ANCHOR CAPITAL CORPORATION

Management Discussion and Analysis

This Management Discussion and Analysis (MD&A) for Anchor Capital Corporation is a review of the three months ended March 31, 2018 and should be read in conjunction with the audited financial statements for the year ended December 31, 2017 and the notes thereto. This MD&A relates to events up to May 15, 2018

The Corporation's financial position, results of operations and cash flows have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The Corporation's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars.

DESCRIPTION OF BUSINESS

Anchor Capital Corporation ("Anchor" or the "Corporation") was incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta) on February 20, 2014. The Corporation is a Capital Pool Company ("CPC") as defined pursuant to Policy 2.4 of TSX Venture Exchange Inc. ("TSX Venture"). The Corporation's business is to identify and evaluate corporations, businesses or assets for acquisition and once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder and regulatory approval.

On December 2, 2014 the Corporation completed its initial public offering (the "Offering") raising gross proceeds of $351,400 pursuant to a prospectus dated September 26, 2014. A total of 3,514,000 common shares in the capital of the Corporation ("Common Shares") were subscribed for at a price of $0.10 per Common Share. Richardson GMP Limited acted as the agent for the Offering and received a corporate finance fee and a cash commission equal to 10% of the gross proceeds of the Offering, as well as agent's options to purchase 351,400 Common Shares at a price of $0.10, these options expired on December 2, 2016.

The Common Shares of Anchor Capital Corporation commenced trading under the stock symbol "ANC.P" on December 2, 2014.

Anchor received shareholder approval to transfer its listing to the NEX, a separate board of the TSX Venture Exchange, and to cancel an aggregate of 1,000,000 Seed Shares (as defined by the Exchange) held by Non Arm's Length Parties of the CPC (including the officers, directors, insiders and control persons of the Corporation). The NEX provides a trading forum for listed companies that have fallen below TSX and TSX Venture's ongoing listed standards, or companies that have low level of business activity or have ceased to carry on active business. Trading of the common shares of Anchor (the "Common Shares") is currently suspended and the corporation is currently listed on The NEX under the stock symbol "ANC.H". This cancellation resulted in the average cost per common share to these individuals being increased to $0.10 per common share which equates to the initial public offering price per common share.

OPERATIONAL REVIEW

Professional fees

Professional fees for the three months ended March 31, 2018 were $5,552 (three months ended March 31, 2017 – $7,199). These comprised of Professional Fees – Other - $5,008 and Legal - $544.

Net and Comprehensive Loss

The Corporation has not yet conducted any operations, its only income is interest earned from cash held in Trust with its lawyers. For the three months ended March 31, 2018, the Corporation earned $8 (three months ended March 31, 2017 – $8).

There were net losses of $5,544 for the three months ended March 31, 2017 (three months ended March 31, 2017 – $7,191).

Financial Resources and Liquidity

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2018 the Corporation had a cash balance of $54,702 (March 31, 2018 - $119,303) and there was $12,200 (March 31, 2017 - $11,300) in outstanding liabilities. All of the Corporation's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

SHARE CAPITAL

(a) Issued

As at March 31, 2018 and May 15, 2018 the issued and outstanding Common Shares of the Corporation were 4,514,000.

(b) Stock Options

Directors, Officers, Employees and Consultants' options

The options were valued using the Black-Scholes valuation model assuming a life expectancy of 2 years, a risk free rate of 1.89%, expected dividend yield of 0%, vest immediately and volatility of 93%.

The Corporation has adopted an incentive stock option plan in accordance with the policies of the TSX Venture (the "Stock Option Plan") which provides that the Board of Directors of the Corporation may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation non transferable options to purchase common shares, provided that the number of Common Shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding Common Shares. The options are exercisable for the period of up to ten (10) years. In addition, the number of common shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding Common Shares. The Board of Directors determines the price per Common Share and the number of Common Shares which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of TSX Venture.

On December 2, 2014, the Corporation granted stock options to officers and directors of the company to acquire 551,400 common shares at a price of $0.10 per share which will expire on December 2, 2024. The stock options were valued at $47,972 using the Black-Scholes valuation model assuming a life expectancy of 10 years, a risk free rate of 1.89%, expected dividend yield of 0%, vested immediately and volatility of 93%.

(c) Escrow

Pursuant to an escrow agreement dated as of March 15, 2014 among the Corporation, Alliance Trust Corporation and certain shareholders of the Corporation, 2,000,000 common shares being all of the issued and outstanding common shares prior to the completion of the Offering have been deposited in escrow. Upon the Corporation completing a Qualifying Transaction, as defined in Policy 2.4 of the TSX Venture, the Common Shares held pursuant to the escrow agreement shall be released as to 10% immediately following the issuance of the bulletin of TSX Venture announcing final acceptance of the Qualifying Transaction (the "Initial Release") and an additional 15% every six months following the Initial Release. As at March 31, 2018 no Common Shares have been released from escrow.

RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2018 there were no related party transactions (three months ended March 31, 2017 - $32,097) was paid as legal fees to a law firm in which a former director of the Corporation was a partner.

SELECTED QUARTERLY INFORMATION

Period Ended	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017
Net revenue	$ 8	$ 13	$ 12	$ 13
Net loss	($5,544)	($39,512)	($1,980)	($18,464)
Net loss per share – basic and diluted	($0.00)	($0.00)	($0.00)	($0.00)

Period Ended	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
Net revenue	$ 8	$ 13	$ 12	$ 13
Net loss	($7,191)	($46,707)	($14,679)	($20,773)
Net loss per share – basic and diluted	($0.00)	($0.00)	($0.00)	($0.00)

The Corporation has not yet conducted any operations.

CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET ARRANGEMENTS

Anchor is not a party to any industry contracts or obligations and there are no off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

There are no critical or material accounting estimates.

BUSINESS RISKS

The Corporation is a Capital Pool Company under the policies of the TSX Venture. The Corporation had twenty-four months from the date its shares were listed on the TSX Venture, at which time the TSX Venture could have suspended or de-listed the Corporation's shares from trading. The Corporation's shares began trading on the TSX Venture Exchange on December 2, 2014. On March 15, 2017, the Corporation was granted an extension by the TSX Venture Exchange for the completion of the Qualifying Transaction to September 7, 2017. As at March 31, 2018 the Corporation had not completed the qualifying transaction and as such the Corporation transferred its common shares to NEX, a separate board of TSX Venture Exchange for companies that have fallen below TSX Venture's listing standards by filing a NEX listing notification with the TSX Venture, and cancelled its outstanding seed shares held by non-arm's length parties of the Corporation. This cancellation resulted in the average cost per common share to these individuals being increased to $0.10 per common share which equates to the initial public offering price per common share.

The Corporation believes it has no significant credit risk.

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2018 the Corporation had cash on hand in excess of its liabilities. All of the Corporation's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

The Corporation has cash balances and no interest-bearing debt.

The Corporation does not have assets or liabilities in foreign currency.

ESTIMATES

Certain accounting policies are identified as critical accounting policies because they require management to make judgments and estimates based on conditions and assumptions that are inherently uncertain. These accounting policies could result in materially different results should the underlying assumptions or conditions change. Management assumptions are based on factors that, in management's opinion are relevant and appropriate at the time such assumptions are made, and may change over time as operating conditions change. There are no critical accounting estimates at this time.

FUTURE ACCOUNTING PRONOUNCEMENTS

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning after January 1, 2016 or later periods. The Corporation has not applied these within these financial statements.

International Financial Reporting Standard 9, Financial Instruments ("IFRS 9") was issued in November, 2009 and is the first step to replace IAS 39, Financial Instruments: Recognition and Measurement. 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 IASB recently suspended the originally planned effective date of this new standard of January 1, 2018 and at present the effective date has not been determined. The Corporation is currently assessing the financial impact of this new standard.

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, replacing IAS 11 - Construction Contracts, IAS 18 - Revenue, IFRIC 13 - Customer Loyalty Programs, IFRIC 15 - Agreements for the Construction of Real Estate, IFRIC 18 - Transfer of Assets from Customers, and SIC 31 Revenue – Barter Transactions Involving Advertising Services. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step revenue recognition process to determine the nature, amount, timing and uncertainty of revenue and cash flows from the contracts with customers. IFRS 15 is effective for fiscal years ending on or after December 31, 2018. The Corporation is currently assessing the financial impact of this new standard.

In January 2016, the IASB issued IFRS 16 - Leases, replacing IAS 17 - Leases. IFRS 16 requires lessees to recognize assets and liabilities for most leases instead of previous categories of finance leases, which are reported on the balance sheet, or operating leases, which are disclosed only in the notes to the financial statements, under IAS 17. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted for companies that also adopt IFRS 15. The Corporation is currently assessing the financial impact of this new standard.

CORPORATE INFORMATION

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Forward Looking Statements

Except for historical financial information contained herein, certain of the matters discussed in this document may be considered forward- looking statements. Such statements include declarations regarding management's intent, belief or current expectations. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties; actual results could differ materially from those indicated by such forward-looking statements. Some of the important factors, but certainly not all, that could cause actual results to differ materially from those indicated by such forward-looking statements are: (i) that the information is of a preliminary nature and may be subject to further adjustment, (ii) the possible unavailability of financing, (iii) start-up risks, (iv) general operating risks, (v) dependence on third parties, (vi) changes in government regulation, (vii) the effects of competition, (viii) dependence on senior management, (ix), impact of the Canadian economic conditions, (x) fluctuations in currency exchange rates and interest rates.