

**Buzz Capital Inc.**  
**Management Discussion and Analysis**  
**For the period Ended June 30, 2019**

**August 26, 2019**

The following management discussion and analysis (“MD&A”) of the results of the operations and financial position of Buzz Capital Inc. (the “Corporation” or “Buzz Capital”) prepared from the three and six month periods ended June 30, 2019 should be read in conjunction with the Corporation’s unaudited condensed interim financial statements for the three and six month periods ended June 30, 2019 and 2018. All figures contained in this MD&A are presented in Canadian dollars.

**Forward-Looking Statements**

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Corporation’s future performance. All statements, other than statements of historical fact, may be forward-looking statements.

Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “propose”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. The Corporation’s actual results could differ materially from those anticipated in these forward-looking statements as a result of various risk factors.

**The Corporation**

The Corporation was incorporated under the Canada Business Corporations Act on February 15, 2017 and is classified as a Capital Pool corporation, as defined in the Policy 2.4 of the TSX Venture Exchange (the “Exchange”).

The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (“QT”). The Corporation has not commenced operations and has no assets other than cash held in trust and prepaid expenses. The Corporation’s continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition, or business, or an interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned and, in the case of a non-

arm's length transaction, of the majority of the minority shareholders.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to the lesser of 30% of the gross proceeds realized by the Corporation in respect of the sale of its securities or \$210,000, may be used for purposes other than evaluating businesses or assets. These restrictions apply until completion of a QT by the Corporation as defined under the policies of the TSX Venture. The Corporation is required to complete its QT on or before two years from the date the Corporation receives regulatory approval.

On February 15, 2017, the Corporation issued, as seed shares, 4,000,000 common shares at \$0.05 per share for total proceeds of \$200,000.

On August 21, 2017, the Corporation completed its Initial Public Offering ("IPO"). The Corporation entered into an agency agreement with Haywood Securities Inc. (the "Agent") for the offering of 4,200,000 common shares at \$0.10 per share to raise gross proceeds of \$420,000. Other than payment of a corporate finance fee of \$12,500 and reimbursement of legal fees and other reasonable expenses incurred to the Agent, the Corporation has also paid a commission equivalent to 10% of gross proceeds, and granted an option that entitles the holder to acquire an aggregate of 420,000 common shares (the "Agent's Warrants") at an exercise price of \$0.10 per share exercisable for a period ending twenty-four months from the date the Corporation's Common Shares are listed on the TSX Venture Exchange.

On August 21, 2017, the Corporation granted 775,000 stock options to directors and officers, at an exercise price of \$0.10 per share, exercisable for a period of five years from the date of grant.

The Agent's Warrants were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 1.24%, expected volatility of 100% and an expected life of two years. The value attributed to these options was \$22,110.

The stock options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 1.43%, expected volatility of 100% and an expected life of five years. The value attributed to these options was \$57,795.

- i. During the year ended December 31, 2018, the Agent exercised 2,850 warrants at an exercise price of \$0.10 per share for gross proceeds of \$285. The value attributed to these warrants was \$150. During the six month period ended June 30, 2019, the Agent exercised 30,000 warrants at an exercise price of \$0.10 per share for gross proceeds of \$3,000. The value attributed to these warrants was \$1,578.

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During the year ended December 31, 2018, the Corporation received a \$250,000 payment of a settlement fee from Kaya Inc. in connection with the termination of the previously announced business combination between Kaya and the Corporation.

On August 26, 2019 the Board of Directors approved the unaudited condensed interim financial statements for the three and six month periods ended June 30, 2019 and 2018.

The head office and the registered head office of the Corporation is located at 950 Gladstone Avenue, Suite 200, Ottawa, Ontario, K1Y 3E6.

**Summary of Quarterly Results**

	<b>Jun. 30, 2019</b>	<b>Mar. 31, 2019</b>	<b>Dec. 31, 2018</b>	<b>Sept. 30, 2018</b>	<b>Jun. 30, 2018</b>	<b>Mar. 31, 2018</b>	<b>Dec. 31, 2017</b>	<b>Sept. 30, 2017</b>
Total Assets	\$645,353	\$661,120	\$669,008	\$432,084	\$436,754	\$458,421	\$467,078	\$477,751
Total Revenues	nil	nil	nil	nil	nil	nil	nil	nil
Other income	nil	nil	\$250,000	nil	nil	nil	nil	nil
Total Expenses	\$16,367	\$10,508	\$13,341	\$6,940	\$12,201	\$15,609	\$8,817	\$74,433
Income tax expense	nil	nil	\$27,248	nil	nil	nil	nil	nil
Net income (Loss)	(\$16,367)	(\$10,508)	\$209,411	(\$6,940)	(\$12,201)	(\$15,609)	(\$8,817)	(\$74,433)
Basic net income (loss) per share	(\$0.00)	(\$0.00)	\$0.05	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.01)	(\$0.04)
Diluted net income (loss) per share	(\$0.00)	(\$0.00)	\$0.04	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.01)	(\$0.04)

**Results of Operations**

Three month period ended June 30, 2019

The Corporation recorded a net loss of \$16,367 during the three month period ended June 30, 2019 (2018-\$12,201). The net loss for the three month period ended June 30, 2019 is due mainly to professional fees and costs in relation to its listing on the Exchange.

Six month period ended June 30, 2019

The Corporation recorded a net loss of \$26,875 during the six month period ended June 30, 2019 (2018-\$27,810). The net loss for the six month period ended June 30, 2019 is due mainly to professional fees and costs in relation to its listing on the Exchange.

### **Additional Disclosure for Venture Issuers without Significant Revenue**

Since the Corporation has no revenue from operations as the settlement fee is extraordinary one-time income, the following is a breakdown of the material costs incurred from incorporation (February 15, 2017) to June 30, 2019:

<b>Material Costs</b>	<b>Period from incorporation (February 15, 2017) to June 30, 2019</b>
Share-based compensation	\$57,795
Professional fees	\$65,727
Listing fees	\$62,375
Current tax provision	\$27,248

### **Liquidity and Capital Resources**

As at June 30, 2019, the Corporation had cash of \$642,973 and prepaid expenses of \$2,380, resulting in total assets of \$645,353. The Corporation had current liabilities of \$27,848 and working capital of \$617,505.

Negative cash flows of \$23,095 were recorded from operating activities for the six month periods ended June 30, 2019, primarily as a result of professional fees and costs in relation to its listing on the Exchange.

### **Outstanding Share Data**

The Corporation is authorized to issue an unlimited number of common shares. Each common share entitles the holder to one vote at all meetings of shareholders and represents an interest in dividends declared by the Corporation and an undivided interest in the net assets of the Corporation. As of the date of this MD&A, 8,409,999 common shares are issued and outstanding.

The Corporation's common shares commenced trading on the TSX Venture Exchange on August 21, 2017 under the trading symbol "BUZ.P".

### **Off-Balance Sheet Arrangements**

The Corporation has not had any off-balance sheet arrangements since incorporation to the date of this MD&A.

### **Related Party Transactions**

There were no party transactions and no remuneration was paid to key management personnel

during the three and six month periods ended June 30, 2019 or June 30, 2018.

### **Capital Management**

The Corporation'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 Corporation includes equity, comprised of share capital, contributed surplus and deficit, in the definition of capital.

The Corporation'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 Corporation 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 Corporation. These restrictions apply until completion of a Qualifying Transaction by the Corporation as defined under the Exchange policy 2.4.

### **Risk Disclosures and Fair Values**

The Corporation's financial instruments, consisting of cash held in trust approximate fair value due to the relatively short-term maturity of the instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

### **Critical Accounting Estimates**

The Corporation's significant accounting policies are summarized in Note 2 to the audited financial statements for the year ended December 31, 2018 and for the period from incorporation (February 15, 2017) to December 31, 2017.

### **Additional Information**

For further detail, see the Corporation's unaudited condensed interim financial statements for the three and six month periods ended June 30, 2019 and 2018. Additional information about the Corporation can also be found on SEDAR.