KNOWLTON CAPITAL INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTH PERIODS
ENDED MARCH 31, 2016
dated MAY 10 ,2016

Management's Discussion and Analysis
For the three and nine month periods ended March 31, 2016 and 2015
Dated May 10, 2016

The following management's discussion and analysis ("MD&A") of the results of operations and financial condition of Knowlton Capital Inc. ("KNOWLTON" or the ''Company'') covers the period of three month ended March 31, 2016, unless otherwise noted. It should be read in conjunction with the accompanying interim condensed financial statements and related notes for the three and nine month periods ended March 31, 2016 and 2015.

The interim condensed financial statements for the three and nine month periods ended March 31, 2016 and 2015 have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements including IAS 34, "Interim Financial Statements" as issued by the International Accounting Standards Board (''IASB''). All amounts are expressed in Canadian dollars unless otherwise noted.

Additional information is available through the System for Electronic document Analysis and Retrieval ("SEDAR") at www.sedar.com and includes the Company's other recent financial reports, securities and continuous disclosure documents.

Forward Looking Statements

Certain of the information contained in this MD&A may contain "forward-looking statements". Forward-looking statements may include, among others, statements regarding the Company's future plans, costs, objectives or economic performance, or the assumptions underlying any of the foregoing, including those concerning the Company's proposed Transaction (as such term is defined below). In this MD&A, words such as "may", "would", "could", "will", "likely", "believe", "expect", "anticipate", "intend", "plan", "estimate", "seek", "forecast" and similar words and the negative form thereof are used to identify forward-looking statements. Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether such future performance will be achieved. Forward-looking statements are based on information available at the time and/or management's good faith belief with respect to future events and are subject to known or unknown risks, uncertainties and other unpredictable factors, many of which are beyond the Company's control. These risks and uncertainties include, but are not limited to, those described under the heading "Risk Factors and Risk Management" in this MD&A and could cause actual events or results to differ materially from those projected in any forward-looking statements. The Company does not intend, nor does it undertake any obligation, to update or revise any forward-looking statements contained in this MD&A to reflect subsequent information, events or circumstances or otherwise, except if required by applicable law.

Corporate Overview

Description of the Company's Business

The Company is a Canadian-based company, which was incorporated on July 9, 2004 under the *Canada Business Corporations Act*. The Company's main activity is to identify and evaluate businesses or assets with the aim of completing a transaction to reactivate the Company.

On May 28, 2013, following the completion of the disposition of all its assets and liabilities, the Company (formerly Buzz Telecommunications Service Inc.) became a “shell’’ company which is listed on the NEX board of the TSX Venture Exchange (“TSX-V”) under the trading symbol “KWC’’ (formerly “BZZ’’). The NEX board of the TSX-V provides a trading platform for listed companies that have low levels of business activity or have ceased to carry on an active business.

New Proposed Transaction

On April 28, 2016, the Company entered into a letter of intent (the "LOI") with Leni Gas Cuba Limited ("LGC”), a corporation existing under the laws of the British Virgin Islands, to complete a reverse take-over of the Company by LGC (the “Transaction”). LGC is an investment vehicle incorporated for the purpose of making investments and/or acquisitions in Cuba. LGC’s corporate office is in London, England and it has been listed on the ISDX Growth Market since November 2015 under the stock symbol ISDX: CUBA. It is anticipated that the Proposed Transaction will proceed by way of a share exchange and a “change of business” of the Company to an investment company (the “Resulting Issuer”). Prior to the Transaction, the Company will proceed with a share consolidation on the basis of 0.7825 common shares for every common share issued and outstanding. The LOI provides that the Company will issue one common share to the shareholders of LGC in exchange for every 2.5 shares of LGC so that there will be 234,045,328 common shares of the Resulting Issuer issued and outstanding at the effective time of the Proposed Transaction. The Proposed Transaction will constitute a reverse takeover whereby, upon completion, the shareholders of LGC will hold a majority of the outstanding common shares of the Resulting Issuer. The completion of the Proposed Transaction is subject to several conditions, including, among others, execution of a definitive agreement and approval by the TSX-V, the Company’s disinterested shareholders and LGC’s shareholders. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

Moreover, on April 28, 2016, the Company terminated its Amended and Restated Arrangement Agreement with Mogul Ventures Corp. (“Mogul”), a mining exploration company with properties in Mongolia, which had a completion deadline of March 31, 2016.

Loan to Mogul

On October 20, 2014, the Company entered into a loan agreement with Mogul pursuant to which the Company loaned $50,000 bearing annual interest of 5% to Mogul. This loan was disbursed in two equal tranches of $25,000, with the first tranche disbursed on October 23, 2014, and the second tranche was subsequently disbursed on December 19th 2014 upon receipt of applicable regulatory approvals.
On October 19, 2015, the Company and Mogul entered into an amendment to the loan agreement pursuant to which the maturity date of the loan was extended to April 20, 2016.

Summary of Quarterly Results

The following table sets forth selected financial information from unaudited interim condensed financial statements for the eight most recent quarters of operations ending March 31, 2016. The operating results for any quarter are not necessarily indicative of results for any future period.

Fiscal Quarters ended	Revenue $	Net loss for the period $	Basic & diluted loss per share $	Total assets $	Long-term liabilities $
March 31, 2016	630	(31,563)	(0.0007)	459,199	—
December 31, 2015	630	(47,517)	(0.0010)	482,449	—
September 30, 2015	630	(26,318)	(0.0006)	512,158	—
June 30, 2015	542	(32,113)	(0.0004)	535,081	—
March 31, 2015	616	(87,561)	(0.0024)	117,606	—
December 31, 2014	575	(101,962)	(0.0028)	205,484	—
September 30, 2014	—	(88,336)	(0.0024)	232,320	—
June 30, 2014	—	(81,041)	(0.0020)	292,473	—

The Company has no intention of paying dividends in the foreseeable future. Any future decision to pay cash dividends will be left to the discretion of the Board of Directors of the Company and will depend on the Company's financial position, operating results and capital requirements at the time as well as such other factors that the Board of Directors may consider relevant. The Company has paid no dividends and has no retained earnings from which it might pay dividends.

Business Overview

Revenue for the three-month period ending March 31, 2016 for the Company's operations amounts to $630 which consists of interest on the loan to Mogul.

The Company reported a net loss of $31,563 or $0.0007 per common share for the three-month period ending March 31, 2016 compared to a net loss of $87,561 or $0.0024 for the three-month period ending March 31, 2015.

Expenses decreased by $55,984 to $32,193 for the three-month period ending March 31, 2016 compared to $88,177 for the three-month period ending March 31, 2015. The expenses consist primarily of legal fees, accounting fees, stock exchange filing fees and management related fees.

As of March 31, 2016, the Company's current assets were $459,199 and its current liabilities amounted to $120,491 consisting primarily of $68,244 of trade and other payables.

Financial Results

The selected financial information summarizes selected financial information of the Company for the three month and nine month periods ended March 31st, 2016 compared to the three month and nine month periods ended in March 31st 2015.

	Third Quarter 2016	Third Quarter 2015	% change	Nine months 2016	Nine months 2015	% change
Statement of income and comprehensive income						
Revenue	$630	$616	2.3%	$1,890	$1,191	58.7%
Expenses	($32,193)	($88,177)	-63.5%	($107,288)	($279,050)	-61.6%
Income taxes	$0	$0	0.0%	$0	$0	0.0%
Net loss	($31,563)	($87,561)	-64.0%	($105,398)	($277,859)	-62.1%
Basic and diluted loss per share	($0.0007)	($0.0024)	-71.6%	($0.0023)	($0.0076)	-70.1%

Cash Flow Review

Cash flows for the three and nine month periods ended March 31, 2016 (Q3 2016)

	Quarter Q3 2016	Quarter Q3 2015	% change	Nine months 2016	Nine months 2015	% change
Cash flows used in operating activities	($33,507)	($42,938)	-22.0%	($108,340)	($150,857)	-28.2%
Cash flows used in investing activities	$0	$0	0.0%	-	($50,000)	100.0%
Cash flows from (used in) financing activities	$15,000	($41,494)	136.1%	$35,000	($16,493)	312.2%
Decrease in cash	($18,507)	($84,432)	-78.1%	($73,340)	($217,350)	-66.3%
Cash, beginning	$416,790	$141,652	194.2%	$471,623	$274,570	71.8%
Cash, end	$398,283	$57,220	596.1%	$398,283	$57,220	596.1%

Cash at the beginning of the third quarter 2016 was $416,790. The Company had a cash position of $398,283 at the end of such quarter. The cash was utilized mainly to pay management, accounting, legal and stock exchange filing fees.

Liquidity and Capital Resources

Liquidity risk comes from our general funding needs and in the management of our assets and liabilities. We manage liquidity risk to keep sufficient liquid financial resources to fund our balance sheet and meet our commitments and obligations in the most cost-effective way. Management believes it will be able to raised equity capital as required in the long term, but recognizes there will be risks involved that may be beyond its control. The Company's main sources of funding are debt and equity markets, private placement and outstanding stock options and common share purchase warrants. The Company has no outstanding debt facility upon which to draw.

Management of Liquidity

Managing liquidity requires constant monitoring of projected cash inflows and outflows using forecasts of the Company's financial position for purposes of ensuring adequate and efficient use of cash resources. The adequate liquidity level is established based on historical volatility and seasonal requirements as well as on planned investments.

As March 31, 2016, the Company did not have any commitments for capital expenditures, and it does not anticipate any such commitments until the Company completes the Proposed Transaction.

Related Party Transactions

During the three and nine month periods ending March 31, 2016 and 2015, the Company recorded the following compensation for key management personnel and Board of Directors:

	Third Quarter			Nine Months		
	2016 $	2015 $	% change	2016 $	2015 $	% change
Share-based payments	-	20,000	100%	-	20,000	100%
Professional and management fees	22,500	23,500	-4.3%	67,500	68,500	-1.5%

Capitalization

As at March 31, 2016, there were 46,575,500 common shares of the Company issued and outstanding. In addition, there were stock options in respect of 2,533,775 common shares issued and outstanding. These stock options have exercise prices ranging from $0.05 to $0.10 per share and expiry dates ranging from November 1, 2018 to February 13, 2020.

Risks factors and Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company’s risk management framework. The Board is responsible for developing and monitoring the Company’s risk management policies.

The Company’s risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies are reviewed regularly by management and the Company’s Audit Committee to reflect changes in market conditions and the Company’s activities.

An investment in the Company involves a number of risks. You should carefully consider the following risks and uncertainties in addition to other information in this MD&A in evaluating the Company and its business before making any investment decision in regards to the common shares of the Company. The Company’s operating and financial condition could be harmed due to any of the following risks. The risks described below are not the only ones facing the Company. Additional risks not presently known to the Company may also impair the Company’s business operations. The Company’s financial performance is likely to be subject to the following risks:

(a) the Company has no commercial operations and has no assets other than cash. It has no history of earnings from its continuing operations, and shall not generate earnings or pay dividends until at least after completion of the Proposed Transaction, if completed;

(b) investment in the common shares is highly speculative given the proposed nature of the Company's business and its present stage of development;

(c) the directors and officers of the Company will devote only a portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time;

(d) there can be no assurance that an active and liquid market for the Company's common shares will develop and an investor may find it difficult to resell its common shares;

(e) there can be no assurance that the Company will continue to meet the listing requirements for the NEX board of the TSX-V or if the Proposed Transaction is completed, that it will meet the listing requirements of the TSX-V;

(f) until completion of the Proposed Transaction, the Company will not carry on any business other than the completion of the Proposed Transaction;

(g) the Company has only limited funds with which to identify and evaluate potential transactions and there can be no assurance, if the Proposed Transaction is not completed, that the Company will be able to identify a suitable transaction;

(h) there can be no assurance that the Company will be able to successfully complete the Proposed Transaction or to acquire a new target;

(i) completion of the Proposed Transaction is subject to a number of conditions including acceptance by the TSX-V, in the case of the Proposed Transaction, the approval by the majority of the votes cast by shareholders of the Company and of the target at a shareholders' meeting called for the purpose of approving the Proposed Transaction;

(j) a shareholder who votes against the resolution for the Proposed Transaction for which the approval of a majority of shareholders has been obtained, will have no rights of dissent and no entitlement to payment by the Company of the fair value for the shareholder's common shares;

(k) upon public announcement of the Proposed Transaction, trading in the common shares was halted and will remain halted until the closing of the Proposed Transaction;

(l) trading in the Common Shares may be halted at other times for other reasons, including for failure by the Company to submit documents to the TSX-V in the time periods required;

(m) there can be no assurance that an active trading market in the Company's securities will be established and sustained. The market price for the Company's securities could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of the Company. The stock market has from time to time experienced extreme price and volume fluctuations which have often been unrelated to the operating performance of particular companies;

(n) neither the TSX-V nor any securities regulatory authority passes upon the merits of the

Proposed Transaction;

(o) in the event that management and certain directors of the Company resides outside of Canada or the Company identifies a foreign business or assets as a proposed transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management or director resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts;

(p) the Company may acquire a business, properties or assets in other jurisdictions or countries. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business;

(q) the Proposed Transaction, if completed, will be financed in all by the issuance of additional securities by the Company and this will result in further dilution to the shareholders, which dilution will be significant and which will also result in a change of control of the Company;

(r) the Company advanced $50,000 to Mogul and there can be no assurance that the Company will be able to recover that loan;

(s) the Company will compete with many companies that have substantially greater financial and technical resources than the Company as well as for the recruitment and retention of qualified personnel; and

(t) the Company's success depends to a certain degree upon certain key members of the management. It is expected that these individuals will be a significant factor in growth and success of the Company. The loss of the service of members of the management and certain key employees could have a material adverse effect on the Company.

Financial Instruments

Fair Value

The carrying values cash, trade and other receivables, loan to Mogul and trade and other payables approximate their fair values due to the immediate or short-term maturity of these financial instruments. The determination of the fair value of cash was calculated using level 1 of the fair value hierarchy.

Credit risk

The Company is exposed to credit risk through its cash and its loan to Mogul. Credit risk results from the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Cash is maintained with a high quality financial institution. As the Company's cash are held by a single Canadian bank, there is a concentration of credit risk. The carrying amount of cash plus the secured loan of $50,000 to MOGUL represent the Company's maximum credit risk exposure.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. During the period of three months ended March 31, 2016, the Company did not use financial instruments with variable interest rate. Consequently, the Company is not subject to cash flow interest rate risk.

Liquidity risk

Liquidity risk refers to the possibility of the Company to not being able to meet its financial obligations when they become due. The Company has contractual and fiscal obligations as well as financial liabilities and therefore is exposed to liquidity risk. Managing liquidity requires constant monitoring of projected cash inflows and outflows using forecasts of the Company's consolidated financial position for purposes of ensuring adequate and efficient use of cash resources.

The Company's continuing operations as intended are dependent upon its ability to identify and evaluate businesses or assets with the aim of completing a transaction to reactivate the Company. Such a transaction may be subject to shareholders and regulatory approval. In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. The Company cannot predict the size of future issues of common shares or securities convertible into common shares or the effect that it will have on the price of the common shares. Any transaction will result in dilution, possibly substantial, to present and prospective shareholders of the Company. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on advantageous terms to the Company.

Critical Accounting Policies & Estimates

The preparation of the interim condensed financial statements in accordance with IAS 34 requires management to make use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the period. Estimation of the income tax liability requires management's judgment and may have the most significant effect on the amounts recognized in the financial statements. Financial results as determined by actual events could differ from those estimated.

Changes in Accounting Policies

There was no significant change in accounting policies for the third quarter ended March 31, 2016.

Additional Information

Additional information relating to the Company, including the most recent Company filings, is available under the Company's profile on the System for Electronic Document Analysis and Retrieval, SEDAR, at www.sedar.com.