

Cassowary Capital Corporation Limited
(a Capital Pool Company)

Management Discussion and Analysis
for the three months ended March 31, 2020

The following management’s discussion and analysis (“**MD&A**”) should be read in conjunction with Cassowary Capital Corporation Limited’s (the “**Company**”) unaudited condensed interim financial statements and notes thereto as at and for the three months ended March 31, 2020 and for the three months ended March 31, 2019 (the “**interim financial statements**”) and the audited financial statements for the year ended December 31, 2019 and related notes. This MD&A was prepared by management of the Company, and was approved by the Board of Directors on May 29, 2020. Additional information relating to the Company is available on SEDAR at www.sedar.com.

BASIS OF PRESENTATION

This MD&A and the interim financial statements have been prepared in Canadian dollars, unless otherwise indicated, and in accordance with International Financial Reporting Standards (“**IFRS**”).

FORWARD-LOOKING INFORMATION

Certain statements contained in this document constitute “forward-looking information”. When used in this document, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “propose”, “anticipate”, “believe”, used by any of the Company’s management, are intended to identify forward-looking information. Such statements reflect the Company’s forecasts, estimates and expectations, as they relate to the Company’s current views based on their experience and expertise with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments unless required by law.

CORPORATE PROFILE AND OVERALL PERFORMANCE

The Company was incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta) on January 31, 2018. The Company maintains its head office and registered office at 1600, 421 - 7th Avenue SW Calgary, Alberta T2P 4K9. The Company is a “Capital Pool Company (“**CPC**”) as defined pursuant to Policy 2.4 – *Capital Pool Companies* (“**Policy 2.4**”) of the TSX Venture Exchange (the “**TSXV**”).

On January 31 and April 30, 2018, the Company issued for cash consideration, 100 and 10,000,000 common shares respectively, at a price of \$0.05 per share, for total gross proceeds of \$500,005.

On July 30, 2018 and in connection with its initial public offering and listing on the TSXV, the Company filed a Prospectus with the Alberta Securities Commission, Ontario Securities Commission, and British Columbia Securities Commission to issue 4,000,000 common shares at a price of \$0.10 per share. Pursuant to an Agency Agreement between the Corporation and Richardson GMP Limited (the “**IPO Agent**”), the Company agreed to issue the 4,000,000 common shares at a price of \$0.10 per share (the “**Offering**”) and the Company appointed the IPO Agent as its agent for the Offering.

On September 6, 2018 the Company completed the Offering, raising gross proceeds of \$400,000. The common shares of the Company commenced trading on the TSXV on September 12, 2018 under symbol "BIRD.P".

The Company paid the IPO Agent, a cash commission of \$40,000 in connection with the Offering; a corporate finance fee of \$15,000; and reimbursement for certain expenses (including legal fees plus disbursements and applicable taxes). The IPO Agent was also granted a non-transferable Agent's Option to purchase 400,000 common shares at a price of \$0.10 per common share, which will expire 24 months from the date of issuance.

The principal business of the Company is to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein within twenty-four months of listing on the TSXV. The purpose of such an acquisition is to satisfy the related conditions of a "Qualifying Transaction" under Policy 2.4. The Company has no assets other than cash held in trust. The Company'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.

Proposed Qualifying Transaction and Cancellation

The Company entered into a non-binding letter of intent ("LOI") with Lobo Genetics Inc. ("Lobo", and together with the Company, the "Parties") dated November 20, 2018, pursuant to which the Parties would complete a transaction that will result in a reverse takeover of the Company by Lobo (the "Acquisition").

The Company intended for the Acquisition to constitute its Qualifying Transaction (as such term is defined in the policies of the TSXV).

On May 29, 2019, the Company terminated the LOI and announced it will no longer be proceeding with the proposed Acquisition. No deposit or cash advance was made by the Company to Lobo in connection with the proposed Acquisition.

The Company is now evaluating other acquisition opportunities with a view to completing a Qualifying Transaction.

Grant of Stock Options

Upon closing of the IPO Offering, the Company granted 1,400,000 incentive stock options to its director and officers which are exercisable within 10 years from the date of the grant at an exercise price of \$0.10 per share.

RESULTS OF OPERATIONS

As at the date of this report, the Company was a CPC. Accordingly, the Company has not recorded any revenues, and depends upon share issuances to fund its administrative expenses.

Selected Financial Highlights

Summarized selected financial information with respect to the Company for the most recent eight quarters is as follows:

Description	Mar. 31, 2020 / 2020 Q1	Dec. 31, 2019 / 2019 Q4	Sept. 30, 2019 / 2019 Q3	June 30, 2019 / 2019 Q2	Mar. 31, 2019 / 2019 Q1	Dec. 31, 2018 / 2018 Q4	Sept. 30, 2018 / 2018 Q3	June 30, 2018 / 2018 Q2
Total Revenue	-	-	-	-	-	-	-	-
Total Expenses	\$1,818	\$25,149	\$3,170	\$13,449	\$2,751	\$24,106	\$137,087	\$12,095
Net and comprehensive loss	\$1,818	\$25,149	\$3,170	\$13,449	\$2,751	\$24,106	\$137,087	\$12,095
Earnings (Loss) per Share-Basic and Diluted	\$0.00	(\$0.01)	\$0.00	\$0.00	\$0.00	(\$0.01)	(\$0.14)	\$0.00
Weighted average shares outstanding	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	977,778	0

	Mar. 31, 2020 / 2020 Q1	As at Dec. 31, 2019	As at Sept. 30, 2019	As at June 30, 2019	As at Mar. 31, 2019	As at Dec. 31, 2018	As at Sept. 30, 2018	As at June 30, 2018
Total Assets	\$719,838	\$741,214	\$740,787	\$758,449	\$771,146	\$772,840	\$780,830	\$488,910
Total Short Term Liabilities	\$7,097	\$26,655	\$1,079	\$15,571	\$14,819	\$13,762	\$9,741	\$6,000
Shareholders' Equity	\$712,741	\$714,559	\$739,708	\$742,878	\$756,327	\$759,078	\$771,089	\$482,910
Shares outstanding	14,000,100	14,000,100	14,000,100	14,000,100	14,000,100	14,000,100	14,000,100	10,000,100

Discussion of Operations

During the three-month period ended March 31, 2020 (three-month period ended March 31, 2019 - \$2,751) the Company had a net loss and comprehensive loss of \$1,818, related to professional fees and regulatory and filing fees.

Currently the only assets of the Company are cash.

In the future, the Company will incur expenses as it identifies and evaluates potential companies, assets or business for a Qualifying Transaction.

DISCLOSURE OF OUTSTANDING SHARE DATA

As at the date of this MD&A, the Company has 14,000,100 common shares outstanding.

Pursuant to an escrow agreement dated July 30, 2018 between the Company, Alliance Trust Company and certain shareholders of the Company, 10,000,100 of the issued and outstanding common shares have been deposited in escrow. Upon the Company completing a Qualifying Transaction, the TSXV will issue a bulletin announcing the final acceptance, and 10% of the common shares held pursuant to the escrow agreement shall immediately be released. Every six months following the initial release an additional 15% will be released. The release of the escrowed common shares will be accelerated if the resulting issuer meets the TSXV's Tier 1 initial listing requirements either at the time the bulletin announcing the final acceptance is released or subsequently.

As at the date of this MD&A, the Company has outstanding options that are exercisable pursuant to the: (i) September 7, 2018 grant of Agent's Options to purchase 400,000 common shares and (ii) grant of incentive options to certain officers and directors to acquire, in aggregate, 1,400,000 common shares.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2020, the Company had cash of \$719,838 (December 31, 2019 - \$741,214) and working capital of \$712,741 (December 31, 2019 - \$714,559).

The balance in cash is from the proceeds of: (i) \$500,005 following the issuance of 10,000,100 common shares of the Company pursuant to its seed share financing; and (ii) \$400,000 following the issuance of 4,000,000 common shares of the Company pursuant to its IPO Offering.

Management believes the Company has sufficient funds on hand to meet anticipated administrative and other related expenditures.

As a CPC, the Company is subject to externally imposed capital requirements as outlined in Policy 2.4 and summarized below:

1. No salary, consulting, management fees or similar remuneration of any kind may be paid directly or indirectly to a related party of the Company or a related party of a Qualifying Transaction;
2. Gross proceeds realized from the sale of all securities issued by a CPC may only be used to identify and evaluate assets or businesses and obtain shareholder approval for a Qualifying Transaction;
3. No more than the lesser of \$210,000 and 30% of the gross proceeds from the sale of securities issued by a CPC may be used for purposes other than to identify and evaluate a Qualifying Transaction;
4. After the completion of its initial public offering and until the completion of a Qualifying Transaction, a CPC may not issue any securities unless written acceptance of the TSXV is obtained before the issuance of the securities.

OFF-BALANCE SHEET ARRANGEMENTS

As at March 31, 2020, and up to the date of this MD&A, the Company had no off-balance sheet arrangements.

TRANSACTIONS BETWEEN RELATED PARTIES

During the three-month period ended March 31, 2020 there were no related party transactions.

PROPOSED TRANSACTIONS

As at March 31, 2020, and up to the date of this MD&A, there were no proposed transactions of the Company, other than as disclosed herein.

CRITICAL ACCOUNTING ESTIMATES & CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the period. It is management's opinion that there are no significant estimates that affected the reported amounts as at or for the period ended March 31, 2020.

Notes to the interim financial statements are available on SEDAR at www.sedar.com.

ACCOUNTING STANDARDS ISSUED BUT NOT YET ADOPTED

There are no accounting standards that have been issued but have future effective dates that are expected to have a material effect on the Company's financial statements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents and accounts payable. The fair value of these financial instruments approximates their carrying values, unless otherwise noted. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from financial instruments.

RISKS AND UNCERTAINTIES

The Company is a Capital Pool Company as that term is defined in Policy 2.4. The Company is actively working to identify assets or businesses in order to complete a Qualifying Transaction. During this time, the Company will have no source of recurring income.

If the Company fails to complete its Qualifying Transaction within 24 months from its listing date, the TSXV could suspend or delist the common shares of the Company. In the event that the Company does not complete its Qualifying Transaction within the time specified by the TSXV, an interim cease trade order may be issued against the Company's securities by the securities regulatory authorities and the Company's securities may be suspended from trading on, or delisted from, the TSXV.

Although management of the Company will be working to identify a Qualifying Transaction, there is no assurance that a Qualifying Transaction will be entered into or be completed within the specified time, or at all. Nor can there be an assurance that the Company will be able to obtain additional financing in the future on terms acceptable to the Company or at all.

The Company is relying solely on the past business success of its directors and officers to identify a Qualifying Transaction of merit. The success of the Company is dependent upon the efforts and abilities of its management team. The loss of any member of the management team could have a material adverse effect upon the business and prospects of the Company. In such event, the Company will seek satisfactory replacements but there can be no guarantee that appropriate personnel may be found.

Completion of the Qualifying Transaction is subject to a number of conditions, including acceptance by the TSXV and in the case of a non-arm's Length Qualifying Transaction, majority of minority approval.

Please also refer to the section entitled "Risk Factors" in the Company's Prospectus for an Initial Public Offering, dated July 30, 2018, available on SEDAR at www.sedar.com.

On behalf of the Board of Directors,

"Gordon Chmilar"
Director and Chief Financial Officer
Calgary, Alberta
May 29, 2020