

**COMPEL CAPITAL INC.  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE QUARTER ENDED MARCH 31, 2019**

**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 quarter ended March 31, 2019. The MD&A should be read in conjunction with the Company’s Audited financial statements and related notes for the year ending December 31, 2018. 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](http://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 May 27, 2019.

**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”).

## OVERVIEW (Cont'd)

On December 10, 2018 the Company agreed to issue a total of 46,854,800 common shares to certain of the Company's debt-holders for settlement of \$234,274 principal amount of unsecured debt (the "Second Debt Settlement Transaction").

The Company is inactive. The Company has no revenues and the expenses incurred are all related to maintaining the Company's status as a public issuer Company.

## FINANCIAL PERFORMANCE

The following tables set out financial performance highlights for the quarter ended March 31, 2019 and 2018 in accordance with IFRS.

<b>For the year ended March 31</b>	<b>2019</b>	2018
Revenue	<b>\$ Nil</b>	\$Nil
General and administrative	<b>\$ 13,735</b>	\$ 27,611
Net loss	<b>\$( 13,735)</b>	\$(27,611)
Basic and diluted loss per share	<b>\$ (0.00)</b>	\$(0.01)
Assets	<b>\$ 32</b>	\$Nil
Liabilities	<b>\$ 67,544</b>	\$ 210,662

## Results of Operations

### March 31, 2019 - 2018

The Company is inactive. The Company has no revenues and the expenses incurred are all related to maintaining the Company's status as a public issuer Company. The above reflects the Company's liabilities at March 31 for the years indicated. The changes in the Company's liabilities are related mainly to accrued professional fees in order for the Company to maintain its status as a public issuer. For more detailed information see the Company's audited financial statements.

### Summary of Quarterly Results to March 31, 2019

Description	Mar	Dec	Sept	June	Mar	Dec	Sept	Jun
	31/19	31/18	30/18	30/18	31/18	31/17	30/17	30/118
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Loss	(13,735)	(45,694)	(24,195)	(7,500)	(27,611)	(28,867)	(13,003)	(13,003)
Loss per Share – Basic and Diluted	(0.006)	(0.009)	(0.011)	(0.003)	(0.013)	(0.013)	(0.006)	(0.006)

## **TWELVE MONTHS ENDED MARCH 31, 2019 COMPARED TO THE TWELVE MONTHS ENDED MARCH 31, 2018**

Revenues: The Company is inactive and has no revenues.

Expenses: Expenses for the three months ended March 31, 2019 are \$ 13,735 a decrease of \$ 13,876 over the amount of \$ 27,611 for the three months ended March 31, 2018. These amounts are for professional fees, consulting fees and transfer agent and 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 \$13,735 for the three months ended March 31, 2019, an decrease of \$ 13,876 over the amount of \$ 27,611 for the twelve months ended March 31, 2018. 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	amortized costs
Loans payable	amortized costs

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 March 31, 2019, the Company has current liabilities of \$ 67,544 and only \$32 in 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 March 31, 2019, 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 quarter ended March 31, 2019.

## **OFF BALANCE SHEET ACTIVITIES**

At March 31, 2019, 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 *(please confirm if this section be removed as neither 935476 Ontario Limited or Paige Capital are related to the Directors)***

Related parties include former 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 4 & 5 to the Financial Statement is a related party transaction as two corporations which share a director with the Company. The loan payables as at March 31, 2019 is \$ 38,901 (2018 - \$ 18,117). The loans bear interest at 10% per annum, are unsecured and due on demand.

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties). Included in general and administration expense is management fees of \$ 9,000 (2018 - \$ 9,000) incurred to shareholders 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.

## CHANGES IN ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

### *New standards adopted*

#### *IFRS 9 Financial Instruments*

*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. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The standard also adds guidance on the classification and measurement of financial liabilities.

The Company adopted *IFRS 9* Financial Instruments on January 1, 2018 using the modified retrospective basis with no restatement of comparative periods. The adoption of the new standard by the Company resulted in no change in measurement or the carrying amount of financial assets and liabilities however the classification of financial assets and financial liabilities changed as follows:

- Cash that was classified as loans and receivables are now classified as amortized cost.
- Loans payable, accounts payable and accrued liabilities that were classified as other liabilities are now classified as amortized cost.

*IFRS 9* utilizes a forward-looking expected credit loss model (“ECL”). The ECL model requires a more timely recognition of expected credit losses using judgement determined on a probability weighting basis.

The new impairment model is applied, at each balance sheet date, to financial assets measured at amortized cost. The application of the expected credit loss model did not have any material impact.

#### *IFRS 15 Revenue from Contracts with Customers (“IFRS 15”)*

The Company adopted *IFRS 15* Revenue from Contracts with Customers on January 1, 2018 and applied the requirements of the standard using the modified retrospective basis. The adoption of the new standard by the Company resulted in no change to the pattern of revenue recognition or the measurement of revenue, as the Company had no revenues for the years ended December 31, 2018 and 2017.

## **CHANGES IN ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS (Cont'd)**

### *IFRS 15 Revenue from Contracts with Customers ("IFRS 15") (Cont'd)*

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.

- IFRS 16 Leases was issued in January 2016 and replaces IAS 17 Leases. Under IAS 17, lessees were required to make a distinction between a finance lease and an operating lease. If the lease was classified as a finance lease, a lease liability was included on the statement of financial position. IFRS 16 now requires lessees to recognize a right of use asset and lease liability reflecting future lease payments for virtually all lease contracts. The right of use asset is treated similarly to other non-financial assets and depreciated accordingly. The lease liability accrues interest. The IASB has included an optional exemption for certain short term leases and leases of low value assets; however, this exemption can only be applied by lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the identified asset's use and obtain substantially all the economic benefits from that use. 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 currently evaluating the impact of the standard on the Company's financial statements.

### **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 March 31, 2019 the Company had 48,982,088 common shares issued and outstanding (December 31, 2018– 48,982,088).

### **Stock options and share purchase warrants**

As at March 31, 2019 and 2018, there were no issued and outstanding and stock options or warrants.

## **OFFICERS AND DIRECTORS OF THE COMPANY**

As at March 31, 2019 the officers and directors of the Company include:

Andrew Lindzon - President and Director

Myra Bongard - CFO & Director

Michael Frank – Director and Chairman of Audit Committee

David Posner - Director

### **Additional Information**

Additional information relating to the Company is available at:

- On the Internet at the SEDAR website at [www.sedar.com](http://www.sedar.com) or,
- By contacting Rob Saltsman at 416-402-2428