PROSPECT PARK CAPITAL CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2019

Introduction

This Management's Discussion and Analysis ("MD&A") is dated August 27, 2019, unless otherwise indicated and should be read in conjunction with the unaudited interim financial statements of Prospect Park Capital Corp. (the "Corporation") for the three and nine months ended June 30, 2019 and the audited financial statements for the year ended September 30, 2018, and the related notes thereto. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results presented for the three and nine months ended June 30, 2019 are not necessarily indicative of the results that may be expected for any future period.

The Corporation applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC").

Further information about the Corporation and its operations can be obtained from the offices of the Corporation or from **www.sedar.com**.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Corporation's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Corporation's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk and Factors" section below. Readers are cautioned that such risk factors, uncertainties and other factors are not exhaustive. 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.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the Corporation's ability to meet its working capital needs at the current level for the next twelve-month period; management's outlook regarding future trends; sensitivity analysis on financial instruments, which may vary from amounts disclosed; and general business and economic conditions.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Corporation undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Corporation does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

The Corporation was incorporated under the *Business Corporations Act* (Ontario) on September 7, 2012 and is a public healthcare focused investment corporation listed for trading on the TSX Venture Exchange under the symbol PPK.

The Corporation currently has the following investment:

Above the Fold ("ATF")
Pursuant to a credit agreement dated February 26, 2015, as amended on April 26, 2016 and May 25, 2017, the Corporation agreed to advance a principal amount of up to US$100,000 to ATF. The loan matured December 31, 2018, and bears interest at 12% per annum. The Company is currently negotiating the terms of the loan. ATF is dedicated to supporting families with severe food allergies and will use the proceeds for the purposes of funding its ongoing research and development and for general working purposes. Samuel Herschkowitz, an officer and director of the Corporation, Joshua Kornberg, a director of the Corporation, and Mr. Kornberg's spouse are shareholders and managing members of ATF. Mr. Kornberg's spouse is also an officer of ATF.

As at June 30, 2019, $81,976 (US$62,750) has been advanced as part of the loan and $39,230 has been accrued as interest.

Discussion of Operations

As at June 30, 2019, the Corporation had assets of $128,543 compared to $126,637 at September 30, 2018, and liabilities of $236,312 (September 30, 2018 - $211,483). Included in the assets are $7,337 of cash and cash equivalents, the ATF loan receivable of $81,976, and interest receivable on the ATF loan in the amount of $39,230. During the nine months ended June 30, 2019, the Corporation sold all of its shares of Precision Therapeutics Inc., for proceeds of $7,344. The net asset value (calculated as total assets less total liabilities) per share as at June 30, 2019, was ($0.01) compared to ($0.01) at September 30, 2018.

For the three and nine months ended June 30, 2019, the Corporation had a net loss of $(7,165) and $(22,923) (with basic and diluted loss per share of $0.00), compared to a net (loss)/income of $(14,281) and $10,820 for the three and nine months ended June 30, 2018 (with basic and fully diluted income per share of $0.00).

Summary of investment income for the three and nine months ended June 30, 2019 and June 30, 2018:

	Three months ended June 30,		Nine months ended June 30,	
	2019	2018	2019	2018
Net investment gains (losses)				
Loss on sale of investments	$ -	$ -	$ (704)	$ -
Net change in unrealized loss on investments	-	465	-	(2,014)
Net investment (losses) gains	-	465	(704)	(2,014)
Other income	2,426	3,032	7,332	69,163
	$ 2,426	$ 3,497	$ 6,628	$ 67,149

Net change in unrealized loss on investments represents the change in the unrealized gain on investments, including the unrealized impact of foreign exchange. Other income comprised of interest charged on the loan to ATF. During the nine months ended June 30, 2018 the Corporation also received interest of $60,878 (US$48,000)) from a previous investment that is no longer held.

The breakdown of operating, general and administrative expenses are as follows:

	Three months ended June 30,		Nine months ended June 30,	
	2019	2018	2019	2018
Legal fees and disbursements	$ -	$ 212	$ -	$ 12,455
Accounting and audit	8,780	9,780	17,815	31,386
Transfer agent	721	1,016	2,539	4,844
Regulatory fees	0	5,876	8,619	5,876
Office	90	894	578	1,768
	$ 9,591	$ 17,778	$ 29,551	$ 56,329

Selected Quarterly Information

A summary of selected information for the quarter presented below is as follows:

Three Months Ended	Net Revenues ($)	Net Income (Loss) Total ($)	Net Income (Loss) Basic and Diluted Income (Loss) Per Share [1] ($)
June 30, 2019	-	(7,165)	(0.00)
March 31, 2019	-	(14,073)	(0.00)
December 31, 2018	-	(1,685)	(0.00)
September 30, 2018	-	68,213	0.01
June 30, 2018	-	(14,282)	(0.00)
June 30, 2018	-	(10,885)	(0.00)
December 31, 2017	-	35,985	0.00
September 30, 2017	-	(41,301)	(0.00)

[1] Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

Liquidity and cash flow

At June 30, 2019, the Corporation had a cash balance of $7,337, and a working capital deficiency of ($107,769) (September 30, 2018 - ($84,846)).

During the nine months ended June 30, 2019, proceeds from the sale of investments in the amount of $7,344, offset by net cash used in operating activities of $4,722, resulted in an increase in cash for the period of $2,622.

Capital Resources

The Corporation relies upon various sources of funds for its ongoing operating and investing activities. These sources include proceeds from dispositions of investments, interest income from investments, capital raising activities such as private placement debt and equity financings, and corporate borrowings from the Corporation's bank and brokers.

Management recognizes the need for improved cash flow and liquidity for future operations and growth. Management closely monitors the Corporation's current cash position and the short-term and long-term cash requirements. The Corporation may be required to obtain additional funding to take advantage of the market opportunities. If additional funding is required, an issuance of common shares or debt will most likely be a component of the funding.

The Corporation's operations currently generate negative cash flow and may depend on equity sales or other means of financing to assist in financing its operations, cover administrative costs and finance growth. The ability of the Corporation to continue operations is dependent upon obtaining additional financing. The timing and ability to do so will depend on the liquidity of the financial markets as well as the acceptance of investors to small cap companies, in addition to the results of the Corporation's operation. There can be no guarantee that the Corporation will be able to secure any required financing.

Off-Balance Sheet Arrangements

As of the date of this filing, the Corporation does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Corporation including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Related Party Transactions

Related parties include officers of the Corporation, the Board of Directors, close family members, enterprises and others that the Corporation does not deal with at arm's length. The below noted transactions are in the normal course of business. The Corporation considers its directors and officers to be key management.

(i) During the period, the Corporation was charged $20,340 (nine months ended June 30, 2018 - $20,340) by CFO Advantage Inc., a company owned by Kyle Appleby, the Chief Financial Officer of the Corporation. As at June 30, 2019, $84,440 (September 30, 2018 - $64,100) is included in accounts payable and accrued liabilities.

(ii) Management fee – Prospect Park Management Limited Partnership (the "Manager") is entitled to receive a monthly management fee (a "Management Fee") equal to 1/12th of 2% of the net asset value of the Corporation, inclusive of any taxes payable by the Corporation in respect of the Management Fee, calculated as of the last business day of each month.

For the three and nine months ended June 30, 2019 and June 30, 2018, no management fees were charged. As at June 30, 2019, $1,404 (September 30, 2018 - $1,404) of management fees were included in accounts payable and accrued liabilities.

Joshua Kornberg (a director of the Corporation) and Dr. Samuel Herschkowitz (a director and officer of the Corporation) are the limited partners of the Manager and the sole officers, directors and shareholders of the general partner of the Manager.

(iii) Performance fee - the Manager will receive in respect of each fiscal year of the Corporation, a performance fee (the "Performance Fee") equal to 20% of the net appreciation in the net asset value of the Corporation calculated as of the last day of such fiscal year in excess of the net asset value of the Corporation calculated as of the last day of the previous fiscal year, less any taxes payable by the Corporation in respect of the Performance Fee. Performance Fees are calculated and accrued monthly and shall be paid to the Manager in cash annually. Where the cash on hand is insufficient to satisfy the Performance Fee in full on the date on which such payment is required, the Performance Fee shall be paid as to the amount of such cash, net of the Corporation's working capital requirements as reasonably determined by the Manager available on the required date and the balance shall be accrued and paid as cash becomes available.

For the three and nine months ended June 30, 2019 and June 30, 2018, no performance fees were earned.

(iv) As of June 30, 2019, $39,230 (September 30, 2018 - $31,898) has been included in interest receivable and $81,976 (September 30, 2018 - $81,976) has been included in principal receivable relating to the credit agreement between the Corporation and ATF (see note 4 to the condensed interim financial statements for the six months ended June 30, 2019). The Corporation is related due to Dr. Samuel Herschkowitz, one of the directors and officers of the Corporation, Josh Kornberg, a director of the Corporation, and Mr. Kornberg's spouse, being the managing members of ATF. Mr. Kornberg's spouse is also an officer of ATF.

(v) As at June 30, 2019, $7,030 is owed to Josh Kornberg for expenses paid on behalf of the Corporation.

Risk Factors

An investment in the securities of the Corporation is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Corporation and its financial position. Please refer to the section entitled "Risk Factors" in the Corporation's most recently filed annual management's discussion & analysis for the fiscal year ended September 30, 2018, available on SEDAR at www.sedar.com.

Recent Accounting Pronouncements

IFRS 16 – Leases – The standard was issued by the IASB on January 13, 2016, and will replace IAS 17, "Leases". IFRS 16 will bring most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and financing leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. The new standard is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted if IFRS 15 has also been applied. The adoption of this standard is expected to have no impact on the financial statements of the Corporation as it is not party to any lease arrangements.

Financial Instruments

(a) Credit Risk:

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Corporation to concentrations of credit risks consist principally of cash and cash equivalents and accounts receivable. Cash and cash equivalents are held with a major Canadian chartered bank, from which management believes the risk of loss to be minimal. Loan receivable consists of a loan from a related party. During the prior year, the repayment terms of the loan was extended by a year and 10 months. The loan was assessed for impairment at September 30, 2018. Total exposure to credit risk is $121,206, which comprised of the total interest and principal receivable from the related party (2018 - $113,874).

(b) Interest Rate Risk:

The Corporation is not exposed to any significant interest rate risk.

(c) Liquidity Risk:

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation currently settles its financial obligations out of cash and cash equivalents. The ability to do this relies on the Corporation raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(d) Capital Management:

The Corporation's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares. The Corporation's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets. The Corporation does not have any externally imposed capital requirements to which it is subject. The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares.

(e) Currency Risk:

The Corporation is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these risks due to cash and investments holdings in United States dollars.

June 30, 2019						
		Exposure			**Impact on net assets**	
Currency	Cash	Investments	Total	Cash	Investments	Total
United States Dollar	$ 5,455	$ -	$ 5,455	$ 54	$ -	$ 54

September 30, 2018						
		Exposure			**Impact on net assets**	
Currency	Cash	Investments	Total	Cash	Investments	Total
United States Dollar	$ 1,705	$ 6,165	$ 7,870	$ 17	$ 62	$ 79

As at June 30, 2019, if the Canadian dollar had strengthened or weakened by 1% in relation to all currencies, with all other variables held constant, net assets attributable to the shareholders could have decreased or increased, respectively, by approximately 1% ($54) (September 30, 2018 – $(79).

(a) Fair value measurements:

(i) Financial hierarchy:
The fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the hierarchy within which the fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

(ii) Determination of investments fair values:
The determination of fair value requires judgment and is based on market information, where available and appropriate. At the end of each financial reporting period, the Corporation's management estimates the fair value of investments based on the criteria below and reflects such valuations in the interim statements.

The Corporation is also required to disclose details of its investments (and other financial assets and liabilities for which fair value is measured or disclosed in the interim statements) within three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring or disclosing the fair value, and to provide additional disclosure in connection therewith. There are three levels of the fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority. The levels and the valuation techniques used to value our financial assets and liabilities are described below:

For publicly traded companies, securities including shares, options and warrants which are traded in an active market, such as on a recognized securities exchange and for which no sales restrictions apply, are presented at fair value based on quoted closing trade prices at the statements of financial position dates or the closing trade price on the last day the security traded if there were no trades at the statements of financial position dates. These are included in Level 1. Securities which are traded on a recognized securities exchange but which are escrowed or otherwise restricted as to sale or transfer are recorded at amounts discounted from market value to a maximum of 10%. In determining the discount for such investments, the Corporation considers the nature and length of the restriction. These are included in Level 2.

For options and warrants which are not traded on a recognized securities exchange, no market value is readily available. When there are sufficient and reliable observable market inputs, a valuation technique is used; if no such market inputs are available or reliable, the warrants and options are valued at intrinsic value, which is equal to the higher of the closing trade price at the statements of financial position dates of the underlying security less the exercise price of the warrant or option, and zero. These are included in Level 2.

All privately-held investments (other than options and warrants) are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may (depending upon the circumstances) be adjusted using one or more valuation indicators. These are included in Level 3. Options and warrants of private companies are carried at their intrinsic value.

Capital Management

The Corporation's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares. The Corporation's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets. The Corporation does not have any externally imposed capital requirements to which it is subject. The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares.

Outlook

The Corporation continues to evaluate opportunities to invest in early stage companies or in technologies that are developed and validated but may be in the early stage of commercialization or in companies that require strategic guidance and thus are undervalued.

Share Capital

As of the date of this MD&A, the Corporation had 9,819,117 issued and outstanding common shares. In addition, the Corporation had stock options outstanding and exercisable for 1,596,285 common shares. Therefore, the Corporation had 11,415,402 common shares on a fully diluted basis.