time) on Thursday, October 10, 2019 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays and holidays, preceding the time of such adjourned Meeting at which the form of proxy is to be used. A form of proxy should be executed by the Registered Shareholder or his or her attorney duly authorized in writing or, if the Registered Shareholder is a corporation, by an officer or attorney thereof duly authorized.

Proxies may be deposited with the Transfer Agent using one of the following methods:

By Mail or Hand Delivery:	TSX Trust Company Suite 301, 100 Adelaide Street West, Toronto, Ontario M5H 4H1
Facsimile:	416-595-9593
By Internet:	www.voteproxyonline.com You will need to provide your 12 digit control number (located on the form of proxy accompanying this Circular)

A Registered Shareholder attending the Meeting has the right to vote in person and, if he or she does so, his or her form of proxy is nullified with respect to the matters such person votes upon at the Meeting and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

A Registered Shareholder who has given a form of proxy may revoke the form of proxy at any time prior to using it: (a) depositing an instrument in writing, including another completed form of proxy, executed by such Registered Shareholder or by his or her attorney authorized in writing or by electronic signature or, if the Registered Shareholder is a corporation, by an authorized officer or attorney thereof at, or by transmitting by telephone or electronic means, a revocation signed, subject to the *Business Corporations Act* (Ontario), by electronic signature, to (i) the registered office of the Company, located at Suite 401, 217 Queen Street West, Toronto, Ontario M5V 0R2, at any time prior to **10:00 a.m.** (Eastern time) on the last business day preceding the day of the Meeting or any adjournment thereof or (ii) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof; or (b) in any other manner permitted by law.

EXERCISE OF DISCRETION BY PROXIES

The Common Shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the Registered Shareholder on any ballot that may be called for and, if a Registered Shareholder specifies a choice with respect to any matter to be acted upon at the meeting, the Common Shares represented by the proxy shall be voted accordingly. Where no choice is specified, the proxy will confer discretionary authority and will be voted for the election of directors, for the appointment of auditors and the authorization of the directors to fix their remuneration and for each item of special business, as stated elsewhere in this Circular.

The enclosed form of proxy also confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matters identified in the Notice and with respect to other matters which may properly come before the Meeting in such manner as such nominee in his judgment may determine. At the time of printing this Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

ADVICE TO NON-REGISTERED SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders of the Company, as a substantial number of shareholders of the Company do not hold Common Shares in their own name. Only Registered Shareholders or the persons they appoint as their proxies are permitted to attend and vote at the Meeting and only forms of proxy deposited by Registered Shareholders will be recognized and acted upon at the Meeting. Common Shares beneficially owned by a Non-Registered Holder are registered either: (i) in the name of an intermediary (an "**Intermediary**") with whom the Non-Registered Holder deals in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. ("**CDS**")) (a "**Clearing Agency**") of which the Intermediary is a participant. Accordingly, such Intermediaries and Clearing Agencies would be the Registered Shareholders and would appear as such on the list maintained by the Transfer Agent. Non-Registered Holders do not appear on the list of the Registered Shareholders maintained by the Transfer Agent.

Distribution of Meeting Materials to Non-Registered Holders

In accordance with the requirements of NI 54-101, the Company has distributed copies of the Meeting Materials to the Clearing Agencies and Intermediaries for onward distribution to Non-Registered Holders as well as directly to NOBOs (as defined below).

Non-Registered Holders fall into two categories - those who object to their identity being known to the issuers of securities which they own ("**OBOs**") and those who do not object to their identity being made known to the issuers of the securities which they own ("**NOBOs**"). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from Intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials to such NOBOs. If you are a NOBO and the Company or its agent has sent the Meeting Materials directly to you, your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the Common Shares on your behalf.

The Company's OBOs can expect to be contacted by their Intermediary. The Company does not intend to pay for Intermediaries to deliver the Meeting Materials to OBOs and it is the responsibility of such Intermediaries to ensure delivery of the Meeting Materials to their OBOs.

Voting by Non-Registered Holders

The Common Shares held by Non-Registered Holders can only be voted or withheld from voting at the direction of the Non-Registered Holder. Without specific instructions, Intermediaries or Clearing Agencies are prohibited from voting Common Shares on behalf of Non-Registered Holders. Therefore, each Non-Registered Holder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

The various Intermediaries have their own mailing procedures and provide their own return instructions to Non-Registered Holders, which should be carefully followed by Non-Registered Holders in order to ensure that their Common Shares are voted at the Meeting.

Non-Registered Holders will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Non-Registered Holders should follow the procedures set out below, depending on which type of form they receive.

A. *Voting Instruction Form*. In most cases, a Non-Registered Holder will receive, as part of the Meeting Materials, a voting instruction form (a "**VIF**"). If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder's behalf), the VIF must be completed, signed and returned in accordance with the directions on the form.

or,

B. *Form of Proxy.* Less frequently, a Non-Registered Holder will receive, as part of the Meeting Materials, a form of proxy that has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder's behalf), the Non-Registered Holder must complete and sign the form of proxy and in accordance with the directions on the form.

Voting by Non-Registered Holders at the Meeting

Although a Non-Registered Holder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of an Intermediary or a Clearing Agency, a Non-Registered Holder may attend the Meeting as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder and vote such Common Shares as a proxyholder. A Non-Registered Holder who wishes to attend the Meeting and to vote their Common Shares as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder, should (a) if they received a VIF, follow the directions indicated on the VIF; or (b) if they received a form of proxy strike out the names of the persons named in the form of proxy and insert the Non-Registered Holder's or its nominees name in the blank space provided. Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those instructions regarding when and where the VIF or the form of proxy is to be delivered.

All references to shareholders in the Meeting Materials are to Registered Shareholders as set forth on the list of registered shareholders of the Company as maintained by the Transfer Agent, unless specifically stated otherwise.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As of September 6, 2019 (the "**Record Date**"), there were a total of 24,792,096 Common Shares issued and outstanding. Each Common Share outstanding on the Record Date carries the right to one vote at the Meeting.

Only Registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting. On a show of hands, every Registered Shareholder and proxy holder will have one vote and, on a poll, every Registered Shareholder present in person or represented by proxy will have one vote for each Common Share held.

To the knowledge of the Company's directors and executive officers, as of the date hereof, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attached to the outstanding Common Shares, other than as set forth below:

Name[(1)]	Number of Common Shares	Percentage of Issued and Outstanding Common Shares
Robert Cudney	5,475,972	22.08%
Kelsi Gayda	3,071,500	12.39%
Rona Gayda	3,855,000	15.55%

Notes:
(1) The above information is based upon information supplied by the Transfer Agent and the Company's management.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON

No director or executive officer of the Company who was a director or executive officer at any time since the beginning of the Company's last financial year, or any associate or affiliates of any such directors or officers, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than as disclosed in this Circular.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the board of directors of the Company (the "**Board**"), the matters to be brought before the Meeting are those matters set forth in the accompanying Notice.

1. PRESENTATION OF FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the years ended March 31, 2018 and 2019 and the report of the auditors shall be placed before the shareholders at the Meeting. No vote will be taken on the financial statements. The financial statements and additional information concerning the Company are available under the Company's profile at www.sedar.com.

2. ELECTION OF DIRECTORS

The Board currently consists of five directors to be elected annually. The following table states the names of the persons nominated by management for election as directors, any offices with the Company currently held by them, their principal occupations or employment, the period or periods of service as directors of the Company and the approximate number of voting securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised as of the date hereof.

Name, province or state and country of residence and position, if any, held in the Company	Principal Occupation	Served as Director of the Company since	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present[(1)]	Percentage of Voting Shares Owned or Controlled
John Dyer[(2) (3)] Ontario, Canada Interim Chief Executive Officer & Chief Financial Officer	Chartered Professional Accountant	July 16, 2019	Nil	Nil
Conan Taylor[(2) (3)] Alberta, Canada Director	Partner, Taylor Janis LLP law firm.	June 19, 2018	Nil	Nil
Brian Stecyk[(2)] Alberta, Canada Director	Publisher and Editor	March 29, 2017	1,000	Nil

Notes:
(1) The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the Company, has been furnished by the respective nominees individually.
(2) Member of the Audit Committee.
(3) The principal occupation during the past five years of the nominees not elected to their present term of office by the shareholders of the Company are as follows:

John Dyer:	*Mr. Dyer, CPA, CMA has over 30 years of financial management experience including chief financial officer roles in both private and public companies, controller roles and public practice accounting. As a Chartered Professional Accountant, Mr. Dyer has wide ranging experience in various industries including manufacturing, construction, technology, non-profit, mining, financial institutions and insurance. He also has extensive knowledge in systems technology and software and has led teams in turning around distressed companies*
Conan Taylor:	*Mr. Taylor holds a Law degree from Queens University and has been a member of the Alberta Law Society since 1997. He practiced at a major law firm until 2002 at which time he formed his own law firm, Taylor Janis LLP with offices in both Calgary & Edmonton. Mr. Taylor will work from both the Toronto office and his office in Edmonton.*

The term of office of each director will be from the date of the Meeting at which he or she is elected until the next annual meeting, or until his successor is elected or appointed.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. Management has no reason to believe that any of the nominees will be unable to serve as a director but, **IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.**

Corporate Cease Trade Orders or Bankruptcies

Other than as set forth below, no proposed director, within 10 years before the date of this Circular, has been a director, chief executive officer or chief financial officer of any company that:

(a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**") and that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as set forth below, no proposed director, within 10 years before the date of this Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

The Company was subject to a failure-to-file cease trade order (the "**Order**") issued by the Ontario Securities Commission on August 2, 2019, as a result of a delay in the filing of its audited annual financial statements, management discussion analysis and related certifications for the year ended March 31, 2019. The Order was revoked on August 15, 2019 following the filing of the requisite continuous disclosure documents. All of the current directors and officers were officers and/or directors of the Company at the time of the issuance of the Order.

Brian Stecyk was a director of CellCube Energy Storage Systems Inc. at the time it was subject to failure-to-file cease trade order (the "**CellCube Order**") issued by the British Columbia Securities Commission and the Ontario Securities Commission on November 2, 2018, as a result of a delay in filing its annual financial statements, management discussion and analysis and related certifications for the year ended June 30, 2018. The CellCube Order was revoked on December 11, 2018, following the filing of the requisite continuous disclosure documents.

Personal Bankruptcies

None of the directors of the Company have, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

Penalties and Sanctions

None of the directors of the Company have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

3. APPOINTMENT OF AUDITORS

At the request of management of the Company, MNP, LLP, Professional Chartered Accountants were terminated as auditors of the Company. The directors of the Company appointed S&W LLP, Professional Chartered Accountants, as auditors of the Company effective April 1, 2019, to fill the vacancy created thereby. Shareholders are being asked to confirm the actions of the directors and appoint S&W LLP, Professional Chartered Accountants as auditors of the Company to hold office until the next annual meeting of shareholders. MNP LLP, Professional Chartered Accountants, were first appointed as the auditors of the Company on May 13, 2015.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE CONFIRMATION OF APPOINTMENT AND APPOINTMENT OF S&W LLP, CHARTERED ACCOUNTANTS, AS AUDITORS OF THE COMPANY TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.

In accordance with the provisions of National Instrument 51-102, annexed to this Circular as Appendix "B", is the requisite reporting package, including the notice of the Company to MNP LLP, Professional Chartered Accountants and S&W LLP, Professional Chartered Accountants stating that there are no reportable events and the letters of MNP LLP, Professional Chartered Accountants and S&W LLP, Professional Chartered Accountants to the relevant securities regulatory authorities.

STATEMENT OF EXECUTIVE COMPENSATION

Under applicable securities legislation, the Company is required to disclose certain financial and other information relating to the compensation of the Chief Executive Officer, the Chief Financial Officer and the most highly compensated executive officer of the Company as at March 31, 2018 and 2019 whose total compensation was more than $150,000 for the financial years of the Company ended March 31, 2018 and 2019 (collectively the "**Named Executive Officers**") and for the directors of the Company.

Summary Compensation Table

The following table provides a summary of compensation paid, directly or indirectly, for each of the three most recently completed financial years to the Named Executive Officers and the directors of the Company:

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES[1]							
Name and position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
John Dyer[2] [5] Director, Interim Chief Executive Officer and Chief Financial Officer	2019	Nil	Nil	Nil	Nil	Nil	Nil
Conan Taylor Director	2019 2018	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Brian Stecyk Director	2019 2018 2017	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES[1]							
Name and position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
R. Brian Murray[2] Former Director, President and Chief Executive Officer	2019 2018 2017	$12,685 $18,000 $9,000	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	$12,685 $18,000 $9,000
J. Adam MacDonald[4] Former Director	2019 2018 2017	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
Alex Falconer[3] Former Director and Chief Financial Officer	2019 2018 2017	Nil Nil $7,000	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil $7,000
Chris Hopkins[3][5] Former Director and Chief Financial Officer	2019 2018 2017	Nil Nil $7,000	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil $7,000

Notes:

(1) This table does not include any amount paid as reimbursement for expenses.

(2) Mr. R. Brian Murray resigned as a director, President and Chief Executive Officer on July 16, 2019 and Mr. John Dyer was appointed as a director and Interim Chief Executive Officer in his stead.

(3) Mr. Alex Falconer resigned as a director and Chief Financial Officer on September 15, 2017 and Mr. Chris Hopkins was appointed Chief Financial Officer in his stead.

(4) Mr. J. Adam MacDonald was appointed to the Board on September 15, 2017 and resigned as a director of the Company on July 3, 2019.

(5) Mr. Chris Hopkins resigned as a director and Chief Financial Officer of the Company on March 12, 2019 and Mr. John Dyer was appointed Chief Financial Officer on May 16, 2019, in his stead.

Stock Options and Other Compensation Securities

No compensation securities were granted or issued to any Named Executive Officer or to any director of the Company during the most recently completed financial year of the Company for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

None of the Named Executive Officers or directors of the Company exercised any compensation securities during the most recently completed financial year of the Company.

Stock Option Plan and other Incentive Plans

The Company has in place a "rolling" stock option plan (the "**Stock Option Plan**") which was approved by the shareholders at the annual and special meeting of the Company held on December 19, 2016.

The purpose of the Stock Option Plan is to, among other things, encourage Common Share ownership in the Company by directors, officers, employees and consultants of the Company and its affiliates and other designated persons.

Options may be granted under the Stock Option Plan only to directors, officers, employees and consultants of the Company and its subsidiaries and other designated persons as designated from time to time by the Board. The number of options which may be issued under the Stock Option Plan is limited to 10% of the number of Common Shares outstanding at the time of the grant of the options. As at the date hereof, there are 79,210 Common Shares reserved for issuance under the Stock Option Plan. Any Common Shares subject to an option which, for any reason, is cancelled or terminated prior to exercise will be available for a subsequent grant under the Stock Option Plan. The option price of any Common Shares cannot be less than the market price of the Common Shares. Options granted under the Stock Option Plan may be exercised during a period not exceeding ten years, subject to earlier termination upon the termination of the optionee's employment, upon the optionee ceasing to be an employee, officer, director or consultant of the Company or any of its subsidiaries or ceasing to have a designated relationship with the Company, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. The options are non-transferable. The Stock Option Plan contains provisions for adjustment in the number of Common Shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the Common Shares, a merger or other relevant changes in the Company's capitalization. Subject to shareholder approval in certain circumstances, the Board may from time to time amend or revise the terms of the Stock Option Plan or may terminate the Stock Option Plan at any time. The Stock Option Plan does not contain any provision for financial assistance by the Company in respect of options granted under the Stock Option Plan.

The Company has no equity compensation plans other than the Stock Option Plan.

Employment, Consulting and Management Agreements

The Company does not have in place any employment agreements between the Company or any subsidiary or affiliate thereof and its Named Executive Officers.

There are no employment agreements in place with any of the directors of the Company.

Oversight and Description of Director and Named Executive Officer Compensation

Compensation of Directors

The Board, at the recommendation of the management of the Company, determines the compensation payable to the directors of the Company and reviews such compensation periodically throughout the year. For their role as directors of the Company, each director of the Company who is not a Named Executive Officer may, from time to time, be awarded stock options under the provisions of the Stock Option Plan. There are no other arrangements under which the directors of the Company who are not Named Executive Officers were compensated by the Company or its subsidiaries during the most recently completed financial year end for their services in their capacity as directors of the Company.

Compensation of Named Executive Officers

<u>*Principles of Executive Compensation*</u>

The Company believes in linking an individual's compensation to his or her performance and contribution as well as to the performance of the Company as a whole. The primary components of the Company's executive compensation are base salary and option-based awards. The Board believes that the mix between base salary and incentives must be reviewed and tailored to each executive based on their role within the organization as well as their own personal circumstances. The overall goal is to successfully link compensation to the interests of the shareholders. The following principles form the basis of the Company's executive compensation program:

1. align interest of executives and shareholders;

2. attract and motivate executives who are instrumental to the success of the Company and the enhancement of shareholder value;

3. pay for performance;

4. ensure compensation methods have the effect of retaining those executives whose performance has enhanced the Company's long-term value; and

5. connect, if possible, the Company's employees into principles 1 through 4 above.

The Board is responsible for the Company's compensation policies and practices. The Board has the responsibility to review and make recommendations concerning the compensation of the directors of the Company and the Named Executive Officers. The Board also has the responsibility to make recommendations concerning annual bonuses and grants to eligible persons under the Stock Option Plan. The Board also reviews and approves the hiring of executive officers.

Base Salary

The Board approves the salary ranges for the Named Executive Officers. The base salary review for each Named Executive Officer is based on assessment of factors such as current competitive market conditions, compensation levels within the peer group and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. Comparative data for the Company's peer group is also accumulated from a number of external sources including independent consultants. The Company's policy for determining salary for executive officers of the Company is consistent with the administration of salaries for all other employees.

Annual Incentives

The Company is not currently awarding any annual incentives by way of cash bonuses. However, the Company, in its discretion, may award such incentives in order to motivate executives to achieve short-term corporate goals. The Board approves annual incentives.

The success of Named Executive Officers in achieving their individual objectives and their contribution to the Company in reaching its overall goals are factors in the determination of their annual bonus. The Board assesses each Named Executive Officers' performance on the basis of his or her respective contribution to the achievement of the predetermined corporate objectives, as well as to needs of the Company that arise on a day to day basis. This assessment is used by the Board in developing its recommendations with respect to the determination of annual bonuses for the Named Executive Officers.

Compensation and Measurements of Performance

It is the intention of the Board to approve targeted amounts of annual incentives for each Named Executive Officer at the beginning of each financial year. The targeted amounts will be determined by the Board based on a number of factors, including comparable compensation of similar companies.

Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day to day corporate activities, will trigger the award of a bonus payment to the Named Executive Officers. The Named Executive Officers will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Board's assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Board and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

Long Term Compensation

The Company currently has no long-term incentive plans, other than stock options granted from time to time by the Board under the provisions of the Stock Option Plan.

Pension Disclosure

There are no pension plan benefits in place for the Named Executive Officers or the directors of the Company.

Termination and Change of Control Benefits

The Company does not have in place any pension or retirement plan. The Company has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now acts or has previously acted as a Named Executive Officer or director of the Company in connection with or related to the retirement, termination or resignation of such person. The Company has not provided any compensation to such persons as a result of a change of control of the Company, its subsidiaries or affiliates.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information with respect to all compensation plans of the Company under which equity securities are authorized for issue as of March 31, 2019:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	Weighted-average exercise price of outstanding options, warrants and rights ($)	Number of securities remaining available for future issuance under equity compensation plans (#)
Equity compensation plans approved by securityholders	2,400,000	$0.32	79,210
Equity compensation plans not approved by securityholders	Nil	n/a	Nil
Total:	**2,400,000**	**n/a**	**79,210**

Note:

(1) The Stock Option Plan is a "rolling" stock option plan whereby the maximum number of Common Shares that may be reserved for issuance pursuant to the Stock Option Plan will not exceed 10% of the issued shares of the Company at the time of the stock option grant. As at March 31, 2019, 2,479,210 Common Shares may be reserved for issuance pursuant to the Stock Option Plan.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director, executive officer or principal shareholder of the Company, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction within the preceding three years or in any proposed transaction that has materially affected or will materially affect the Company.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or officer of the Company or person who acted in such capacity in the last financial year of the Company, or any other individual who at any time during the most recently completed financial year of the Company was a director of the Company or any associate of the Company, is indebted to the Company, nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

AUDIT COMMITTEE INFORMATION REQUIRED IN THE INFORMATION CIRCULAR OF A VENTURE ISSUER

National Instrument 52-110 - *Audit Committees* ("**NI 52-110**") requires that certain information regarding the Audit Committee of a "venture issuer" (as that term is defined in NI 52-110) be included in the management information circular sent to shareholders in connection with the issuer's annual meeting. The Company is a "venture issuer" for the purposes of NI 52-110.

Audit Committee Charter

The full text of the charter of the Company's Audit Committee is attached hereto as appendix A.

Composition of the Audit Committee

The Audit Committee members are currently John Dyer, Conan Taylor and Brian Stecyk, each of whom is a director and financially literate. Messrs. Taylor and Stecyk are independent in accordance with NI 52-110. Mr. Dyer is not independent by virtue of his management position with the Company.

Relevant Education and Experience

The following is a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by the Company to prepare its financial statements;

2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;

3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities; and

4. an understanding of internal controls and procedures for financial reporting.

John Dyer, Director, Interim CEO & CFO

Mr. Dyer, CPA, CMA has over 30 years of financial management experience including chief financial officer roles in both private and public companies, controller roles and public practice accounting. As a Chartered Professional Accountant, Mr. Dyer has wide ranging experience in various industries including manufacturing, construction, technology, non-profit, mining, financial institutions and insurance. He also has extensive knowledge in systems technology and software and has led teams in turning around distressed companies.

Conan Taylor, Director

Conan Taylor holds a Law degree from Queens University and has been a member of the Alberta Law Society since 1997. He practiced at a major law firm until 2002 at which time he formed his own law firm, Taylor Janis LLP with offices in both Calgary & Edmonton. Mr. Taylor will work from both the Toronto office and his office in Edmonton.

Brian Stecyk, Director

Mr. Stecyk has an extensive background not only in corporate communications, but also in corporate and political networking and public relations. Following a career in senior management at the Alberta Government, Brian owned and operated a successful advertising and public relations firm that is now entering its thirty-sixth year in business. In addition to marketing and communications his strengths include strategic management and planning. For several years he was a member of the Canadian Association of Professional Speakers. Mr. Stecyk has held various senior executive positions and has served on many government boards, including several charity boards, over the years. Currently, Mr. Stecyk is a director and member of the audit committee of Integrated Energy Storage Corp.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Reliance on Exemptions in NI 52-110 regarding

***De Minimis* Non-audit Services or on a Regulatory Order Generally**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

1. the exemption in section 2.4 (*De Minimis Non-audit Services*) of MI 52-110 (which exempts all non-audit services provided by the Company's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit); or

2. an exemption from the requirements of NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Charter.

Audit Fees

The following table provides details in respect of audit, audit related, tax and other fees billed by the external auditor of the Company for professional services rendered to the Company during the fiscal years ended March 31, 2018 and March 31, 2019:

	Audit Fees ($)	Audit-Related Fees ($)	Tax Fees ($)	All Other Fees ($)
Year ended March 31, 2019	40,800	Nil	Nil	Nil
Year ended March 31, 2018	30,000	Nil	Nil	Nil

Audit Fees – aggregate fees billed for professional services rendered by the auditor for the audit of the Company's annual financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Fees – aggregate fees billed for professional services rendered by the auditor and were comprised primarily of audit procedures performed related to the review of quarterly financial statements and related documents.

Tax Fees – aggregate fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

All Other Fees – aggregate fees billed for professional services which included accounting advice and advice related to relocating employees.

REPORT ON GOVERNANCE

The Company believes that adopting and maintaining appropriate governance practices is fundamental to a well-run company, to the execution of its chosen strategies and to its successful business and financial performance. National Instrument 58-101 - *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines* (collectively the "**Governance Guidelines**") of the Canadian Securities Administrators set out a list of non-binding corporate governance guidelines that issuers are encouraged to follow in developing their own corporate governance guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. The Company will continue to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations.

The following disclosure is required by the Governance Guidelines and describes the Company's approach to governance and outlines the various procedures, policies and practices that the Company and the Board have implemented.

Board of Directors

The Board is currently composed of three directors. Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)* ("**Form 58-101F2**") requires disclosure regarding how the Board facilitates its exercise of independent supervision over management of the Company by providing the identity of directors who are independent and the identity of directors who are not independent and the basis for that determination. NI 52-110 provides that a director is independent if he or she has no direct or indirect "material relationship" with the company. "Material relationship" is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. In addition, under NI 52-110, an individual who is, or has been within the last three years, an employee or executive officer of an issuer, is deemed to have a "material relationship" with the issuer. Accordingly, of the proposed nominees, John Dyer, Interim Chief Executive Officer and Chief Financial Officer is considered not to be "independent". The remaining three proposed directors are considered by the Board to be "independent", within the meaning of MI 52-110. In assessing Form 58-101F2 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

Directorships

The following table sets forth the directors of the Company who currently hold directorships with other reporting issuers:

Name of Director	Reporting Issuer
John Dyer	Pedro Resources Ltd., Power Group Projects Corp., Gold Rush Cariboo Corp.
Conan Taylor	Gold Rush Cariboo Corp., Genoil Inc.
Brian Stecyk	Pedro Resources Ltd., Power Group Projects Corp., Gold Rush Cariboo Corp.,

Orientation and Continuing Education

The Board does not have a formal orientation or education program for its members. The Board's continuing education is typically derived from correspondence with the Company's legal counsel to remain up to date with developments in relevant corporate and securities law matters. Additionally, historically board members have been nominated who are familiar with the Company and the nature of its business.

Ethical Business Conduct

The Board has not adopted guidelines or attempted to quantify or stipulate steps to encourage and promote a culture of ethical business conduct, but does promote ethical business conduct through the nomination of Board members it considers ethical, through avoiding or minimizing conflicts of interest, and by having at least two of its Board members independent of corporate matters.

Nomination of Directors

The recruitment of new directors has generally resulted from recommendations made by directors and shareholders. The assessment of the contributions of individual directors has principally been the responsibility of the Board. Prior to standing for election, new nominees to the Board are reviewed by the entire Board.

Other Board Committees

The Board has established an Audit Committee.

Assessments

Currently the Board has not implemented a formal process for assessing directors.

OTHER MATTERS

The management of the Company knows of no other matters to come before the Meeting other than as set forth in the Notice. **However, if other matters which are not known to management should properly come before the Meeting, the accompanying instrument of proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.**

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Shareholders may contact the Company at its office by mail at the address set out below to request copies of: (i) this Circular; and (ii) the Company's consolidated financial statements and the related Management's Discussion and Analysis (the "**MD&A**") which will be sent to the shareholder without charge upon request. Financial information is provided in the Company's consolidated financial statements and MD&A for its financial years ended March 31, 2018 and 2019.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Circular have been approved, and the delivery of it to each shareholder entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

DATED at Toronto, Ontario, on the 6th day of September, 2019.

BY ORDER OF THE BOARD

"John Dyer" (signed)

Director, Interim Chief Executive Officer and
Chief Financial Officer

APPENDIX A

SBD CAPITAL CORP.
CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

I PURPOSE

The Audit Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") of SBD Capital Corp. (the "**Corporation**") to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation. The Committee's primary duties and responsibilities are to:

- conduct such reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;
- ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel;
- review the quarterly and annual financial statements and management's discussion and analysis of the Corporation's financial position and operating results and report thereon to the Board for approval of same;
- select and monitor the independence and performance of the Corporation's external auditors, including attending at private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration; and
- provide oversight to related party transactions entered into by the Corporation.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the external auditors as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part IV of this Charter.

II AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the authority to:

(a) engage independent counsel and other advisors as it determines necessary to carry out its duties;

(b) set and pay the compensation for advisors employed by the Committee; and

(c) communicate directly with the internal and external auditors.

III COMPOSITION AND MEETINGS

1. The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the Ontario Securities Commission ("**OSC**"), the Canadian Securities Exchange, the *Business Corporations Act* (Ontario) and all applicable securities regulatory authorities.

2. The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair.

3. A majority of the members of the Committee shall not be officers or employees of the Corporation or any of its affiliates.

4. The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present either in person or by telephone shall constitute a quorum.

5. If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.

6. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.

7. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours' notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.

8. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.

9. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.

10. The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as the Committee may see fit, from time to time, to attend at meetings of the Committee.

11. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation.

The Committee members will be elected annually at the first meeting of the Board following the annual general meeting of shareholders.

IV RESPONSIBILITIES

A Financial Accounting and Reporting Process and Internal Controls

1. The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with applicable International Financial Reporting Standards ("**IFRS**") and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review the interim financial statements. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.

2. The Committee shall review any internal control reports prepared by management and the evaluation of such report by the external auditors, together with management's response.

3. The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, management's discussion and analysis and annual and interim earnings press releases, and periodically assess the adequacy of these procedures.

4. The Committee shall review the Corporation's financial statements, management's discussion and analysis relating to annual and interim financial statements and annual and interim earnings press releases, that are required to be reviewed by the Committee under any applicable laws before the Corporation publicly discloses this information.

5. The Committee shall meet no less frequently than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, the officer of the Corporation in charge of financial matters, deem appropriate.

6. The Committee shall inquire of management and the external auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.

7. The Committee shall review the post-audit or management letter containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.

8. The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.

9. The Committee shall establish procedures for:

   (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and

   (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

10. The Committee shall provide oversight to related party transactions entered into by the Corporation.

B Independent Auditors

1. The Committee shall recommend to the Board the external auditors to be nominated, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors report directly to the Committee.

2. The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.

3. The Committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the external auditors in accordance with this charter.

4. The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors.

5. The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.

6. The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.

7. The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within IFRS that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Corporation and the external auditors.

8. The Committee shall review fees paid by the Corporation to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.

9. The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.

10. The Committee shall monitor and assess the relationship between management and the external auditors and monitor and support the independence and objectivity of the external auditors.

C Other Responsibilities

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

Procedures for Receipt of Complaints and Submissions
Relating to Accounting Matters

1. The Corporation shall inform employees on the Corporation's intranet, if there is one, or via a newsletter or e-mail that is disseminated to all employees at least annually, of the officer (the "Complaints Officer") designated from time to time by the Committee to whom complaints and submissions can be made regarding accounting, internal accounting controls or auditing matters or issues of concern regarding questionable accounting or auditing matters.

2. The Complaints Officer shall be informed that any complaints or submissions so received must be kept confidential and that the identity of employees making complaints or submissions shall be kept confidential and shall only be communicated to the Committee or the Chair of the Committee.

3. The Complaints Officer shall be informed that he or she must report to the Committee as frequently as such Complaints Officer deems appropriate, but in any event no less frequently than on a quarterly basis prior to the quarterly meeting of the Committee called to approve interim and annual financial statements of the Corporation.

4. Upon receipt of a report from the Complaints Officer, the Committee shall discuss the report and take such steps as the Committee may deem appropriate.

5. The Complaints Officer shall retain a record of a complaint or submission received for a period of six years following resolution of the complaint or submission.

Procedures for Approval of Non-Audit Services

1. The Corporation's external auditors shall be prohibited from performing for the Corporation the following categories of non-audit services:

   (a) bookkeeping or other services related to the Corporation's accounting records or financial statements;

   (b) financial information systems design and implementation;

   (c) appraisal or valuation services, fairness opinion or contributions-in-kind reports;

   (d) actuarial services;

   (e) internal audit outsourcing services;

   (f) management functions;

   (g) human resources;

   (h) broker or dealer, investment adviser or investment banking services;

   (i) legal services;

   (j) expert services unrelated to the audit; and

   (k) any other service that the Canadian Public Accountability Board determines is impermissible.

2. In the event that the Corporation wishes to retain the services of the Corporation's external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Corporation shall consult with the Chair of the Committee, who shall have the authority to approve or disapprove on behalf of the Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Committee as a whole. 3. The Chief Financial Officer of the Corporation shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee no less frequently than on a quarterly basis.

APPENDIX "B"

SBD CAPITAL CORP.
NOTICE OF CHANGE OF AUDITORS
PURSUANT TO NATIONAL INSTRUMENT 51-102 ("NI 51-102")

April 10, 2019

TO: MNP LLP

AND TO: S & W LLP

AND TO: British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission

Dear Sirs/Mesdames:

Re: Notice Regarding Proposed Change of Auditor Pursuant to NI 51-102

Notice is hereby given that on April 1, 2019, the Board of Directors of SBD Capital Corp. (the "**Company**") determined:

1. to accept the resignation, at the request of the Company, dated April 3, 2019, of MNP LLP (the "**Former Auditor**"), as auditor of the Company; and

2. to engage S & W LLP (the "**Successor Auditor**"), as auditor of the Company, effective April 3, 2019.

There have been no modified opinions in the Former Auditor's reports on any of the Company's financial statements for the two most recently completed fiscal years nor for any period subsequent to the most recently completed fiscal year.

In the opinion of the Company, prior to the resignation, and as at the date hereof, there were no reportable events as defined in NI 51-102 (Part 4.11).

The contents of this Notice and the termination of the Former Auditor and the proposed appointment of the Successor Auditor were approved by the Audit Committee and the Board of Directors of the Company.

DATED at Toronto, Ontario this 10th day of April, 2019.

BY ORDER OF THE BOARD OF DIRECTORS OF
SBD CAPITAL CORP.

"*Brian Murray*" (Signed)

Brian Murray
Chief Executive Officer

April 3, 2019

British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission

Dear Sirs/Mesdames:

Re: SBD Capital Corp. (the "Company")
Change of Auditor of Reporting Issuer

We acknowledge receipt of a Notice of Change of Auditor (the "**Notice**") dated April 3, 2019 delivered to us by the Company in respect of the change of auditor of the Company.

Pursuant to National Instrument 51-102 of the Canadian Securities Administrators, please accept this letter as confirmation by MNP LLP, that we have reviewed the Notice and, based on our knowledge as at the time of receipt of the Notice, we agree with each of the statements therein.

I trust the foregoing is satisfactory.

Yours very truly,

MNP LLP

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

cc: Board of Directors of SBD Capital Corp.

ACCOUNTING › CONSULTING › TAX
1500, 640 - 5TH AVENUE SW, CALGARY AB, T2P 3G4
1.877.500.0792 T: 403.263.3385 F: 403.269.8450 MNP.ca

S & W LLP
Chartered Professional Accountants

91 Skyway Avenue, Suite 105
Toronto, Ontario M9W 6R5
Tel: (416) 979-7444 Fax: (416) 979-8432
email: info@swcpas.ca
www.swcpas.ca

April 10, 2019

British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission

Dear Sirs/Mesdames:

Re: SBD Capital Corp. (the "Company")
Change of Auditor of Reporting Issuer

We acknowledge receipt of a Notice of Change of Auditor (the "**Notice**") dated April 3, 2019, delivered to us by the Company in respect of the change of auditor of the Company.

Pursuant to National Instrument 51-102 of the Canadian Securities Administrators, please accept this letter as confirmation by S & W LLP that we have reviewed the Notice and, based on our knowledge as at the time of receipt of the Notice, we agree with each of the statements therein.

I trust the foregoing is satisfactory.

Yours very truly,

S + W LLP

S & W LLP

Chartered Accountants
Licensed Public Accountants

cc: Board of Directors of SBD Capital Corp.

SBD CAPITAL CORP.
(FORMERLY WHITE PINE RESOURCES INC.)

FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2018 AND 2017

Independent Auditors' Report

To the Shareholders of SBD Capital Corp.

We have audited the accompanying consolidated financial statements of SBD Capital Corp., which comprise the consolidated statements of financial position as at March 31, 2018 and March 31, 2017, the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of SBD Capital Corp. as at March 31, 2018 and March 31, 2017 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to note 2 in the consolidated financial statements which describes matters and conditions that indicate the existence of a material uncertainty which may cast significant doubt about SBD Capital Corp.'s ability to continue as a going concern.

MNP LLP

Calgary, Alberta
July 30, 2018

Chartered Professional Accountants

SBD CAPITAL CORP. (FORMERLY WHITE PINE RESOURCES INC.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT
MARCH 31, 2018 AND 2017
(Expressed in Canadian dollars)

	Note	*2018*	*2017*
Assets			
Current			
Cash and cash equivalents		**33,763**	9,841
Accounts receivable		**1,862**	-
GST/HST receivable		**18,173**	19,757
Inventory	**4**	**179,601**	-
Prepaid expenses		**8,921**	-
		242,320	29,598
Mineral interests	**6**	**-**	1
		242,320	29,599
Liabilities			
Current			
Accounts payable and accrued liabilities		**160,254**	198,849
Loans payable	**7**	**37,172**	28,900
		197,426	227,749
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Capital stock	**8(a)**	**35,188,725**	34,738,846
Issuable capital stock	**8(a)(vii)**	**27,500**	1,900
Contributed surplus		**9,954,845**	9,954,845
Accumulated deficit		**(45,126,176)**	(44,893,741)
		44,894	(198,150)
		242,320	29,599

NATURE OF OPERATIONS AND GOING CONCERNS, (Note 1)

SUBSEQUENT EVENTS, (Note 14)

Approved on behalf of the board:

"Brian Murray" Director
"Adam MacDonald" Director

The accompanying notes are an integral part of these consolidated financial statements.

SBD CAPITAL CORP. (FORMERLY WHITE PINE RESOURCES INC)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED MARCH 31, 2018 and 2017
(Expressed in Canadian dollars)

	Note		*2018*		*2017*
Revenue					
Sales of product		$	**26,956**	$	-
Direct costs					
AGLC liquor tax			**11,182**		-
Cost of goods sold			**14,627**		-
Shipping, freight and delivery			**719**		-
Total direct costs			**26,528**		-
Gross margin			**428**		-
Expenses					
Management fees	**9**		**44,000**		56,000
Consulting fees			**31,294**		99,000
Professional fees			**108,492**		17,384
Office, general and administrative			**27,595**		367
Label design			**15,822**		-
Amortization			**-**		591
Meals and entertainment			**276**		-
Transfer agent fees			**48,368**		30,597
Interest and bank charges			**961**		456
Impairment of fixed asset			**-**		2,700
Total expenses			**276,808**		207,095
Net loss			**(276,380)**		**(207,095)**
Loss on assignment of assets	**6**		**(1)**		**-**
Gain on acquisition	**5**		**43,946**		
Net loss and comprehensive loss		**$**	**(232,435)**	$	(207,095)
Loss per share					
Basic and fully diluted	**13**	**$**	**(0.02)**	$	(0.31)
Weighted average number of common shares outstanding, basic and diluted			**14,879,656**		678,971

The accompanying notes are an integral part of these consolidated financial statements.

SBD CAPITAL CORP. (FORMERLY WHITE PINE RESOURCES INC.)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY) FOR THE YEARS ENDED MARCH 31, 2018 and 2017
(Expressed in Canadian dollars)

		Capital Stock		Issuable Capital Stock				
	Note	**Number of Shares**	**Amount**	**Number of Shares**	**Amount**	**Contributed surplus**	**Deficit**	**Total**
Balance at March 31, 2016		678,971	34,738,846	-	-	9,954,845	(44,686,646)	7,045
Issuable shares		-	-	95,000	1,900	-	-	1,900
Net loss for the year		-	-	-	-	-	(207,095)	(207,095)
Balance at March 31, 2017		678,971	34,738,846	95,000	1,900	9,954,845	(44,893,741)	(198,150)
Shares issued for cash	**8(a)(iv),(v)**	14,000,000	280,000	(95,000)	(1,900)	-	-	278,100
Shares issued for acquisition of Secret Barrel	**8(a)(v), 6**	2,000,000	40,000	-	-	-	-	40,000
Shares issued for debt settlement	**8(a)(ii),(iii)**	6,550,000	131,000	-	-	-	-	131,000
Issuable shares	**8(a)(vii)**	-		137,500	27,500	-	-	27,500
Share issue costs		-	(1,121)	-	-	-	-	(1,121)
Net loss for the year		-	-	-	-	-	(232,435)	(232,435)
Balance at March 31, 2018		**23,228,971**	**35,188,725**	**137,500**	**27,500**	**9,954,845**	**(45,126,176)**	**44,894**

The accompanying notes are an integral part of these consolidated financial statements.

SBD CAPITAL CORP. (FORMERLY WHITE PINE RESOURCES INC
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2018 and 2017
(Expressed in Canadian dollars)

	2018	2017
Operating activities		
Net loss for the year	**(232,435)**	(207,095)
Adjustment not affecting cash:		
Amortization	**-**	591
Loss on assignment of asset (note 6)	**1**	-
Shares issued for acquisition of Secret Barrel	**40,000**	-
Impairment of fixed assets	**-**	2,700
Changes in non-cash working capital		
Accounts receivable	**(1,862)**	-
Prepaid expense	**(8,921)**	-
GST/HST	**1,584**	(19,034)
Inventory	**(179,601)**	-
Accounts payable and accrued liabilities	**(38,595)**	188,955
Net cash used in operating activities	**(419,829)**	(33,883)
Financing activities		
Issuance of common shares, net of issuance costs	**278,879**	-
Issuable shares	**25,600**	1,900
Shares issued on the settlement of debt	**131,000**	-
Increase in loans payable	**8,272**	28,900
Net cash provided by financing activity	**443,751**	30,800
Net increase (decrease) in cash and cash equivalents	**23,922**	(3,083)
Cash, beginning of year	**9,841**	12,924
Cash, end of year	**33,763**	9,841

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

SBD Capital Corp. (formerly White Pine Resources Inc., "the Company") was incorporated under the Business Corporations Act (Ontario) on May 11, 1979. The Company was engaged in acquiring controlling interests in industrial companies in the manufacturing and distribution business. The Company's registered office is located at Suite 520, 65 Queen Street West, Toronto, Ontario, M5H 2M5.

These consolidated financial statements have been prepared on a going concern basis, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future, which is at least, but not limited to, one year from March 31, 2018. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate.

The current market conditions and volatility increase the uncertainty of the Company's ability to continue as a going concern given the need to both manage expenditures and to raise additional funds. The Company has negative operating cash flows of $419,829 (2017 - $33,883), has a working capital surplus of $44,894 at March 31, 2018 (March 31, 2017 - working capital deficit of $198,151), and an accumulated deficit of $45,126,176 (2017 - $44,893,741). The Company will continue to search for new or alternate sources of financing in order to continue development of its products but anticipates that the current market conditions may impact the ability to source such funds. These material uncertainties cast significant doubt on the Company's ability to continue as a going concern.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the consolidated statement of financial position.

On July 25, 2017, the Company entered into a share exchange agreement with Secret Barrel Distillery Corporation ("Secret Barrel") pursuant to which the Company has acquired from the Secret Barrel shareholders all of the issued and outstanding shares of Secret Barrel in exchange for 2,000,000 common shares in the capital of the Company and a working capital advance to Secret Barrel of $175,000. Secret Barrel is a private company incorporated pursuant to the laws of Alberta. Upon completion of the acquisition, Secret Barrel became a wholly owned subsidiary of the Company, see Note 5.

2. BASIS OF PRESENTATION

Statement of Compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements of the Company for the year ended March 31, 2018 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on July 30, 2018.

Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. BASIS OF PRESENTATION *(continued from previous page)*

Functional and Presentation Currency

The consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Secret Barrel. All significant intercompany balances and transactions have been eliminated on consolidation.

Revenue Recognition

Revenue is recognized, net of trade discounts and allowances, when a price is agreed upon, goods are shipped to customers, all significant contractual obligations have been satisfied, and collectability is reasonably assured.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized immediately in income. An acquisition is recorded on the date on which the Company obtains control of the acquired subsidiary or business. Acquisition related costs associated with business combinations are expensed as incurred.

Financial Instruments

(i) Non-derivative financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company's non-derivative financial assets is comprised of accounts receivable and financial assets at fair value through profit and loss.

2. BASIS OF PRESENTATION *(continued from previous page)*

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

Financial assets classified as fair value through profit or loss consist of cash and cash equivalents.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Financial assets classified as loans and receivables consists of accounts receivable.

(i) Non-derivative financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Non-derivative financial liabilities comprise accounts payable and accrued liabilities and loans payable.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

Cash and cash equivalents

Cash includes balances held with a Canadian chartered bank which are redeemable upon demand.

Impairment

(ii) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

2. BASIS OF PRESENTATION *(continued from previous page)*

Impairment *(continued from previous page)*

(ii) Financial assets *(continued from previous page)*

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for- sale financial asset recognized previously in other comprehensive income is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in other comprehensive income.

(iii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit).

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Stock-based Compensation Transactions

The grant date fair value of stock-based compensation awards granted to employees is recognized as an employee expense or capitalized to exploration and evaluation assets for grants to individuals working directly on exploration and evaluation assets, 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 stock-based compensation awards with no-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 stock-based compensation 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 using management's assumptions for warrants and stock options, respectively.

2. BASIS OF PRESENTATION *(continued from previous page)*

Stock-based Compensation Transactions *(continued from previous page)*

Stock-based compensation arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled stock-based compensation transactions.

Where equity instruments are granted to non-employees, they are recorded in the statement of comprehensive loss, unless the services related to the issuance of shares, at the fair value of the goods or services received. Amounts related to the issuance of shares are recorded as a reduction of share capital. If the fair value of the goods or services received cannot be reliably measured, the fair value of the equity instrument is used.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Income Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2. BASIS OF PRESENTATION *(continued from previous page)*

Capital Stock

Loss Per Share

The Company presents basic and fully diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to the Company's common shareholders by the weighted average number of common shares outstanding during the year, adjusted for own shares held. Fully diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares, which comprise warrants and stock options granted.

Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after March 31, 2018 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded from the table below. The following have not yet been adopted and are being evaluated to determine the impact on the Company.

a) IFRS 9, Financial Instruments (“IFRS 9”) was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

b) IFRS 15 Revenue from Contracts with Customers - In May 2014, the IASB issued IFRS 15 “Revenue from Contracts with Customers” which replaces IAS 18 “Revenue,” IAS 11 “Construction Contracts,” and related interpretations. The standard is required to be adopted for fiscal years beginning on or after January 1, 2018, with earlier adoption permitted. IFRS 15 will be applied by the Corporation on April 1, 2018.

c) IFRS 16 Leases - In January 2016, the IASB issued IFRS 16 “Leases”, which replaces IAS 17 “Leases”. For lessees applying IFRS 16, a single recognition and measurement model for leases would apply, with required recognition of assets and liabilities for most leases. The standard will come into effect for annual periods beginning on or after January 1, 2019, with earlier adoption permitted.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated 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.

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS *(continued from previous page)*

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the consolidated 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:

a) In a business combination, management makes estimates of the fair value of the assets acquired, equity instruments issued and liabilities assumed;

b) 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 consolidated financial position or consolidated results of operations as at and for the year ended March 31, 2018; and,

c) Management’s assessment of the going concern assumption requires judgment with respect to the funds to be available over the next twelve months.

4. INVENTORY

The major components of inventory are classified as follows:

		March 31, 2018		March 31, 2017
Finished goods	**$**	**175,580**	$	-
Promotional items		**4,021**		-
Total	**$**	**179,601**	$	-

5. ACQUISITIONS

On July 25, 2017, the Company acquired all of the issued and outstanding shares of Secret Barrel. The acquired business was purchased for $40,000, paid by the issuance of 2,000,000 common shares $0.02 per share. The transaction was accounted for as business combination under IFRS 3 - “Business Combinations” as the transaction met the definition of a business acquisition.

The following table summarizes the transaction and the purchase price allocation:

Consideration paid	$	40,000
Net assets acquired, at fair value		
Cash	$	12,263
Net working capital items		7,758
Inventory		95,425
Net assets acquired	$	115,446
Consideration paid	$	40,000
Intercompany liability		31,500
Gain on acquisition	$	(43,946)

(Expressed in Canadian dollars)

5. ACQUISITIONS *(continued from previous page)*

During the period from July 25, 2017 to March 31, 2018, the acquisition attributed approximately $26,956 of revenue and operating loss of $42,414 for the period, which is included in the consolidated statement of loss and comprehensive loss.

If the business combination, as described above, had occurred on April 1, 2017, the Company estimates that revenue would have increased by approximately $7,310 and the operating loss would have increased by approximately $9,223. The pro forma information is not necessarily indicative of the results had the acquisition occurred on April 1, 2017.

6. EXPLORATION AND EVALUATION ASSETS

The Company held an option agreement to earn up to 70% in a property. However, the Company had decided to let those claims lapse in 2012 as it was their decision not to further pursue the property and as a result, all costs associated with the property were written off to operations in fiscal 2012.

Property	**Balance March 31, 2017 and 2016**	**Options & acquisition costs**	**Exploration**	Disposition (Assignment)	Balance March 31, 2018
Lowland	**$ 1**	$ -	**$ -**	$ (1)	$ -

During the year, the Company assigned its interest in the Lowland property to a non-related party for proceeds of $nil.

7. LOANS PAYABLE

As at March 31, 2018, the loans payable balance is $37,172 (2017 - $28,900). The loans are due on demand and non-interest bearing. $32,172 (2017 - $12,900) of the loans are payable to directors and officers of the Company (Note 9).

8. CAPITAL STOCK

(a) Common shares
Authorized capital:

- Unlimited number of common shares
- Unlimited number of special shares
- 500,000 preference shares

	Number of shares		**Amount**
Balance, March 31, 2017 and March 31, 2016 (i)	678,971	$	34,738,846
Shares issued for debt settlement (ii), (iii)	6,550,000		131,000
Shares issued for cash (iv), (v)	14,000,000		280,000
Shares issued for acquisition of Secret Barrel (vi)	2,000,000		40,000
Share issuance costs (v)	-		(1,121)
Balance, March 31, 2018	23,228,971	$	35,188,725

8. CAPITAL STOCK *(continued from previous page)*

(i) 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 consolidated financial statements has been restated.

(ii) In July 2017, the Company settled an aggregate of $8,000 of indebtedness through the issuance of 400,000 shares at a price of $0.02 per share.

(iii) In August 2017, the Company settled an aggregate of $123,000 of indebtedness through the issuance of an aggregate of 6,150,000 units of the Company. Each unit consist of one common share of the Company and one common share purchase warrant. 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.

(iv) In August 2017, the Company 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.

(v) In August 2017, the Company completed a non-brokered private placement through the issuance of 13,850,000 units at a price of $0.02 per unit for aggregate gross proceeds of $277,000. Each unit consist of one common share of the Company and one common share purchase warrant. 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. In connection with this financing, the Company paid cash commissions of $1,121.

(vi) In August 2017, the Company issued 2,000,000 common shares at a price of $0.02 per common share for the acquisition of Secret Barrel (Note 5).

(vii) Issuable shares are for $27,500 of funds received for 1,375,000 shares that have yet to be issued.

(b) Stock option plan and share-based compensation

The Company 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.

The Company has no outstanding stock options at March 31, 2018 or 2017.

(Expressed in Canadian dollars)

8. CAPITAL STOCK *(continued from previous page)*

(c) Warrants

The following table summarizes warrants that have been issued, exercised or have expired during the year ended March 31, 2018:

	Number of Warrants		Value		Weighted average exercise price
Balance, beginning of year	-		-		-
Issued Note 8(a)(ii),(iv)	20,000,000	$	-	$	0.10
Balance, March 31, 2018	20,000,000	$	-	$	0.10

There were 20,000,000 warrants issued in the year ended March 31, 2018 (2017 – nil) as part of the issuance of units. The fair value of the warrant issued was based on the residual method. The fair value of the common shares associated with the unit issued was $0.02 resulting in residual value of $nil for the warrant component.

At March 31, 2018, the following warrants were outstanding. The warrants entitle the holders to purchase the stated number of common shares at the exercise price on or before the expiry date:

Warrants	Exercise Price	Fair value	Expiry date
20,000,000	$ 0 .10	$ nil	August 16, 2020

9. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying consolidated financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel:

Key management personnel include those persons who have authority and responsibility for planning, directing and controlling activities of the Company as a whole. The Company has determined that key management consist of executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

	March 31, 2018	March 31, 2017
Short-term benefits*	$ 44,000	$ 56,000

*includes base salaries pursuant to contractual employment, or consultancy arrangements. These have been recorded in consulting fees and management fees.

(Expressed in Canadian dollars)

9. RELATED PARTY TRANSACTIONS *(continued from previous page)*

As at March 31, 2018, loans payable consists of $32,172 (March 31, 2017 - $12,900) to a director of the Company. The loans are due on demand and non-interest bearing.

As at March 31, 2018, the Company owes a director $10,170 included in accounts payable (March 31, 2017 - $40,000). Also included in accounts payable is $nil (March 31, 2017 - $18,080) to companies controlled by officers and directors of the Company.

10. INCOME TAXES

A reconciliation of current income taxes at statutory rates with the reported taxes is as follows:

		2018		2017
Net loss before taxes	**$**	**232,435**	$	207,095
Combined Canadian federal and provincial tax rate		**26.5%**		26.5%
Expected income tax recovery at statutory tax rate		**61,596**		54,880
Non-deductible expenses		**(933)**		-
Change in unrecognized deferred tax assets		**(60,663)**		(54,880)
Total tax	**$**	**-**	$	-

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities.

Details of the deferred tax assets (liabilities) are as follows:

		2018		2017
Inventory	**$**	**(9,700)**	$	-
Losses carried forward		**9,700**		-
	$	**-**	$	-

Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

		2018		2017
Exploration and evaluation assets	**$**	**18,790,000**	$	22,654,250
Losses carried forward		**4,946,000**		4,753,000
Financing costs		**1,000**		-
Property, plant and equipment		**-**		17,240
Non-deductible salaries		**-**		40,000
Unrecognized deductible temporary differences		**23,737,000**		27,464,490
	$	**-**	$	-

(Expressed in Canadian dollars)

10. INCOME TAXES *(continued from previous page)*

As at March 31, 2018 the Company has non-capital losses of $5,035,171 (2017 - $4,753,000) that can be used to reduce future taxable income. These losses expire as follows:

2025	53,000
2026	452,000
2027	892,000
2028	555,000
2030	632,000
2031	628,000
2032	692,000
2033	436,000
2034	176,000
2035	68,000
2036	9,000
2037	221,000
2038	221,000
	5,043,000

11. FINANCIAL RISK FACTORS

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risks (commodity prices, foreign currency exchange rate and interest rate), credit risk and liquidity risk through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility.

Financial risks are primarily managed and monitored through operating and financing activities and, if required, through the use of derivative financial instruments. The financial risks are evaluated regularly with due consideration to changes in the key economic indicators and up-to-date market information.

The Company’s financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and loans payable. The fair value of the Company’s accounts receivable, accounts payable and accrued liabilities, and loans payable approximate their carrying value, due to their short-term maturities or ability of prompt liquidation. The Company’s cash and cash equivalents are recorded at fair value, under the fair value hierarchy, based on level one quoted prices in active markets for identical assets or liabilities.

The Company is exposed in varying degrees to a variety of financial instrument related risks.

11. FINANCIAL RISK FACTORS *(continued from previous page)*

Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis.

a) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. 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. As of March 31, 2018, the Company did not have any investments in investment-grade short-term deposit certificates and is not exposed to interest rate risk.

b) Foreign Currency Risk

As at March 31, 2018, the Company's expenditures are predominantly in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars and therefore is not at a significant risk to fluctuating exchange risks.

Liquidity Risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main sources of liquidity is derived from its common stock issuances. These funds are primarily used to finance working capital, operating expenses, capital expenditures, and acquisitions.

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash.

As at March 31, 2018, the Company held cash of $33,763 (March 31, 2017 - $9,841) to settle current liabilities of $197,426 (March 31, 2017 - $227,749). All of the Company's non-provision liabilities are due within the next fiscal year.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and accounts receivable. The Company has reduced its credit risk by investing its cash with a Canadian chartered bank and receivables to government agencies.

12. CAPITAL MANAGEMENT

The Company defines capital management in the manner it manages its capital stock. As at March 31, 2018 the Company's capital stock was $35,188,725 (2017 - $34,738,846).

There were no changes in the Company's approach to capital management during the year ended March 31, 2018 and the Company is not subject to any externally imposed capital requirements.

The Company's objectives when managing capital are:

a. To safeguard the Company's financial capacity and liquidity for future earnings in order to continue to provide an appropriate return to shareholders and other stakeholders;

b. To maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk; and,

c. To enable the Company to maximize growth by meeting its capital expenditure budget, to expand its budget to accelerate projects, and to take advantage of acquisition opportunities.

The Company's capital structure includes components of shareholders' equity.

The Company regularly monitors and reviews the amount of capital in proportion to risk and future development and exploration opportunities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new debt or equity or similar instruments, reduce debt levels from, or make adjustments to, its capital expenditure program.

13. BASIC AND DILUTED LOSS PER SHARE

Basic loss per share has been calculated by dividing the net loss per the consolidated statements of loss and comprehensive loss by the weighted average number of shares outstanding during the year. The fully diluted loss per share would be calculated using a common share balance increased by the number of common shares that could be issued on the exercise of outstanding warrants and options of the Company. As the Company is in a loss position for the year ended March 31, 2018, this would be anti-dilutive.

14. SUBSEQUENT EVENTS

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.

On June 6, 2018, 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.

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 INFORMA*TION*

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 March 31, 2018	2017	Year ended March 31, 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 acquistion	**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

SBD CAPITAL CORP.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2019 AND MARCH 31, 2018
(EXPRESSED IN CANADIAN DOLLARS)

S & W LLP
Chartered Professional Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
SBD Capital Corp.

Opinion

We have audited the consolidated financial statements of **SBD Capital Corp.** (the Company), which comprise the consolidated statements of financial position as at March 31, 2019, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity (deficiency) and consolidated statements of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards (Canadian GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to Note 1 to the consolidated financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Other Matter

The consolidated financial statements of the Company for the year ended March 31, 2018 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on July 30, 2018.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is Howard Wolle.

S+W LLP

August 13, 2019
Toronto, Canada

S & W LLP
Chartered Professional Accountants, Licensed Public Accountants

SBD CAPITAL CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2019 AND MARCH 31, 2018
(Expressed in Canadian dollars)

	Note	2019	2018
Assets			
Current			
Cash and cash equivalents		$ 4,274	$ 33,763
Accounts receivable		54,958	1,862
GST/HST receivable		33,891	18,173
Inventory	5	96,818	179,601
Prepaid expenses		-	8,921
		$ 189,941	$ 242,320
Liabilities			
Current			
Accounts payable and accrued liabilities		$ 239,044	$ 160,254
Loans payable	8	85,125	37,172
		324,169	197,426
Shareholders' equity (deficiency)			
Capital stock	9(a)	35,450,953	35,188,725
Issuable Capital stock		-	27,500
Contributed surplus		10,860,077	9,954,845
Deficit		(46,445,258)	(45,126,176)
		(134,228)	44,894
		$ 189,941	$ 242,320

Approved on behalf of the board:

"John Dyer" Director
"Conan Taylor" Director

The accompanying notes are an integral part of these consolidated financial statements.

SBD CAPITAL CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
AS AT MARCH 31, 2019 and MARCH 31, 2018
(Expressed in Canadian dollars)

	Note	2019	2018
Revenue			
Sales of product	14	**$ 131,284**	$ 26,956
Direct costs			
Cost of goods sold		**185,346**	26,528
Gross margin		**(54,062)**	**428**
Expenses			
Bank charges		**1,504**	961
Consulting fees		**151,717**	31,294
Label design		**-**	15,822
Management fees	10	**12,685**	44,000
Marketing expense		**152,483**	-
Meals & entertainment		**1,084**	276
Office, general and administrative		**114,228**	27,595
Professional fees		**97,381**	108,492
Stock-based compensation		**689,260**	-
Transfer agent and filing fees		**44,678**	48,368
		1,265,020	276,808
Net loss		**(1,319,082)**	(276,380)
Gain on acquisition	6	-	43,946
Loss on Assignment of assets	7	-	(1)
Net loss and comprehensive loss for the year		**$ (1,319,082)**	$ (232,435)
Loss per Share			
Basic and fully diluted	8	**$ (0.05)**	$ (0.02)
Weighted average number of common shares outstanding - basic and diluted		**24,196,749**	14,879,656

The accompanying notes are an integral part of these consolidated financial statements.

SBD CAPITAL CORP.
CONSOLDIATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
FOR THE YEARS ENDED MARCH 31, 2019 and MARCH 31, 2018
(Expressed in Canadian dollars)

		Capital Stock		Issuable Capital stock				
	Note	Number of shares	Amount	Number of shares	Amount	Contributed surplus	Deficit	Total
Balance - March 31, 2017		678,971	$34,738,846	95,000	$1,900	$9,954,845	$ (44,893,741)	$ (198,150)
Shares issued for cash		14,000,000	280,000	(95,000)	(1,900)	-	-	278,100
Shares issued for acquisition of Secret Barrel		2,000,000	40,000	-	-	-	-	40,000
Shares issued for debt settlement		6,550,000	131,000	-	-	-	-	131,000
Issuable shares		-	-	137,500	27,500	-	-	27,500
Share issue costs		-	(1,121)	-	-	-	-	(1,121)
Net loss for the year		-	-	-	-	-	(232,435)	(232,435)
Balance - March 31, 2018		23,228,971	$ 35,188,725	137,500	$ 27,500	$ 9,954,845	$ (45,126,176)	$ 44,894
Shares issued for cash	9(a)	1,463,125	468,200	(137,500)	(27,500)	-	-	440,700
Fair Value of warrants issued as part of Private Placement	9(c)	-	(229,611)	-		229,611	-	-
Shares issued on exercise of warrants	9(c)	100,000	10,000	-	-	-	-	10,000
Fair value of warrants exercised	9(c)		13,639			(13,639)	-	-
Fair value of options issued	9(b)	-	-	-	-	689,260	-	689,260
Net loss for the year							(1,319,082)	(1,319,082)
Balance - March 31, 2019		**24,792,096**	**$ 35,450,953**	**$ -**	**$ -**	**$ 10,860,077**	**$ (46,445,258)**	**$ (134,228)**

The accompanying notes are an integral part of these consolidated financial statements.

SBD CAPITAL CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2019 and MARCH 31, 2018
(Expressed in Canadian dollars)

		2019	2018
Operating activities			
Net loss for the year		$ (1,319,082)	$ (232,435)
Adjustments not affecting cash:			
Loss on assignment of asset		-	1
Shares issued for acquisition of Secret Barrel		-	40,000
Stock based compensation		689,260	-
		(629,822)	(192,434)
Changes in non-cash working capital			
Accounts receivable		(53,096)	(1,862)
Prepaid expense		8,921	(8,921)
GST/HST receivable		(15,718)	1,584
Inventory		82,783	(179,601)
Accounts payable and accrued liabilities		78,791	(38,595)
Net cash used in operating activities		(528,141)	(419,829)
Financing activities			
Issuance of common shares, net of issuance costs		450,700	278,879
Issuable shares		-	25,600
Shares issued on settlement of debt		-	131,000
Increase in loan payable		47,952	8,272
Net cash provided by financing activities		498,652	443,751
Net increase (decrease) in cash		(29,489)	23,922
Cash - beginning of year		33,763	9,841
Cash - end of year		$ 4,274	$ 33,763

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

SBD Capital Corp. ("the Company" or "SBD") was incorporated under the Business Corporations Act (Ontario) on May 11, 1979 and was a company with exploration and evaluation assets in Canada. The Company was engaged in acquiring controlling interests in industrial companies it the manufacturing and distribution business sector. The Company's registered office is located at Suite 1810, 393 University Avenue, Toronto, Ontario, M5G 1E6.

These consolidated financial statements have been prepared on a going concern basis, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future, which is at least, but not limited to, one year from March 31, 2019. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate.

The current market conditions and volatility increase the uncertainty of the Company's ability to continue as a going concern given the need to both manage expenditures and to raise additional funds. The Company has negative operating cash flows, has a working capital deficiency of $134,228 (Surplus at March 31, 2018 - $44,894) and an accumulated deficit of $134,228 (Equity at March 31, 2018 - $44,894). The Company will continue to search for new or alternate sources of financing in order to continue development of its products but anticipates that the current market conditions may impact the ability to source such funds. These material uncertainties cast significant doubt on the Company's ability to continue as a going concern.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the condensed statement of financial position.

On July 25, 2017, the Company entered into a share exchange agreement with Secret Barrel Distillery Corporation ("Secret Barrel") pursuant to which the Company has acquired from the Secret Barrel shareholders all of the issued and outstanding shares of Secret Barrel in exchange for 2,000,000 common shares in the capital of the Company and a working capital advance to Secret Barrel of $175,000. Secret Barrel is a private company incorporated pursuant to the laws of Alberta. Upon completion of the acquisition, Secret Barrel became a wholly owned subsidiary of the Company, see Note 6.

Upon the acquisition of Secret Barrel, the Company is now engaged in the sale and distribution of alcohol and liquor products.

2. BASIS OF PRESENTATION

Statement of Compliance

(a) These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The consolidated financial statements for the year ended March 31, 2019 were authorized for issue by the Board of Directors on August 13, 2019.

2. BASIS OF PRESENTATION (Cont'd)

(b) Basis of Measurement

These consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(b) Application of new International Financial Reporting Standards ("IFRS")

The following standards have been adopted on April 1, 2018:

IFRS 9 *Financial Instruments* ("IFRS 9"): This standard replaced IAS 39 Financial Instruments Recognition and Measurement. This standard sets out revised guidance for classifying and measuring financial assets and liabilities, introduced a new expected credit loss model for calculating impairment of financial assets and includes a reformed approach to hedge accounting. The standard also requires that when a financial liability at amortized is modified or exchanged, and such modification or exchange does not result in derecognition, that the adjustment to the amortized cost of the financial liability is recognized in profit or loss.

Classification and measurement of assets and liabilities

All financial assets are required to be subsequently measured at amortized cost or fair value on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The table below illustrates the classification and measurement of financial assets and financial liabilities under IAS 39 and IFRS 9 on April 1, 2018:

	Original measurement category under IAS 39	New measurement category under IFRS 9
Cash and cash equivalents	Financial assets at fair value through profit and loss ("FVTPL")	Financial assets at FVTPL
Accounts receivable	Loan and receivables at amortized cost	Financial assets at amortized cost
GST/HST receivable	Loan and receivables at amortized cost	Financial assets at amortized cost
Accounts payable and accrued liabilities	Other financial liabilities at amortized cost	Financial liabilities at amortized cost
Loans payable	Other financial liabilities at amortized cost	Financial liabilities at amortized cost

2. BASIS OF PRESENTATION (Cont'd)

(b) Application of new International Financial Reporting Standards ("IFRS") (Cont'd)

There were no financial assets or financial liabilities which the Company previously designated as FVTPL under IAS 39 that were subject to reclassification or which the Company has elected to reclassify upon adoption of IFRS 9.

IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15"): Under the standard, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods and services. In addition, the standard requires disclosure of the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

The application of this new standard had no impact on the reported results, specifically with regard to the timing of recognition and classification of revenues. There was no impact on the cash flows from operating activities as a result of adopting this standard.

(c) Functional and Presentation Currency

These consolidated financial statements are presented in Canadian dollars, which is also the Company's and its subsidiaries' functional currency.

(d) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned and controlled operating subsidiaries, Secret Barrel Distillery Inc. The financial statements of its subsidiaries are included in the consolidated statements from the date that control commences until the date that control ceases. All significant inter-company transactions and balances have been eliminated on consolidation. All references to the Company should be treated as references to the Company and its subsidiaries.

(e) Critical Accounting Estimates, Judgments, and Assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements are as follows:

(i) Net realizable value of inventory:

Net realizable value for inventory is determined based on the selling price of the products in the normal course of operations. The selling price is impacted by several factors including, age and condition of the products, technical obsolescence, and market conditions in the customer's industry. Management estimates the selling price of inventory based on first-hand knowledge of the industry and the specific products held in inventory at year-end. These estimates will affect the carrying value of inventory and the amount of cost of goods sold.

2. BASIS OF PRESENTATION (Cont'd)

(f) Critical Accounting Estimates, Judgments, and Assumptions (Cont'd)

(ii) Allowance for doubtful accounts:

Accounts receivable are reviewed for collectability on a weekly basis. Management is required to make judgment whether a receivable balance is collectable based on their relationship with the counterparty and knowledge of the counterparty's financial position. These judgments will affect the reported amount of accounts receivable as well as bad debts expense.

(g) Critical Accounting Estimates, Judgments, and Assumptions

(i) Stock-based compensation expense:

The Company uses the Black-Scholes option pricing model to determine the fair value of options in order to calculate stock-based compensation expense. The Black-Scholes model involves six key inputs to determine the fair value of an option: risk-free interest rate, exercise price, market price at the date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of stock-based compensation expense.

(ii) Valuation of warrants:

The Company uses the Black-Scholes option pricing model to calculate the value of warrants issued as part of the Company's private placements. The Black-Scholes model requires six key inputs to determine a value for a warrant: risk free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life and expected volatility. Certain of the inputs are estimates which involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. For example, a longer expected life of the warrant or a higher volatility number used would result in an increase in the warrant value.

The significant areas of judgment considered by management in preparing the consolidated financial statements are as follows:

(i) Deferred tax assets:

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent it is probable that taxable income will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies.

3. SIGNIFICANT ACCOUNTING POLICIES

Inventory

The Company's inventory consists of saleable bottles of rum liquor. Inventory is valued at the lower of cost or net realizable value. Cost is determined using the weighted average cost method and includes the cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Finance Leases

Lease agreements that effectively transfer substantially all the risks and rewards of ownership of the leased assets to the Company are classified as finance leases. Assets held under finance leases are initially recognized at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly as an expense. Finance leased assets are reported under the relevant asset categories, with recognition of a corresponding financial liability. They are depreciated on a 50% declining balance basis over the shorter of their estimated useful life or the term of the agreement.

Revenue Recognition

IFRS 15 introduced a single model for recognizing revenue from contracts with customers. This standard applies to all contracts with customers, with only some exceptions, including certain contracts accounted for under other IFRSs. The standard requires revenue to be recognized in a manner that depicts the completion of services to a customer and at an amount that reflects the consideration expected to be received in exchange for transferring those services. This is achieved by applying the following five steps: i) identify the contract with a customer; ii) identify the performance obligations in the contract; iii) determine the transaction price; iv) allocate the transaction price to the performance obligations in the contract; and v) recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue is derived from the sale of goods and is recognized at a point in time when the performance obligation is fulfilled, the price is fixed and reasonably determinable, and collection of the sales proceeds is reasonably assured. For sales transactions with provincial liquor boards, the Company's performance obligation is fulfilled when the product is shipped from the Company's distribution facilities.

Excise taxes collected on behalf of the provincial government, licensing fees, and levies paid are deducted from the selling price to determine the transaction price at which revenue is recognized.

Product which has passed its expiration date for freshness or has been damaged and is returned by distributors is accepted and destroyed.

Foreign Exchange

Monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate. Non-monetary assets and liabilities as well as revenue and expense transactions denominated in foreign currencies are translated at the rate prevailing at the time of the transaction. Translation gain or loss adjustments are recognized in the year in which they occur.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Provisions

A provision is recognized in the consolidated statements of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Share Capital

Common shares and preferred shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity. When share capital recognized as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognized as a deduction from total equity.

Loss Per Share

Basic loss per share is calculated by dividing the net loss available to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the net loss attributable to common shareholders and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares, which comprise share options and warrants issued by the Company. The outstanding share options and warrants are not included in the diluted net loss per common share as they are anti-dilutive for all periods presented.

Stock-Based Compensation and Other Stock-Based Payments

The Company applies a fair value based method of accounting to all stock-based payments. Accordingly, stock-based payments for employees are measured at the fair value of the equity instruments issued and stock-based payments for non-employees are measured at the fair value of the goods or services received, unless the fair value cannot be estimated reliably. In cases where the fair value cannot be estimated reliably, the Company measures these transactions by reference to the fair value of the equity instruments granted. Each tranche is considered a separate award with its own vesting period and fair value. Stock-based compensation is charged to the statement of comprehensive loss over the tranche's vesting period and the offset is credited to contributed surplus. Consideration received upon the exercise of stock options is credited to share capital and the related contributed surplus is transferred to share capital.

Warrants

For transactions involving the issuance of warrants, the Company measures these transactions at the fair value of the goods or services received, unless the fair value cannot be estimated reliably. In cases where the fair value cannot be estimated reliably, the Company measures these transactions by reference to the fair value of the equity instruments granted. In the case of unit placements, the proceeds from the issuance of units is allocated between common shares and warrants on a pro-rata basis based on relative fair values. Share issuance costs incurred in connection with the issuance of share capital are netted against the proceeds received.

Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income except for items recognized directly in equity or in other comprehensive loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in statutory tax rates is recognized in net earnings in the year of change.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are recognized initially at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through net income or loss, which are measured initially at fair value.

Financial Assets:

Financial assets are categorized for subsequent measurement as follows:

(a) Amortized cost ("AC")

Financial assets that are held in a business model with the objective of collecting contractual cash flows where those cash flows represent solely payments of principal and interest ("SPPI") are measured at amortized cost ("AC"). The Company's accounts receivable and GST/HST receivable are measured at amortized cost. Gains and losses are recognized in the consolidated statements of loss and comprehensive loss when the accounts receivable and GST/HST receivable are derecognized or impaired.

(b) Financial assets at fair value through profit or loss ("FVTPL")

Financial assets that are held for trading and derivative assets are required to be measured at fair value through profit and loss ("FVTPL"). Financial assets that meet certain conditions may be designated at fair value through profit and loss upon initial recognition. Upon initial recognition, attributable transaction costs are recognized in profit and loss as incurred.

Assets in this category are subsequently measured at fair value with gains or losses recognized in profit and loss. The fair values of derivative financial instruments are based on changes in observable prices in active markets or by a valuation technique where no market exists.

The Company's cash and cash equivalents are designated as financial assets at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments (Cont'd)

Financial Assets (Cont'd)

(c) Fair Value through other comprehensive income ("FVOCI")

Financial assets that are held to both collect contractual cash flows and for sale are required to be measured at fair value through other comprehensive income ("FVOCI"). Other financial assets, provided they are not held for trading and have not been designated as at fair value through profit and loss, can be designated as at fair value through other comprehensive income on initial recognition.

Gains and losses are recognized in other comprehensive income and presented in the available for sale reserve within equity, except for the accretion in value based on the effective interest method, impairment losses and foreign exchange differences on monetary assets, which are recognized in profit and loss. Financial assets measured at fair value through other comprehensive income for which fair value cannot be estimated reliably, are measured at cost and any impairment losses are recognized in profit and loss. Upon initial recognition, attributable transaction costs are recognized in profit and loss as incurred. When the asset is disposed of or is determined to be impaired, the cumulative gain or loss recognized in other comprehensive income is reclassified from equity to profit and loss and presented as a reclassification adjustment within other comprehensive income.

The Company has not designated any financial instruments as FVOCI for accounting purposes.

Financial Liabilities

Financial liabilities are categorized for subsequent measurement as follows:

(a) Amortized Cost ("AC")

Financial liabilities that are not otherwise measured as at fair value through profit and loss or designated at fair value are measured at amortized cost using the effective interest rate method. Any host contract in a hybrid instrument is also measured at amortized cost. Gains and losses are recognized in profit and loss when the liabilities are derecognized. Transaction costs incurred in connection with the issuance of loans and borrowings are capitalized and recorded as a reduction of the carrying amount of the related financial liabilities and amortized using the effective interest method.

The Company's financial liabilities measured at amortized cost include accounts payable and accrued liabilities and loans payable.

(b) Financial liabilities at fair value through profit and loss ("FVTPL")

Financial liabilities that are held for trading and stand-alone derivative liabilities are required to be measured at fair value through profit and loss ("FVTPL"). When certain conditions are satisfied, embedded derivatives are required to be separately recognized and measured at fair value with subsequent changes in fair value recognized in profit and loss. A designation can be made at initial recognition for financial liabilities that include one or more embedded derivatives, provided the host contract is not a financial asset, to measure the entire hybrid instrument at fair value. Where certain criteria are met, for example measurement at amortized cost would create measurement inconsistencies, the financial liability can also be designated at fair value. For such designated financial liabilities, the amount of the change in fair value that relates to changes in the entity's own credit risk is recognized in other comprehensive income and the remaining amount of the change in fair value is recognized in profit and loss. All contingent consideration payable is also included in this category.

The Company has not designated any financial instruments as hedges for accounting purposes.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments (Cont'd)

Financial Liabilities (Cont'd)

The fair values of financial liabilities are based on changes in observable prices in active markets or by a valuation technique where no market exists. Transaction costs attributable to the issuance of financial liabilities at fair value through profit and loss are recognized in profit and loss as incurred.

Classification

All financial instruments measured at fair value and for which fair value is disclosed are categorized into one of three hierarchy levels. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities. An active market is one in which transactions for the assets occur with sufficient frequency and volume to provide pricing information on an ongoing basis;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data.

De-recognition:

The Company derecognized a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability. The Company derecognized a financial liability when its contractual obligations are discharged, cancelled or expire.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. The Company's cash-generating unit is alcohol and liquor sales.

An impairment loss in respect of other assets is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(Expressed in Canadian dollars)

4. RECENT ACCOUNTING PRONOUNCEMENTS ISSUED AND NOT YET APPLIED

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after March 31, 2019 or later periods. Many are not applicable or do not have a significant impact to the Company. The following have not yet been adopted and are being evaluated to determine the resultant impact on the Company.

Leases – IFRS 16

IFRS 16, Leases (‘IFRS 16”), replaces IAS 17, Leases (“IAS 17”). The new model requires the recognition of almost all lease contracts on a lessee’s statement of financial position as a lease liability reflecting future lease payments and a ‘right-of-use asset’ with exceptions for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted if IFRS 15, Revenue from Contracts with Customers, is also applied. The Company is still evaluating the impact of the adoption of IFRS 16.

5. INVENTORY

The major components of inventory are classified as follows:

	March 31, 2019	March 31, 2018
Finished goods	**$ 96,818**	$ 175,580
Promotional items	**-**	4,021
	$ 96,818	$ 179,601

6. ACQUISITIONS

On July 25, 2017, the Company acquired all of the issued and outstanding shares of Secret Barrel. The acquired business was purchased for $40,000, paid by the issuance of 2,000,000 common shares valued at $0.02 per common share. The transaction was accounted for as a business combination under IFRS 3 – “Business Combinations” as the transaction met the definition of a business acquisition.

The following table summarizes the transaction and the purchase price allocation:

Consideration paid	**$** 40,000
Net assets acquired, at fair value	
Cash	$ 12,263
Net working capital items	7,758
Inventory	95,425
Net assets acquired	$115,446
Consideration paid	$40,000
Intercompany liability	31,500
Gain on acquisition	(43,946)

(Expressed in Canadian dollars)

6. ACQUISITIONS (Cont'd)

During the period from July 25, 2017 to March 31, 2018, the acquisition attributed approximately $26,956 of revenue and operating loss of $42,414 for the period, which is included in the consolidated statement of loss and comprehensive loss.

If the business combination, as described above, had occurred on April 1, 2017, the Company estimates that revenue would have increased by approximately $7,310 and the operating loss would have increased by approximately $9,223. The pro forma information is not necessarily indicative of the results had the acquisition occurred on April 1, 2017.

7. EXPLORATION AND EVALUATION ASSETS

The Company held an option agreement to earn up to 70% in a property. However, the Company had decided to let those claims lapse in 2012 as it was their decision not to further pursue the property and as a result, all costs associated with the property were written off to operations in fiscal 2012.

Property	Balance, March 31, 2017	Options & Acquisition costs	Exploration	Disposition (Assignment)	Balance, March 31, 2018
Lowland	**$ 1**	**$ -**	**$ -**	**$ (1)**	**$ -**

During the prior year, the Company assigned its interest in the Lowland property to a non-related party for proceeds of $nil.

8. LOANS AND ADVANCES

As at March 31, 2019, the loans and advances balance is $85,125 (March 31, 2018 - $37,172). The loans and advances are non-interest bearing, have no specific terms of repayment.

9. CAPITAL STOCK

(a) **Common shares**
Authorized capital - Unlimited number of common shares
- Unlimited number of special shares
- 500,000 preference shares

(i) In July 2017, the Company settled an aggregate of $8,000 of indebtedness through the issuance of 400,000 shares at a price of $0.02 per share

(ii) In August 2017, the Company settled an aggregate of $123,000 of indebtedness through the issuance of an aggregate of 6,150,000 units of the Company. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at a price of $0.10 per common share for a period of thirty-six (36) months from the date of acquisition.

(iii) In August 2017, the Company 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.

9. CAPITAL STOCK (Cont'd)

(iv) In August 2017, the Company completed a non-brokered private placement through the issuance of 13,850,000 units at a price of $0.02 per unit for aggregate gross proceeds of $277,000. Each Unit is comprised of one common share (a "Common Share") of the Company and one Common Share purchase warrant ("Warrant"). Each Warrant entitles the holder thereof to purchase one Common Share for a period of thirty-six (36) months from the closing of the Offering at a price of $0.10 per Common Share. In connection with this financing, the Company paid cash commissions of $1,121.

(v) In August 2017, the Company issued 2,000,000 common shares at a price of $0.02 per common share for the acquisition of Secret Barrel (Note 6).

(vi) Issuable shares are for $27,500 of funds received for 1,375,000 shares that have yet to be issued.

(vii) On June 6, 2018, 1,000,000 units were issued at $0.32 per unit for gross proceeds of $320,000 in a private non-brokered placement. Each Unit is comprised of one common share (a "Common Share") of the Company and one Common Share purchase warrant ("Warrant"). Each Warrant entitles the holder thereof to purchase one Common Share for a period of one (1) year from the closing of the Offering at a price of $0.50 per Common Share.

(viii) On October 18, 2018, 463,125 units were issued at a price of $0.32 per Common Share in a private non-brokered placement for gross proceeds of $148,200. Each Unit is comprised of one common share (a "Common Share") of the company and one Common Share purchase warrant ("Warrant"). Each Warrant entitles the holder thereof to purchase one Common Share for a period of one (1) year from the closing of the Offering at a price of $0.50 per Common Share.

(ix) 100,000 shares were issued on the exercise of warrants at a price of $0.10 per unit for gross proceeds of $10,000.

(b) **Stock option plan and share-based compensation**

The Company 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 2,479,209. 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.

(Expressed in Canadian dollars)

9. CAPITAL STOCK (Cont'd)

(b) **Stock option plan and share-based compensation** (Cont'd)

The following table summarizes information concerning the Company's stock options outstanding as at March 31, 2019:

Stock Option Transactions	Number	Exercise Price	Weighted Average Exercise Price
Balance at March 31, 2017	-	-	-
Options granted	-	-	-
Options expired/exercised	-	-	-
Balance at March 31, 2018	-	-	-
Options granted	2,400,000	$0.32	$0.32
Options exercised	-	-	-
Options expired	-	-	-
Balance at March 31, 2019	**2,400,000**		**$0.32**
Exercisable at March 31, 2019	**2,400,000**		**$0.32**

Date of Grant	Options Granted	Options Exercisable	Exercise Price	Expiry Date
June 6, 2018	2,400,000	2,400,000	$0.32	June 6, 2021
	2,400,000	**2,400,000**		

The weighted average remaining contractual life of the outstanding options is 2.74 years (March 31, 2018 - Nil).

The fair value of the options issued is determined using the Black-Scholes model for pricing options under the following weighted average assumptions;

	March 31, 2019	March 31, 2018
Expected dividend yield	**Nil**	-
Risk free interest rate	**1.93%**	-
Expected volatility	**234%**	-
Expected life	**3 years**	-
Share price	**$0.30**	-

In the annual consolidated statements of loss and comprehensive loss, the Company recorded share-based compensation of $689,260 for the year ended March 31, 2019 (March 31, 2018 - $NIL).

(Expressed in Canadian dollars)

9. CAPITAL STOCK (Cont'd)

(c) **Warrants**

The following table summarizes warrants that have been issued, exercised or have expired during the year ended March 31, 2019:

	Number	Weighted-Average Exercise Price	Expiry Date
Balance at March 31, 2017	-	-	
Granted	**20,000,000**	**$0.10**	August 16, 2020
Balance at March 31, 2018	**20,000,000**	**$0.10**	
Exercised	**(100,000)**	**$0.10**	August 16, 2020
Granted	**1,463,125**	**$0.50**	June 6, 2019 - October 18, 2019
Balance at March 31, 2019	**21,363,125**	**$0.19**	

Date of Grant	Warrants Granted	Exercise Price	Expiry Date
August 16, 2017	**19,900,000**	**$0.10**	August 16, 2020
June 6, 2018	**1,000,000**	**$0.50**	June 6, 2019
April 27, 2018	**463,125**	**$0.50**	October 18, 2019
	21,363,125		

The fair value of the warrants issued is determined using the Black-Scholes model for pricing options under the following weighted average assumptions

	March 31, 2019	March 31, 2018
Expected dividend yield	**Nil**	-
Risk free interest rate	**1.93-2.27%**	-
Expected volatility	**191-234%**	-
Expected life	**1.0 years**	-
Share price	**$0.30-$0.33**	-

Expected volatility is based on historical data.

(Expressed in Canadian dollars)

9. CAPITAL STOCK (Cont'd)

Basic and diluted loss per common share based on net loss for the years ended March 31;

Numerator:	**March 31, 2019**	March 31, 2018
Net loss for the year	**$(1,319,082)**	$(232,435)
Denominator:		
Weighted average number of common shares outstanding - basic	**24,196,749**	14,879,656
Weighted average effect of diluted stock options and warrants	**-**	-
Weighted average number of common shares outstanding - diluted	**24,196,749**	14,879,656
Loss per common share based on net loss for the year:		
Basic	**$ (0.05)**	$(0.02)
Diluted	**$ (0.05)**	$(0.02)

Maximum share dilution:

The following table presents the maximum number of shares that would be outstanding if all outstanding stock options and warrants were exercised as at March 31:

	March 31, 2019	March 31, 2018
Common shares outstanding	**24,792,096**	23,228,971
Warrants to purchase common shares	**21,363,125**	20,000,000
Stock options to purchase common shares	**2,400,000**	-
Fully diluted common shares outstanding	**48,555,221**	43,228,971

(Expressed in Canadian dollars)

10. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

	March 31, 2019	March 31, 2018
Short-term benefits*	**$ 68,078**	$ 44,000

*includes base salaries pursuant to contractual employment, or consultancy arrangements. These have been recorded in consulting fees and management fees.

As at March 31, 2019, loans payable consists of $85,125 (March 31, 2018 - $37,172) to directors of the Company. The loans are non-interest bearing and have no specific terms of repayment.

11. FINANCIAL RISK FACTORS

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risks (commodity prices, foreign currency exchange rate and interest rate), credit risk and liquidity risk through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility.

Financial risks are primarily managed and monitored through operating and financing activities and, if required, through the use of derivative financial instruments. The financial risks are evaluated regularly with due consideration to changes in the key economic indicators and up-to-date market information.

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, due from related party, reclamation bonds, accounts payable and accrued liabilities, and amounts due to related parties. The fair value of the Company's receivables, due from related party, accounts payable and accrued liabilities, and amounts due to related parties approximate their carrying value, due to their short-term maturities or ability of prompt liquidation. The Company's cash and cash equivalents are recorded at fair value, under the fair value hierarchy, based on level one quoted prices in active markets for identical assets or liabilities. The Company's other financial instrument, being reclamation bonds, are measured at amortized cost.

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis.

11. FINANCIAL RISK FACTORS (Cont'd)

Market Risk (Cont'd)

a) Interest Rate Risk

The Company has cash balances, and is not at a significant risk to fluctuating interest rates. 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. As of March 31, 2019, the Company did not have any investments in investment-grade short-term deposit certificates.

b) Foreign currency risk

As at March 31, 2019, the Company's expenditures are predominantly in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars and therefore is not at a significant risk to fluctuating exchange risks.

Liquidity Risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main sources of liquidity is derived from its common stock issuances. These funds are primarily used to finance working capital, operating expenses, capital expenditures, and acquisitions.

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash and cash equivalents.

As at March 31, 2019, the Company held cash of $4,274 (March 31, 2018 - $33,763) to settle current liabilities of $324,169 (March 31, 2018 - $197,426). All of the Company's non-provision liabilities are due with the next fiscal year.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents. The Company has reduced its credit risk by investing its cash equivalents with a Canadian chartered bank.

12. CAPITAL MANAGEMENT

The Company defines capital management in the manner it manages its capital stock. As at March 31, 2019, the Company's capital stock was $35,450,953 (March 31, 2018 - $35,188,725).

There were no changes in the Company's approach to capital management during the year ended March 31, 2019 and the Company is not subject to any externally imposed capital requirements.

The Company's objectives when managing capital are:

a) To safeguard the Company's financial capacity and liquidity for future earnings in order to continue to provide an appropriate return to shareholders and other stakeholders;

b) To maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk; and

c) To enable the Company to maximize growth by meeting its capital expenditure budget, to expand its budget to accelerate projects, and to take advantage of acquisition opportunities.

(Expressed in Canadian dollars)

12. CAPITAL MANAGEMENT (Cont'd)

The Company's capital structure includes components of shareholders' equity.

The Company regularly monitors and reviews the amount of capital in proportion to risk and future development and exploration opportunities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new debt or equity or similar instruments, reduce debt levels from, or make adjustments to, its capital expenditure program.

13. INCOME TAXES

(a) Income Tax Expense

Major items causing the Company's income tax rate to vary from the Canadian statutory rate of approximately are as follows:

	March 31, 2019	March 31, 2018
	$	$
Loss before income taxes	**(1,319,082)**	(232,435)
Statutory rate	**26.5%**	26.5%
Income tax provision at statutory rate	**(349,557)**	(61,596)
Effect of income of:		
Non-deductible expense	**(287)**	(933)
Changes in deferred taxes not recognized	**(349,270)**	(60,663)
Provision for income taxes	**-**	-

(b) Details of the deferred tax assets (liabilities) are as follows:

	March 31, 2019	March 31, 2018
	$	$
Inventory	**-**	(9,700)
Losses carried forward	**-**	9,700
	-	-

(c) Deferred Income Taxes

The following deferred tax assets (liabilities) are not recognized in the consolidated financial statements due to the unpredictability of future income:

	March 31, 2019	March 31, 2018
	$	$
Exploration and evaluation assets	**18,790,000**	18,790,000
Losses carried forward	**5,664,000**	4,946,000
Financing costs	**1,000**	1,000
Unrecognized deductible temporary differences	**24,455,000**	23,737,000
Valuation allowance	**(24,455,000)**	(23,737,000)

(Expressed in Canadian dollars)

	-	-

13. INCOME TAXES (Cont'd)

The Company estimates that it will have approximately $5,664,000 (March 31, 2018 - $5,035,171) of non-capital losses carried forward which may be utilized to reduce Canadian taxable income in future years. To the extent they are not utilized, the non-capital losses carried forward expire as follows:

	$
2025	**53,000**
2026	**452,000**
2027	**892,000**
2028	**555,000**
2030	**632,000**
2031	**628,000**
2032	**692,000**
2033	**436,000**
2034	**176,000**
2035	**68,000**
2036	**9,000**
2037	**221,000**
2038	**221,000**
2039	**629,000**
	5,664,000

14. COMPARATIVE FIGURES

Certain prior year comparative figures have been reclassified to conform to the current year's presentation.

SBD CAPITAL CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED MARCH 31, 2019 AND MARCH 31, 2018

Dated: August 13, 2019

SBD CAPITAL CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED MARCH 31, 2019 AND MARCH 31, 2019

*The following management 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 audited financial statements for the year ended March 31, 2019, 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 August 13, 2019. 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 acquires controlling interests in industrial companies in the manufacturing and distribution business. 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 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.

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.

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.

On October 19, 2018, the Company announced that it has completed a non-brokered private placement through the issuance of 463,125 units at a price of $0.32 per unit for aggregate gross proceeds of $148,200. Each Unit is comprised of one common share (a "Common Share") of the Company and one Common Share purchase warrant ("Warrant"). Each Warrant entitles the holder thereof to purchase one Common Share for a period of one (1) year from the closing of the Offering at a price of $0.50 per Common Share.

3. 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:

	2019	2018	2017
Operating expenses	$ 1,265,020	$ 276,808	$207,095
Net loss	1,319,082	276,380	207,095
Loss per share	(0.05)	(0.02)	(0.31)
Total assets	189,941	242,320	29,599
Total long-term financial liabilities	-	-	-
Cash dividends declared	-	-	-

4. RESULTS OF OPERATIONS

	March 31	
Revenue	**2019**	**2018**
Sales of Product	**131,284**	26,956
Direct Costs		
Total Costs	**185,346**	26,528
Gross Profit	**(54,062)**	428
Expenses		
Management fees	**12,685**	44,000
Consulting fees	**151,717**	31,294
Marketing expense	**152,483**	
Gain on Acquisition	**-**	(43,946)
Label design	**-**	15,822
Loss on Assignment of Assets	**-**	1
Professional fees	**97,381**	108,492
Office and administration	**114,228**	27,595
Meals and entertainment	**1,084**	276
Transfer agent fee	**44,678**	48,368
Interest and bank charges	**1,504**	961
Share-based compensation	**689,260**	-
Total expenses	**1,265,020**	232,863
Loss for the year	**(1,319,082)**	(232,435)
Net loss per share – Basic and fully diluted	**(0.05)**	(0.02)

4.1 Year Ended March 31, 2019

Operations for the year ended March 31, 2019 resulted in a loss of $1,319,082 compared to a loss of $232,435 for the same period in the prior year. The primary increase in costs relate to stock-based compensation and increased business activity.

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

5. 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, 2019. This information should be read in conjunction with SBD's audited annual and unaudited interim consolidated financial statements for the periods below.

OPERATIONS	2019-03-31	2018-12-31	2018-09-30	2018-06-30
Revenue	($3,563)	$30,671	$75,795	$28,381
Cost of Sales	$93,518	$18,929	$49,678	$23,221
General, administrative & amortization expenses	$173,418	$93,115	$80,301	$918,186
Loss	($279,511)	($81,373)	($45,172)	($913,026)
Net loss	($279,511)	($81,373)	($45,172)	($913,026)
Loss per share – Basic and fully diluted	**(0.02)**	**(0.00)**	**(0.04)**	**(0.04)**
Cash	$4,274	$11,208	$18,377	$52,377
Other current assets	185,667	377,699	283,816	240,969
Other Assets	-	-	-	-
Total Assets	**$189,941**	**$388,907**	**$302,194**	**$293,347**

OPERATIONS	2018-03-31	2017-12-31	2017-09-30	2017-06-30
Revenue	($3,837)	$12,287	18,506	$0
Cost of Sales	$21,538	($8,263)	13,253	$0
General, administrative & amortization expenses	($214,913)	$94,209	$85,240	$35,892
Loss	($26,370)	($90,186)	($79,987)	($35,892)
Gain on disposition	$0	$0	$0	$0
Loss on disposition of asset	$0	$0	$0	$0
Net loss	($26,369)	($90,186)	($79,987)	($35,893)
Loss per share – Basic and fully diluted	**(0.00)**	**(0.00)**	**(0.01)**	**(0.05)**
Cash	33,763	$131,484	$154,477	$4,323
Other current assets	211,252	$77,399	97,022	53,828
Other Assets	$0	$26,923	7,810	$0
Exploration and evaluation assets	$0	$0	$259,309	$0
Total Assets	**$242,320**	**$235,806**	**$255,779**	**$58,151**

6. FINANCIAL CONDITION

As at March 31, 2019, SBD's total assets were $189,941 compared to $242,320 at March 31, 2018, primarily consistent with the previous quarter.

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.

During the year ended March 31, 2019, 1,463,125 units were issued for gross proceeds of $468,200.

LIQUIDITY AND CAPITAL RESOURCES

Presently, SBD is wholly dependent on equity financing to complete the development of its marketing and operational activities (see Section 12.6 – 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, 2019. SBD is not subject to externally imposed capital requirements.

Related party transactions

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

	March 31, 2019	March 31, 2018
Short-term benefits*	$ 68,078	$ 44,000

*includes base salaries pursuant to contractual employment, or consultancy arrangements. These have been recorded in consulting fees and management fees.

As at March 31, 2019, loans payable consists of $85,125 (March 31, 2018 - $37,172) to directors of the Company. The loans are non-interest bearing and have no specific terms of repayment.

SBD had no off-balance sheet arrangements as at March 31, 2019.

The Company trades on the CSE under the symbol SBD.

7. 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 12.6 – Risk Factors.

8. 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, 2019; 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.

9. SIGNIFICANT ACCOUNTING POLICIES

SBD's significant accounting policies are summarized in Note 3 to the audited annual consolidated financial statements for the year ended March 31, 2019. 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.

9.1 Share-Based Payment Transactions

The grant date fair value of share-based payment awards granted to employees is recognized as an employee. 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.

10. ACCOUNTING ISSUES

10.1 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 had a working capital deficit at March 31, 2019 of $134,228 (March 31, 2018 – working capital surplus of $44,894). 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.

10.2 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, 2019.

11. OUTSTANDING SHARE DATA

11.1 Common Shares

Issued and Outstanding as at March 31, 2019 – 24,792,096

On June 6, 2018, 1,000,000 units were issued at $0.32 per unit for gross proceeds of $320,000. Each Unit is comprised of one common share (a "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 (1) year from the closing of the Offering at a price of $0.50 per Common Share.

On October 19, 2018, 463,125 units were issued at $0.32 per unit for gross proceeds of $148,200. Each Unit is comprised of one common share (a "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 (1) year from the closing of the Offering at a price of $0.50 per Common Share.

11.2 Warrants

	Number	Weighted-Average Exercise Price	Expiry Date
Balance at March 31, 2017	**-**	**-**	
Granted	20,000,000	$0.10	August 16, 2020
Balance at March 31, 2018	**20,000,000**	**$0.10**	
Exercised	(100,000)	$0.10	August 16, 2020
Granted	1,463,125	$0.50	June 6, 2019 - October 18, 2019
Balance at March 31, 2019	**21,363,125**	**$0.19**	

11.3 Stock Options

Date of Grant	Options Granted	Options Exercisable	Exercise Price	Expiry Date
June 6, 2018	2,400,000	2,400,000	$0.32	June 6, 2021
	2,400,000	**2,400,000**		

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 2,479,209. The number of common shares which may be reserved for issue to any one individual under the Plan within any given 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, 2019, 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.

12. OTHER INFORMATION

12.1 Contractual Commitments

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

12.2 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, 2019. 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.

12.3 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, 2019 that has materially affected, or is reasonably likely to materially affect, SBD's internal control over financial reporting.

12.4 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.

12.5 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.

12.6 Risk Factors

SBD is in an early stage and is subject to the risks and challenges similar to other companies in a comparable stage. The risk factors are set forth in SBD's MD&A for the year ended March 31, 2019, a copy of which is filed at SEDAR. These 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.

13. 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 that 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.

John Dyer, CEO
August 13, 2019