ROCKSHIELD CAPITAL CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED MAY 31, 2019

This discussion and analysis of financial position and results of operation is prepared as at July 30, 2019 and should be read in conjunction with the unaudited consolidated financial statements and the accompanying notes for the six months ended May 31, 2019, of Rockshield Capital Corp. ("Rockshield" or the "Company"). The following disclosure and associated financial statements are presented in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following management's discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

Forward Looking Statements

This report includes certain statements that may be deemed "forward looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts that address such matters as future events or developments that the Company expects, are forward looking statements and, as such, are subject to risks, uncertainties and other factors of which are beyond the reasonable control of the Company. Such statements are not guarantees of future performance and actual results or developments may differ materially from those expressed in, or implied by, this forward looking information. With respect to forward looking statements and information contained herein, we have made numerous assumptions including among other things, assumptions about economics and competition surrounding the services provided by the Company, anticipated costs and expenditures and the Company's ability to achieve its goals. Although management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that a forward looking statement or information herein will prove to be accurate. Forward looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or information. Factors that could cause actual results to differ materially from those in forward looking statements include such matters as continued availability of capital and financing and general economic, market or business conditions. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward looking statements or information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward looking statements or information. Any forward looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and subject to change after that date and the Company does not undertake any obligation to update publicly or to revise any of the forward looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Company Overview

The Company was incorporated under the provisions of the B.C. Business Company Act on October 23, 2007. The Company's common shares trade on the Canadian Securities Exchange ("CSE") with the trading symbol of "RKS", on the OTCBB under the symbol "RKSCF" and the Frankfurt Stock Exchange under the symbol "6BC". The Company is a reporting issuer in British Columbia, Alberta and Ontario. The Company's principal office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7.

Since 2014 the Company focussed on providing venture capital funding to early stage seed investments and investment in marketable securities, focusing on high growth sectors. As a junior venture capital firm and merchant bank, the Company is subject to risks and challenges similar to other companies in a comparable stage. These risks include, but are not limited to, dependence on key individuals, investment risks, market risks, illiquid securities and the ability to maintain adequate cash flows.

The Company is focussing on capitalizing on prospective investment opportunities as they arise and maximizing liquidity for its shareholders.

Spin-out Companies

Early in 2018 the Company considered it options to diversify its investment portfolio which was heavily focused on the cannabis and health services industries, while minimizing risk and appeal to a broader range of investors. On March 13, 2018 the Company entered into an arrangement agreement (the "Arrangement") with Rockshield Acquisition Corp. ("AcquiCo) and Rockshield Opportunities Corp. ("OppCo"), private British Columbia companies incorporated on December 12, 2017 as wholly-owned subsidiaries, whereby the Company would distribute the AcquiCo shares and OppCo shares, respectively, to the Company's shareholders. Each Rockshield shareholder would hold one Rockshield share and its pro-rata share of each of the AcquiCo shares and the OppCo shares, respectively to be distributed under the Arrangement for each Rockshield share held.

On April 17, 2018 the Company held a special meeting of the shareholders of the Company and the shareholders approved the Arrangement. Pursuant to the arrangement agreement the Company agreed to capitalize AcquiCo and with 130,000 common shares in Plus Products Holdings Inc. ("Plus Products") and OppCo with 13,000 common shares in Helius Medical Technologies Inc. ("Helius"). Additionally, on April 19, 2018, the Company obtained the final order of the Supreme Court of British Columbia approving the Arrangement. On June 6, 2018 the Company closed on the Arrangement Agreement and the Company capitalized each of AcquiCo and OppCo in return for common shares of each company and the Company spun out to its shareholders all of its shares in AcquiCo and OppCo.

On closing, the Company distributed on a pro rata basis, without cost as a return of capital, all of its 789,898 shares in OppCo and 1,800,001 post-consolidated shares in AcquiCo to the Company's shareholders. The Arrangement resulted in each of AcquiCo and OppCo being stand-alone corporations owned by the same shareholders that own the Company.

Investment Portfolio

The Company's investments in marketable securities include common shares and other equity instruments of Canadian and U.S. companies that are listed on various Canadian stock exchanges or the OTCBB in the United States of America. The majority of the marketable securities instruments are shares of companies in the mining, energy, financial technology, medical technology and cannabis industries.

Management has designated its investments in common shares and warrants of publicly traded companies as "investments in equity instruments" with the change in fair value recognized in profit or loss. The carrying values of the common shares have been directly referenced to published price quotations in an active market. The carrying values of unlisted private companies are valued at fair value using non-discernible market inputs based on specific company information and general market conditions. The carrying values of the unlisted warrants are valued at fair value using the Black-Scholes option pricing model.

The Company has been actively managing its investment portfolio. During the six months ended May 31, 2019 the Company made investment purchases totalling $305,047 (2018 - $1,451,258) and sold certain of its investment portfolio for proceeds totalling $1,420,693 (2018 - $1,240,274), recognizing a realized gain of $675,905 (2018 - $408,173). As at May 31, 2019 the carrying value of the investment portfolio was $4,587,382 (November 30, 2018 - $8,429,047), with an accumulated unrealized holding gain of $280,174 (November 30, 2018 - $3,682,098) from its cost basis of $4,307,208 (November 30, 2018 - $4,746,949).

Investment in REWP

Prior to fiscal 2018 the Company held an ownership interest of 33.72% in REWP and had made substantial loans and advances. At that time the Company considered that it had significant influence of REWP and, accordingly, the investment had been accounted for under the equity method. During fiscal 2017 the Company had recognized cumulative equity losses to reduce its net carrying value in REWP to $nil and impaired the loans, advances and accrued interest to a nominal amount of $1.

In February 2018 the Company advanced a further $179,207 to REWP. This amount was determined to be fully impaired. REWP has made further cash calls to its shareholders in which the Company declined to participate. The Company has been informed by REWP that its ownership has now been effectively diluted to 18.53%. The Company anticipates that further significant dilution will continue as REWP obtains additional funding from its other existing shareholders and other investors. In addition, the Company no longer has effective board representation. Due to these factors, the Company considers that it no longer has significant influence of REWP and that the equity method is no longer appropriate.

Normal Course Issuer Bid

On October 22, 2018 the Company filed a normal course issuer bid (the "NCIB") which authorizes the Company to repurchase for cancellation up to 4,693,610 common shares until October 22, 2019 or the date by which the Company has acquired the maximum number of common shares under the NCIB. During the six months ended May 31, 2019 the Company repurchased a total of 1,322,500 common shares for $133,419 cash consideration. The average cost of the common shares repurchased was $0.10 per share. The difference between the purchase price and the carrying value of the common shares was $587,826.

Selected Financial Data

The following selected financial information is derived from the unaudited condensed consolidated interim financial statements of the Company.

	Fiscal 2019		Fiscal 2018				Fiscal 2017	
Three Months Ended	**May 31, 2019 $**	**Feb. 28, 2019 $**	**Nov. 30, 2018 $**	**Aug. 31, 2018 $**	**May 31, 2018 $**	**Feb. 28, 2018 $**	**Nov. 30, 2017 $**	**Aug. 31, 2017 $**
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(186,181)	(130,346)	(163,115)	(182,641)	(257,244)	(108,264)	(140,422)	(53,797)
Other items	(1,876,795)	348,099	413,319	(320,768)	1,342,699	392,993	815,821	1,023,468
Net income (loss)	(3,062,976)	217,753	250,204	(503,409)	1,085,455	284,729	(956,243)	969,671
Income (loss) per share - basic and diluted	(0.07)	0.00	0.00	(0.01)	0.02	0.01	(0.02)	0.02
Dividend per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Balance Sheet								
Working capital	7,948,683	10,997,819	10,810,388	10,542,534	11,320,433	10,106,088	8,664,825	8,329,542
Total assets	7,986,524	11,017,745	10,818,902	10,587,891	11,357,486	10,128,675	8,762,143	9,632,435
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

Three Months Ended May 31, 2019 Compared to Three Months Ended February 28, 2019

During the three months ended May 31, 2019 ("Q2/2019") the Company reported net loss of $3,062,976 compared to net income of $217,753 for the three months ended February 28, 2019 ("Q1/2019"), an increase in loss of $3,280,729. The primary reasons for the decrease are:

(i) during Q1/2019 the Company recorded unrealized gain on investments of $113,697 compared to an unrealized loss of $3,515,621 in Q2/2019 for a fluctuation of $3,401,924, primarily from declines in the market prices of two of the investee companies, Helius Medical Technologies Inc. and Plus Products Holdings Inc.;

(ii) during Q1/2019 the Company recorded a realized gain on sale of investments of $122,213 compared to a realized gain of $553,692 in Q2/2019, for a fluctuation of $675,905; and

(iii) during Q2/2019 the Company recorded other income of $75,000 for accounting, management and administration services provided to AcquiCo and OppCo compared to $105,000 for Q1/2019 for a fluctuation of $30,000.

Six Months Ended May 31, 2019 Compared to the Six Months Ended May 31, 2018

During the six months ended May 31, 2019 (the "2019 period") the Company reported a net loss of $2,845,223 compared to a net income of $1,370,184 for the six months ended May 31, 2019 (the "2019 period"), an increase in loss of $4,215,407. The fluctuation was primarily attributed to the following:

(i) during the 2019 period the Company recorded an unrealized loss of $3,401,924 (2018 - unrealized gain of $1,497,663) on investments held. The Company also sold certain of its investments for proceeds of $1,420,693 (2018 - $1,240,274) recognizing a gain of $675,905 (2018 - $408,173);
(ii) during the 2018 period the Company recorded an impairment provision in REWP of $179,207 to reflect the advance made to REWP in the 2018 period; and
(iii) during the 2019 period the Company recorded other income of $180,000 for accounting, management and administration services provided to AcquiCo and OppCo.

Expenses decreased by $48,981, from $365,508 during the 2018 period to $316,527 during the 2019 period. Significant differences between the levels of expenditures during the 2019 and 2018 periods include the following:

(i) during the 2019 period the Company recorded share-based compensation of $116,937 (2018 - $166,806) on deferred share units granted;
(ii) during the 2018 period the Company incurred $18,059 for corporate development, during which the Company engaged various firms to provide corporate information on the Company. The Company did not incur any corporate development during the 2019 period; and
(iii) during the 2019 period the Company incurred $102,300 (2018 - $54,161) for directors and officer compensation. The increase was due to bonuses paid to a director for services provided. See "Related Party Disclosure".

During the 2019 period the Company recorded total interest income of $14,799 (2018 - $6,426) which was attributed to interest from demand deposits held. The increase was attributed to higher levels of cash held and higher interest rates throughout the 2019 period. In addition during the 2019 period the Company earned other income $180,000 for providing accounting, management and administration services to AcquiCo and OppCo.

Financing Activities

No financing activities were conducted by the Company during the 2019 period.

During the 2018 period the Company completed a non-brokered private placement of 2,472,999 units of the Company at $0.48 per unit for gross proceeds of $1,187,040. The funds were used by the Company to fund ongoing investments, repurchase of its common shares under its NCIB and for general corporate purposes.

Investment Activities

During the 2019 period the Company made investment purchases totalling $305,047 (2018 - $1,451,258) and sold certain of its investments for $1,420,693 (2018 - $1,240,274). See also "Investments". During the 2018 period the Company advanced $179,207 to REWP, which was then impaired. See "Investment in REWP".

Financial Condition / Capital Resources

As at May 31, 2019 the Company had a cash balance of $3,318,724. The Company also has investments carried at $4,587,382. Any investment decision made by the Company will be dependent on its cash, investment portfolio and working capital situation at the time. The Company anticipates that it has sufficient funds to manage its investments and make additional investments over the next twelve months as opportunities arise. The Company is also repurchasing its common shares under its NCIB. The Company may complete other opportunities which may entail significant expenditures and, as a result, the Company may be required to obtain additional financing or sell its investments as required. However, the investments are comprised of common shares in early stage development and the share prices are often volatile and there may be limited liquidity.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"); held-to-maturity investments; loans and receivables; available-for-sale; and other financial liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	May 31, 2019 $	November 30, 2018 $
Cash	FVTPL	3,318,724	2,278,777
Amounts receivable	Loans and receivables	75,500	97,410
Investments	FVTPL	4,587,382	8,429,047
Investment and advances to REWP	Loans and receivables	1	1
Accounts payable and accrued liabilities	Other financial liabilities	(37,840)	(8,513)

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Fair Value

The fair values of the Company's financial assets and liabilities approximates the carrying amounts either due to their short-term nature or because the interest rates applied to measure their carrying amount approximate current market rates.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 - Inputs that are not based on observable market data.

The following is an analysis of the Company's financial assets measured at fair value as at May 31, 2019 and November 30, 2018:

	As at May 31, 2019		
	Level 1 $	Level 2 $	Level 3 $
Cash	3,318,724	-	-
Investments	4,450,662	69,220	67,500
	7,769,386	69,220	67,500

	As at November 30, 2018		
	Level 1 $	Level 2 $	Level 3 $
Cash	2,278,777	-	-
Investments	8,240,341	121,206	67,500
	10,519,118	121,206	67,500

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in cash and amounts receivable is remote.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

	Contractual Maturity Analysis at May 31, 2019				
	Less than 3 Months $	**3 - 12 Months $**	**1 - 5 Years $**	**Over 5 Years $**	**Total $**
Cash	3,318,724	-	-	-	3,318,724
Amounts receivable	75,500				75,500
Investments	4,587,382	-	-	-	4,587,382
Investment in and advances to associated company	-	-	1	-	1
Accounts payable and accrued liabilities	(37,840)	-	-	-	(37,840)

	Contractual Maturity Analysis at November 30, 2018				
	Less than 3 Months $	**3 - 12 Months $**	**1 - 5 Years $**	**Over 5 Years $**	**Total $**
Cash	2,278,777	-	-	-	2,278,777
Amounts receivable	97,410	-	-	-	97,410
Investments	8,429,047	-	-	-	8,429,047
Investment in and advances to associated company	-	-	1	-	1
Accounts payable and accrued liabilities	(8,513)	-	-	-	(8,513)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash and demand deposits bear floating rates of interest. The interest rate risk on cash and on the Company's obligations is not considered significant.

(b) Equity Price Risk

The Company holds investments in publicly traded equity securities. Market prices for equity securities are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value.

(c) Concentration Risk

As at May 31, 2019, $3,688,965 of the Company's portfolio of investments were held in three companies. These investments represent approximately 80% of the Company's investment portfolio and poor performance in the market price of these investments could adversely affect the Company's results.

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its investment activities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital. The Company will continue to assess new investment opportunities as they arise and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There have been no changes to the Company's approach to capital management during the 2019 period. The Company is not subject to any externally imposed capital requirements.

Changes in Accounting Policies

There are no changes in accounting policies.

Related Party Disclosures

(a) 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 consists of members of the Company's Board of Directors and executive officers.

(i) During the 2019 and 2018 period the following compensation amounts were incurred:

	2019 $	2018 $
Mr. Dave Doherty, President, CEO and Director	28,047	27,161
Mr. Nick DeMare, CFO and Director	15,000	15,000
Mr. Daniel Sorger, Director	59,253	12,000
Share-based compensation - Mr. Dave Doherty	38,980	55,602
Share-based compensation - Mr. Nick DeMare	3,898	5,560
Share-based compensation - Mr. Daniel Sorger	23,387	33,361
Share-based compensation - Mr. Marc Cernovitch	19,489	27,801
Share-based compensation - Mr. Luke Norman	11,694	16,681
	199,748	193,166

(ii) During the 2019 period the Company incurred a total of $29,650 (2018 - $29,600) by Chase Management Ltd. ("Chase"), a private corporation owned by Mr. DeMare, for accounting and administration services provided by Chase personnel, excluding Mr. DeMare. As at May 31, 2019, $2,750 (November 30, 2018 - $1,200) remained unpaid.

During the 2019 period the Company also recorded $19,489 (2018 - $27,801) for share-based compensation for DSUs granted to Chase.

(b) AcquiCo and OppCo (see "Spin-Out Companies") have two directors in common, David Doherty and Nick DeMare. During the 2019 period the Company invoiced AcquiCo and OppCo a total of $180,000 (2018 - $nil) for accounting, management and administration services provided. As at May 31, 2019 $75,000 (November 30, 2018 - $86,500) remained unpaid

Outstanding Share Data

The Company's authorized share capital is unlimited common shares without par value. As at July 30, 2019 there were 46,777,354 issued and outstanding common shares and 1,236,499 warrants outstanding at an exercise price of $0.80 per share. In addition the Company has 1,500,000 DSUs outstanding which will vest one-third on January 5, 2019, one-third on January 5, 2020 and the remaining one-third on January 5, 2021. On January 5, 2019, 500,000 DSUs vested and are issuable to the grantee upon departure from the Company.