

COMPEL CAPITAL INC.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
ANNUAL AUDITED

INTRODUCTION

The following sets out the Management's Discussion and Analysis ("MD&A") of results of operations and financial condition of Compel Capital Inc. (the "Company", "Compel", "our" and "we") describes the operating and financial results of the Company for the year ended December 31, 2017. The MD&A should be read in conjunction with the Company's Audited financial statements and related notes for the year ending December 31, 2017. The Corporation prepares and files its financial statements in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts herein are in Canadian currency unless otherwise specified. Additional information regarding the Company is available on the SEDAR website at www.SEDAR.com.

FORWARD-LOOKING STATEMENTS

Some statements contained in this MD&A are forward-looking statements, and therefore involve uncertainties or risks that could cause actual results to differ materially. These statements are based on the Company's expectations, estimates and projections regarding its business and the economic environments in which it operates, and readers should not place undue reliance on such statements. The Company disclaims any obligation to update forward-looking statements.

DATE OF MD&A: This MD&A was prepared on February 15, 2018.

OVERVIEW

Compel is a publicly held corporation and was incorporated on December 20, 1945 in Ontario. On April 30, 2008 the Ontario Securities Commission ("OSC") issued an order (the "Order") revoking the cease trade order (the "CTO") which was issued by the OSC in 1993.

On July 24, 2008 at a Special Meeting of Shareholders, the shareholders voted to change the company name from Slocan Rambler (1947) Mines Limited to Compel Capital Inc., consolidate the shares on the basis of a factor of one new common share in the capital of the Company for three existing common shares and to increase the authorized capital of the Company to an unlimited number of common shares without par value. The shareholders approved all of these resolutions.

On July 6, 2010 the Company agreed to issue a total of 1,494,660 common shares to certain of the Company's debt-holders at an ascribed price of \$0.10 per share in full and final settlement of \$149,466 principal amount of unsecured debt (the "Debt Settlement Transaction").

TWELVE MONTHS ENDED DECEMBER 31, 2017 COMPARED TO THE TWELVE MONTHS ENDED DECEMBER 31, 2016

Revenues: The Company is inactive and has no revenues.

Expenses: Expenses for the twelve months ended December 31, 2017 are \$67,877 an increase of \$20,662 over the amount of \$47,215 for the twelve months ended December 31, 2016. These amounts are for professional fees, administrative fees, filing fees and interest. The increase was primarily due to the company gearing up to bring all of its' filings current.

Net loss: The Company has incurred a net loss of \$67,877 for the twelve months ended December 31, 2017, an increase of \$20,662 over the amount of \$47,215 for the twelve months ended December 31, 2016. The increase was primarily due to the company gearing up to bring all of its' filings current.

PROPOSED TRANSACTIONS

There are no proposed transactions.

FINANCIAL INSTRUMENTS

The Company has classified its financial instruments as follows:

Financial Instrument	Classification
Accounts payable and accrued liabilities	Other liabilities
Loans payable	Other liabilities

The carrying values of accounts payable and accrued liabilities and loans payable approximate fair values due to the relatively short-term maturities of these instruments.

FINANCIAL RISK MANAGEMENT – LIQUIDITY RISK

Risk management is the responsibility of management who is of the opinion that the Company is not exposed to financial risks by virtue of its inactivity. The Company is not exposed to currency risk, credit risk or interest rate risk.

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. As at December 31, 2017, the Company has current liabilities of \$183,051 and no assets. As a result, the Company is dependent on obtaining additional financing to meet its current obligations.

CAPITAL RISK MANAGEMENT

The Company considers capital stock and deficit to represent capital. As at December 31, 2017, the Company has a negative capital balance and management's objective is to maintain its ability to continue as a going concern by identifying sources for additional financing for working capital and to fund the development of a business.

The Company is not subject to externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the year ended December 31, 2017.

OFF BALANCE SHEET ACTIVITIES

At December 31, 2017, the Company had no off balance sheet financial commitments and does not anticipate entering into any contracts of such nature other than the addition of new operating leases for equipment and premises as may be required in the normal course of business.

RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, close family members and entities which are controlled by these individuals as well as certain persons performing similar functions. The loan payable described in Note 4a to the Financial Statement is a related party transaction as two corporations which share a director with the Company. The loan payable is \$145,701 (2016 - \$98,083). The loan bears interest at 10% per annum, is unsecured and due on demand.

A non-interest bearing loan is due to two corporations, which shares a common Director in the amount of \$12,691 (2016 - \$ 12,691). This amount is non-interest bearing and due on Demand.

Related party transactions conducted in the normal course of operations are measured at the fair value. Included in general and administration expense is interest expense of \$11,614 (2016 - \$6,816) and management fees of \$36,000 (2016 - \$36,000) accrued by shareholders and directors of the Company. The interest expense relates to amounts accrued to a shareholder and director of the Company.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

As at the date of the MD&A, there have been no changes in the Company's accounting policies except as disclosed below and the Company has not provided any forward-looking statements or estimates related to future operations other than as described below.

RECENT ACCOUNTING PRONOUNCEMENTS ISSUED AND NOT YET APPLIED

The Company is currently evaluating the impact of the below standards on its financial performance and financial statement disclosures but the impact is not expected to be material.

- a) IFRS 9, Financial Instruments (“IFRS 9”) was issued by the IASB in July 2014 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 and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. 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. Final amendments released in July 2014 also introduce a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

CONTROLS AND PROCEDURES

Management is responsible for the design of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with IFRS. Based on a review of its internal control procedures at the end of the period covered by this MD&A, management believes its internal controls and procedures, for the nature and size of the entity, are effective in providing reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

Management is also responsible for the design and effectiveness of disclosure controls and procedures to provide reasonable assurance that material information related to the Company, is made known to the Company’s certifying officers. Management has evaluated the effectiveness of the Company’s disclosure controls and procedures and has concluded that these controls and procedures are effective, for the nature and size of the entity, in providing reasonable assurance that material information relating to the Company is made known to them by others within the Company.

OUTSTANDING SHARE DATA

Common shares

As at December 31, 2017, the Company had 2,127,284 common shares issued and outstanding (2016 – 2,127,284).

Stock options and share purchase warrants

As at December 31, 2017 and 2016, there were no issued and outstanding and stock options or warrants.

OFFICERS AND DIRECTORS OF THE COMPANY

As at December 31, 2016, the officers and directors of the Company include:

Rob Saltsman - President and Director

Martin Bernholtz - CFO

Michael Frank – Director and Chairman of Audit Committee

Additional Information

Additional information relating to the Company is available at:

- On the Internet at the SEDAR website at www.sedar.com or,
- By contacting Rob Saltsman at 416-402-2428.