

LEO ACQUISITIONS CORP.
(A Capital Pool Corporation)

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND
SIX MONTHS ENDED DECEMBER 31, 2018**

March 4, 2019

The following discussion and analysis of the operating results and financial position is supplementary to, and should be read in conjunction with, the unaudited interim condensed financial statements for the six months ended December 31, 2018 of Leo Acquisitions Corp. ("Leo" or the "Company"). The interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All monetary amounts are expressed in Canadian dollars.

FORWARD-LOOKING INFORMATION

The discussion and analysis and other sections of this report contain forward-looking statements. These forward-looking statements, by their nature, necessarily involve risks and uncertainties that could cause results to differ materially from those contemplated by these forward-looking statements. Management considers the assumptions on which these forward-looking statements are based to be reasonable at the time the statements were prepared, but cautions the reader that they could cause actual results to differ materially from those anticipated.

COMPANY PROFILE

Leo Acquisitions Corp.

Leo Acquisitions Corp. was incorporated under the *Business Corporations Act (Ontario)* on October 28, 2009 and is classified as a Capital Pool Corporation as defined in TSX Venture Exchange Inc. (the "Exchange") Policy 2.4. The Company has not commenced commercial operations and has no significant assets other than cash. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction, as defined in Exchange Policy 2.4. Except as described in the Company's prospectus dated November 4, 2010, the funds raised pursuant to the Company's Initial Public Offering (the "Offering") will be utilized only for the identification and evaluation of potential Qualifying Transactions and, to the extent permitted by Policy 2.4, for general and administrative expenses.

On February 2, 2011, the Company completed its Initial Public Offering (the "Offering") of 5,740,500 common shares at a price of \$0.10 per common share for total gross proceeds of \$574,050 and has filed for listing as a Capital Pool Company on the Exchange. Union Securities Ltd. acted as lead agent on the Offering. The common shares of Leo commenced trading on the Exchange on February 8, 2011 under the trading symbol "LEQ".

On August 10, 2011, the Company completed a non-brokered private placement of 500,000 common shares at price of \$0.10 per share for gross proceeds of \$50,000.

On May 14, 2013, the Company announced that it received approval from the Exchange to transfer its listing to the NEX board of the Exchange under the ticker symbol "LEQ.H". Accordingly, the common shares of the Company were transferred to the NEX board of the Exchange effective the opening on May 16, 2013.

As part of the transfer to the NEX board of the Exchange, the Company received shareholder approval at its annual and special shareholders' meeting held on April 26, 2013, to cancel 50% of the founder's shares purchased by Non-Arm's Length Parties, as that term is defined under the Exchange Policies, at a discount to the Company's initial public offering price of \$0.10. Accordingly, 1,000,000 common shares of the Company held by Non-Arm's Length Parties have been cancelled. These shares were previously held in escrow and were cancelled in accordance with section 11.2(ii) of the Exchange Policies. These actions were as a result of the Company's inability to complete a Qualifying Transaction within the time period prescribed by the Exchange.

On October 18, 2016, the Company completed a share consolidation of its issued and outstanding Common Shares on the basis of one post-consolidation Common Share for 3.3 pre-consolidation Common Shares (the "Consolidation"). The Consolidation was previously approved by the shareholders of the Company at an annual and special meeting of the shareholders of the Company held on October 6, 2016.

On October 21, 2016, the Company completed a non-brokered private placement share offering raising gross proceeds of \$36,000. The Company issued 727,272 Common Shares (post-Consolidation) at a subscription price of \$0.05 per Common Share.

On July 11, 2017, the Company completed a non-brokered private placement share offering of 1,308,000 Common shares (post-Consolidation) at a subscription price of \$0.055 per Common Share for gross proceeds of \$71,940 (the "Private Placement"). The Company incurred legal fees of \$11,300 in connection with the above private placement.

The Company currently has 4,229,357 post-Consolidation common shares issued and outstanding.

The Company has not conducted commercial operations and it is focused on the identification and evaluation of businesses or assets to acquire. Until completion of the Qualifying Transaction (as such term is defined in Policy 2.4), the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a Qualifying Transaction. Except as described in the Company's prospectus dated November 4, 2010 in connection with its Offering, funds raised pursuant to the issuance of shares will be utilized only for the identification and evaluation of potential Qualifying Transactions and, to the extent permitted by Policy 2.4, for general and administrative expenses. While the Company has commenced the process of identifying a potential transaction, it has not yet entered into a definitive agreement for any particular transaction.

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has no source of operating revenues and its ability to operate as a going concern in the near-term will depend on its ability to successfully raise additional financing and to commence profitable operations in the future. The Company's financial statements do not purport to give effect to adjustments, if any, that may be necessary should the Company be unable to continue and therefore, be required to realize its assets and discharge its liabilities in a manner other than in the ordinary course of business.

The Company currently has two employees, Gerry Goldberg, President and Warren Goldberg, Chief Financial Officer and Secretary. Neither officer is compensated by the Company.

SELECTED INTERIM INFORMATION

Summarized selected financial information with respect to the Company for the unaudited three and six-month periods ended December 31, 2018 and 2017 is as follows:

		Three months ended December 31, 2018		Three months ended December 31, 2017		Six months ended December 31, 2018		Six months ended December 31, 2017
Total expenses	\$	(1,412)	\$	(13,016)	\$	(5,892)	\$	(16,233)
Net loss	\$	(1,412)	\$	(13,016)	\$	(5,892)	\$	(16,233)
Loss per share	\$	(0.001)	\$	(0.003)	\$	(0.002)	\$	(0.004)
Total assets	\$	257,894	\$	302,703	\$	257,894	\$	302,703
Total liabilities	\$	40,192	\$	52,418	\$	40,192	\$	52,418
Shareholders' equity	\$	217,702	\$	250,285	\$	217,702	\$	250,285

RESULTS OF OPERATIONS

Unaudited Three-months ended December 31, 2018 compared to 2017

The Company recorded a net loss of \$1,412 during the three-months ended December 31, 2018, as compared to net loss of \$13,016 during the comparative three-month period in the prior year. The reason for the decrease is due to filing fees of \$1,412 expensed during the current three-month period as compared to filing of \$3,081 expensed for the prior period ended December 31, 2017 as well as legal fees of \$2,664 and expenses of \$3,140 to identify a qualifying transaction which were not incurred during the current three-month period ended December 31, 2018.

During the three-month period ended December 31, 2018, the Company incurred filing fees of \$1,412 representing TSX Venture Exchange fees in respect of the Company's quarterly continuous disclosure obligations. During the prior three-month period ended December 31, 2017, the Company incurred filing fees of \$3,081 representing TSX Venture Exchange listing fees and SEDAR filing fees in respect of the Company's quarterly continuous disclosure obligations as well as filing fees incurred in respect of the Company's non-brokered private placement financing in July 2017.

During the three-month period ended December 31, 2017, the Company incurred legal fees of \$2,664 for general corporate matters as well as \$3,140 of expenses relating to the Company's ongoing activities related to identifying and evaluating potential acquisitions or businesses with a view to completing a qualifying transaction. No such expenses were incurred during the current three-month period ended December 31, 2018.

General and administrative fees totalled \$4,131 during the three-month period ended December 31, 2017 and consisted of printing and mailing costs associated with disseminating press releases and other shareholder information relating to a previously proposed Qualifying Transaction which was since terminated. No such expenses were incurred during the current three-month period ended December 31, 2018.

Loss per share during the three-month period ended December 31, 2018 was \$(0.001) compared to a loss per share of \$(0.003) during the comparative three-month period ended December 31, 2017.

Unaudited Six-months ended December 31, 2018 compared to 2017

The Company recorded a net loss of \$5,892 during the six-month period ended December 31, 2018 compared to a net loss of \$16,233 during the comparative six-month period in the prior year. The reason for the decrease is due to filing fees of \$5,892 expensed during the current six-month period as compared to filing of \$6,148 expensed for the prior period ended December 31, 2017 as well as legal fees of \$2,664 and expenses of \$3,140 to identify a qualifying transaction which were not incurred during the current six-month period ended December 31, 2018.

During the six-month period ended December 31, 2018, the Company incurred filing fees of \$5,892 representing TSX Venture Exchange listing fees and SEDAR filing fees in respect of the Company's quarterly continuous disclosure obligations. During the six-month period ended December 31, 2017, the Company incurred \$6,148 of filing fees representing participation fees and SEDAR fees in respect of the Company's annual continuous disclosure obligations, maintenance fees representing TSX Venture Exchange fees in respect of the Company's quarterly continuous disclosure obligations and filing fees incurred in respect of the Company's non-brokered private placement financing in July 2017.

During the six-month period ended December 31, 2017, the Company incurred legal fees of \$2,664 for general corporate matters and incurred \$3,140 of expenses relating to the Company's ongoing activities related to identifying and evaluating potential acquisitions or businesses with a view to completing a qualifying transaction. No such expenses were incurred during the current six-month period ended December 31, 2018.

General and administrative expenses totalled \$4,281 during the six-month period ended December 31, 2017 and consisted of printing and mailing costs associated with disseminating press releases and other shareholder information relating to the Company's current proposed Qualifying Transaction. No such expenses were incurred during the current six-month period ended December 31, 2018.

Loss per share during the six-month period December 31, 2018 was \$(0.002) compared to a loss per share of \$(0.004) during the comparative six-month period ended December 31, 2017.

SUMMARY OF QUARTERLY RESULTS

Note: The Company's fiscal year end is June 30. Fiscal 2018 and 2017 are comprised of the periods ending June 30, 2018 and 2017, respectively.

The following table presents selected financial data of the Company for its last eight quarters as reported in the particular period:

Quarter Fiscal Year	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Net loss	(1,412)	(4,480)	(17,137)	(19,054)	(13,016)	(3,217)	(15,109)	(21,665)
Loss per share	(0.001)	(0.001)	(0.004)	(0.005)	(0.003)	(0.001)	(0.006)	(0.008)

LIQUIDITY

At December 31, 2018, the Company had \$257,894 in cash. On June 30, 2018, the Company had cash balances of \$271,101.

Total liabilities were \$40,192 as at December 31, 2018, a decrease of \$7,315 from total liabilities of \$47,507 as at June 30, 2018. The decrease is attributable to the payment of accrued accounting and audit fees incurred during fiscal 2018.

Shareholders' equity decreased from \$223,594 on June 30, 2018 to \$217,702 on December 31, 2018. The decrease is attributable to the loss of \$5,892 incurred during the six-month period ended December 31, 2018.

At December 31, 2017, the Company had \$302,703 in cash. On June 30, 2017, the Company had cash balances of \$330,068.

Total liabilities were \$52,419 at December 31, 2017, a decrease of \$73,184 from total liabilities of \$125,603 at June 30, 2017. The decrease is attributable to the payment of accrued audit and legal fees incurred during fiscal 2017 in addition to, the issuance of the common shares relating to the subscription deposits received prior June 30, 2017 in respect of the private placement which closed July 11, 2017.

Shareholders' equity increased from \$205,878 on June 30, 2017 to \$250,285 on December 31, 2017. The increase is attributable to the loss of \$16,233 incurred during the six-month period ended December 31, 2017 net of the gross proceeds of \$71,940 raised from the non-brokered private placement share offering completed by the Company during the three-month period ended December 31, 2017, less legal fees incurred of \$11,300 in respect of the financing.

CAPITAL RESOURCES

The Company financed its operations during the six-month period ended December 31, 2018 from the remaining net cash proceeds received from the Company's Initial Public Offering (the "Offering") and from the proceeds raised from the non-brokered private share offering completed on October 21, 2016 and on July 11, 2017.

Cash raised by the Company from the Offering is to be used by the Company to fund its activities relating to the identification and evaluation of a potential Qualifying Transaction and, to the extent permitted by Policy 2.4, for general and administrative expenses. Until such time as the Company identifies a Qualifying Transaction, it is contemplated that the working capital requirements of the Company will relate generally to expenses associated with the Company's continuous disclosure obligations under applicable securities legislation, annual audit fees, legal fees for general corporate matters and costs incurred in identifying, evaluating and executing a potential qualifying transaction. The only material ongoing contractual obligations of the Company relate to the payment of transfer agency fees and legal and audit fees.

The Company believes it has sufficient capital resources to execute a qualifying transaction.

SHARE CAPITAL

As at December 31, 2018, the Company had authorized unlimited common shares without par value and had issued 4,229,357 post-Consolidation Common shares.

At the annual and special shareholders' meeting held on April 26, 2013, shareholders of the Company passed a resolution to approve the application to list the Company's common shares on the NEX board of the Exchange. Pursuant to Exchange Policy 2.4, 50% of the founder's shares purchased by non-arm's length parties at a discount to the initial public offering price must be cancelled upon transfer of a capital pool company from the Exchange to the NEX. Accordingly, 1,000,000 common shares of the Company held by non-arm's length parties were cancelled, effective as of May 16, 2013. These shares were previously held in escrow and were cancelled in accordance with section 11.2(ii) of the Exchange Policies.

On February 17, 2016, the Company granted 219,407 incentive stock options (post-Consolidation) to its current directors to acquire a total of 219,407 common shares at an exercise price of \$0.33 per common share (post-Consolidation) for a period of five years with an expiry date of February 17, 2021. The estimated fair value of the 219,407 stock options has been estimated to be \$23,257 at the grant date using the Black-Scholes option pricing model, with the following assumptions: expected dividend yield 0%; risk-free interest rate of 0.65%; expected volatility of 100%; forfeiture rate of 0%; and an expected average life of five years.

On October 18, 2016, the Company completed a share consolidation of its issued and outstanding common shares on the basis of one post-consolidation Common Share for 3.3 pre-consolidation Common Shares (the Consolidation"). The Consolidation was previously approved by the shareholders of the Company at an Annual and Special Meeting of the shareholders of the Company held on October 6, 2016.

On October 21, 2016, the Company closed its non-brokered private share offering raising gross proceeds of \$36,000 by issuing 727,272 common shares (post-Consolidation) of the Company at a subscription price of \$0.05 per common share.

On July 11, 2017, the Company closed its non-brokered private share offering raising gross proceeds of \$71,940 by issuing 1,308,000 common shares (post-Consolidation) of the Company at a subscription price of \$0.055 per common share.

On March 5, 2018, the Company granted 203,528 incentive stock options (post-Consolidation) to its current directors to acquire a total of 203,528 common shares at an exercise price of \$0.33 per common share (post-Consolidation) for a period of five years with an expiry date of March 5, 2023. The estimated fair value of the 203,528 stock options has been estimated to be \$9,500 at the grant date using the Black-Scholes option pricing model, with the following assumptions: expected dividend yield 0%; risk-free interest rate of 2.1%; expected volatility of 100%; forfeiture rate of 0%; and an expected average life of five years.

The Company currently has 4,229,357 common shares issued and outstanding as at the date hereof. If all options were exercised, the number of common shares outstanding would be 4,652,292.

RELATED-PARTY TRANSACTIONS

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

Transactions with related party are incurred in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties

The Company had no significant related party transactions during the six-month period ended December 31, 2018 and 2017.

SEGMENTED INFORMATION

The Company has a single reportable geographic segment – Canada – all the Company's assets are located in Canada.

OFF-BALANCE-SHEET ARRANGEMENTS

The Company had no off-balance-sheet arrangements as of December 31, 2018 and 2017.

INVESTOR RELATIONS

During the three-month period ended December 31, 2018, the Company's directors handled the Company's investor relations activities.

PROPOSED QUALIFYING TRANSACTION

On October 16, 2017, the Company entered into a signed Letter of Intent (the "LOI") for the arm's-length acquisition of all of the issued and outstanding shares of Blue Nordic Partners Inc. ("BNP"), a private corporation incorporated pursuant to the laws of the Province of New Brunswick, which outlines the general terms and conditions pursuant to which the Company and BNP would be willing to complete a transaction that will result in a reverse take-over of the Company by the shareholders of BNP (the "RTO"). The proposed transaction is intended to constitute the Company's Qualifying Transaction as such term is defined in the policies of the Exchange. The LOI was negotiated at arm's length and was effective as of October 16, 2017.

The LOI contemplates that Leo and BNP will promptly negotiate and enter into a definitive agreement (the "Definitive Agreement"), together with such other documents that may be required to effect such filings and applications as are required in order to more fully delineate, formalize and execute the terms of the RTO as outlined in the LOI.

On March 5, 2018, the Company and BNP mutually agreed to terminate the LOI entered into by the two parties on October 16, 2017. The LOI was terminated when it became apparent that a definitive agreement could not be entered into on terms mutually acceptable to both parties.

CRITICAL ACCOUNTING ESTIMATES

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The critical accounting policies followed by the Company are as follows:

Accounting Estimates and Judgments

The preparation of financial statements requires management to make judgments, estimates and form assumptions that affect the application of policies and reported amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under difference assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical estimates used in the preparation of these financial statements include, among others, the recoverability of sales taxes recoverable, the valuation of share-based compensation and recognition of deferred income tax amounts, and the estimated amount of accrued liabilities. Actual results may differ from those estimates.

Recent Accounting Pronouncements

(a) IFRS 9, Financial Instruments ("IFRS 9"), introduces new requirements for the classification and measurement of financial instruments as defined in IAS 39. 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. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The final version of IFRS 9 is effective for periods beginning on or after January 1, 2018, however early adoption is permitted. Management has adopted IFRS 9 effective July 1, 2018 and assessed that there was no significant impact on the adoption of this accounting standard.

(b) IFRS 15, Revenue from Contracts with Customers ("IFRS 15"), establishes principles for reporting information about the nature, amount, and timing and uncertainty of revenue and cash flows arising from a contract with a customer. This standard is effective for periods beginning on or after January 1, 2017, however early adoption is permitted. Management has adopted IFRS 15 effective July 1, 2018 and assessed that there was no significant impact on the adoption of this accounting standard.

(c) IFRS 16, Leases ("IFRS 16"), was issued on January 13, 2016. The new standard will replace existing lease guidance in IFRS and related interpretations and requires lessees to bring most leases on-balance sheet. The financial reporting impact of adopting IFRS 16 is being assessed. The new standard is effective for years beginning on or after January 1, 2019. Early adoption will be permitted only if the Company has adopted IFRS 15 Revenue from Contracts with Customers. Management is currently evaluating the impact of adopting this standard.

FINANCIAL INSTRUMENTS AND RISK FACTORS

The Company is exposed to a variety of financial risks by virtue of its activities: market risk (including interest rate risk and foreign currency risk), credit risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance.

Risk management is carried out by the officers of the Company as discussed with the Board of Directors. The officers of the Company charged with the responsibility of establishing controls and procedures to ensure that financial risks are mitigated in accordance with the expectations of the Board of Directors.

Fair values:

The carrying value of cash and accounts payable and accrued liabilities approximate fair values due to the relatively short-term maturities of these instruments.

At December 31, 2018, the Company's financial instruments that are carried at fair value, consisting of cash are classified as Level 1 within the fair value hierarchy. At the current time the Company does not have any financial instruments classified as Level 2 or Level 3.

Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company manages its liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. Officers of the Company are actively involved in the review and approval of planned expenditures.

As at December 31, 2018, the Company has accounts payable and accrued liabilities of \$40,192 (June 30, 2018 - \$47,507) due within twelve months and has cash of \$257,894 (June 30, 2018 - \$271,101) to meet its current obligations. As a result, the Company has minimal liquidity risk.

Credit risk:

The Company's exposure to credit risk arises from the possibility that its debtors may fail to meet their obligations. Cash is held in trust by the Company's lawyers. The Company manages the credit exposure related to cash by making sure that the lawyers maintain bank accounts with recognized Schedule I banks in Canada.

The carrying amount of cash represents the maximum credit exposure.

MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company includes equity, comprised of issued share capital, share option reserves and accumulated deficit, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Corporation as defined under the Exchange policy 2.4. All the Company's cash as of December 31, 2018 is restricted for this use.

OUTLOOK

The Company's primary focus for the foreseeable future will be to actively identify and evaluate potential acquisitions or businesses with a view to completing a Qualifying Transaction. The Company believes that it has sufficient cash and capital resources to accomplish its goal.

OTHER INFORMATION

Additional information on the Company is available on SEDAR at www.sedar.com.