TIMIA CAPITAL CORP. (the "Company")

MANAGEMENT DISCUSSION AND ANALYSIS in Form 51-102F1 ("MD&A")

The following discussion and analysis is for the three and six months ended **May 31, 2018**. This MD&A was approved by the Board of Directors on July 19, 2018.

INTRODUCTION

The discussion and analysis of the operating results and financial position of the Company should be read in conjunction with the May 31, 2018 condensed interim Financial Statements and related Notes (the "Financial Statements"), which have been prepared in accordance with IAS 34 Interim Financial Reporting of International Financial Reporting Standards ("IFRS"). All monetary amounts are expressed in Canadian dollars unless otherwise indicated in the notes to the financial statements. This discussion and analysis may contain forward-looking statements about the Company's future prospects, and the Company provides no assurance that actual results will meet management's expectations. Additional information relating to TIMIA Capital Corp. is available on SEDAR at www.sedar.com.

TIMIA Capital Corp. (the "Company") was incorporated under the Business Corporations Act of British Columbia on October 26, 2007 under the name Angelwest Capital Corp. The Company changed its name to GreenAngel Energy Corp. on October 27, 2009 and then to TIMIA Capital Corp. on September 23, 2015 and is listed on the TSX Venture Exchange (the "TSX-V") trading under the symbol "TCA". The Company primarily focuses on providing financing to Canadian technology companies in exchange for monthly interest payments structured as a percentage of revenue, subject to minimum monthly payments and a maximum eight-year time frame. In addition to the capital injection, companies receiving financing from TIMIA capital receive a suite of value added services such as benchmarking performance against industry best practices, and quarterly educational seminars. The Company's head office and principal place of business is Suite 209 - 415 West Cordova Street, Vancouver, British Columbia, Canada.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking statements. 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", "designed", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements. Based on current available information, the Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that those expectations will prove to be correct. The forward-looking statements in this MD&A are expressly qualified by this statement, and readers are advised not to place undue reliance on the forward-looking statements.

OVERVIEW

TIMIA provides financing and support to private technology businesses in Canada (individually, an "Investee" and collectively the "Investees") and, in return, receives monthly payments based upon the Investee's revenue. This form of financing, known as Revenue-based Financing ("RBF") is the Company's core product. TIMIA's revenue consists of interest from its RBF contracts between TIMIA and each Investee, as well as term loan interest income, consulting revenue (portfolio monitoring fees, due diligence fees, and transaction fees) and other similar types of payments. Specific investee financings are contracted for various expected durations, typically six years with a maximum payback period of eight years. Payments are received monthly and each investment's value is assessed for impairment at each reporting date based on the performance of the Investee's gross revenue and other financial performance measures. TIMIA also manages a portfolio of equity investments comprised of both equity positions obtained through its RBF model and clean energy companies from its prior business model as GreenAngel Energy Corp.

TIMIA provides the initial capital for all investments made from its own balance sheet via common share and debenture issuances. After an initial period of loan stabilization, TIMIA then syndicates pools of its loan portfolio to outside co-investors, retaining a portion of the co-investors yield as compensation for TIMIA. In exchange for the syndication, TIMIA receives capital which is re-invested in new investments as well as for general operating purposes.

HIGHLIGHTS OF PERFORMANCE

For the three months ended May 31, 2018, the Company had the following highlights:

- A significant increase in net income resulted in quarterly net income of $769,371 compared with a net loss of $104,462 for the same period last year.
- The significant increase in net income resulted in an Earnings per Share of $0.02 compared with a $0.00 Loss per Share in the same period last year.
- Total revenue increased 78%, up from $268,246 for the quarter ended May 31, 2017 to $476,940 this quarter.
- Interest income from investments increased to $428,940 compared with $228,246 in the same period last year.
- Gain on investments were $1,036,104 compared with a $nil gain on investments in the same period last year.
- One successful early exit from its loan portfolio and made two new investments.

OVERALL PERFORMANCE

During the three months ended May 31, 2018, the Company continued to grow its investment business by completing two new investments as well as successfully exiting one investment.

During the three months ended May 31, 2018, the Company posted a net income of $769,371 compared with a net loss of $104,462 in the same three month period last year.

For the six months ended May 31, 2018, the Company posted a net income of $852,477 compared to a net loss of $237,570 in the same six month period last year. The net income is primarily due to an approximate 76% increase in interest income over the same six month period last year and the Company recognizing a gain on investments of $1,345,007 from the successful exits of iCompass Technologies Inc. ("iCompass") and QuickMobile Inc. ("QuickMobile").

TIMIA continues to build the value and size of its portfolio by making new investments, follow-on investments in existing portfolio companies and actively assisting in their growth plans. During the six months ended May 31, 2018, TIMIA benefited from increased payments (combined principal and interest) as a result of the strong revenue growth of its underlying portfolio. At the same time, the Company increased its investments in infrastructure, staff and marketing.

PORTFOLIO HIGHLIGHTS

For the three months ended May 31, 2018, TIMIA's investment portfolio had the following highlights:

- Total combined revenue for the 7 active loan investments increased by 14.8% over the previous quarter end (73% annualized revenue growth rate),
- QuickMobile was acquired by Cvent, Inc., and
- Avenue HQ, formerly Realty Butler, closed a $4.5M Seed Financing.

REVENUE GROWTH

The Company's revenue is primarily interest income generated under the Company's RBF model. Interest income in the three months ended May 31, 2018 was $428,940 compared to $228,246 for the same quarter a year ago. Interest income in the six months ended May 31, 2018 was $768,094 compared to $437,125 in the same period last year. As the Company makes new investments, the number of monthly payments derived from the portfolio grows.

Consulting revenue was $48,000 for the three months ended May 31, 2018 compared to $40,000 for the same quarter a year ago. Consulting revenue was $69,025 in the six months ended May 31, 2018 compared to consulting revenue of $40,000. Total revenue for the quarter increased 78%, up from $268,246 for the quarter ended May 31, 2017 to $476,940 this quarter. Total revenue for the six month period ended May 31, 2018 was $837,119 compared to $477,125 for the six month period ended May 31, 2017.

Chart 1 below shows the increase in revenue since Q2 2016.

<u>Chart 1</u>

The increase in revenue, representing principal, interest and transaction fees, are a result of new loan investments made by the Company as well as increasing payments from each Company in the portfolio. Management expects the payment amounts to increase over time as both new and follow-on investments are made and as payments increase from the underlying portfolio.

EXPENSES INCREASE TO BUILD INFRASTRUCTURE

During the three and six months ended May 31, 2018, the Company invested in the business to build a scalable investment platform and attract key personnel, with the following key items being highlighted:

- Administrative, management and directors' wages and fees has increased due to a team headcount increase as the organization scales,
- Office, promotion and miscellaneous has increased as the Company invests in its deal origination engine and its public market activities, and
- Interest expense is associated with the issuance of convertible debentures and debentures with warrants. Interest expense and share-based payments were higher because the Company had issued further debentures with warrants to fund additional investments in comparison to the previous year.

The breakdown of expenses for the three and six months ended May 31, 2018 and 2017 are as follows:

Three months

	2018	2017
Administrative, management and directors wages and fees	$ 231,273	$ 74,774
Accounting and legal	$ 21,021	$ 20,472
Office, promotion and miscellaneous	$ 186,961	$ 92,527
Share-based payments	$ 17,842	$ 23,053
Interest expense	$ 203,005	$ 121,228
Transfer agent and regulatory fees	$ 14,472	$ 5,012
Loan loss provision	$ 30,043	$ 35,625
Total Expenses:	$ 704,617	$ 372,691

Six months

	2018	2017
Administrative, management and directors wages and fees	$ 360,949	$ 146,349
Accounting and legal	$ 18,023	$ 43,206
Office, promotion and miscellaneous	$ 346,933	$ 188,669
Share-based payments	$ 79,909	$ 28,680
Interest expense	$ 374,198	$ 221,782
Transfer agent and regulatory fees	$ 16,023	$ 19,288
Loan loss provision	$ 57,587	$ 67,500
Total Expenses:	$ 1,253,622	$ 715,474

PAYMENTS TO CO-INVESTORS

The Company has syndicated a portion of its loan portfolio to external investors in exchange for cash payments. The financial statements of the Company at May 31, 2018 include a Co-investment obligation liability and a Payments to co-investors expense in Other Items related to this co-investor program.

Payments to co-investors expensed during the quarter ended May 31, 2018 are $124,478 and represent management's estimate of the expense portion of the total payments paid to co-investors during the period. There were no Payments to co-investors in the prior year.

SUMMARY OF QUARTERLY RESULTS

	Q2-2018	Q1-2018	Q4-2017	Q3-2017	Q2-2017	Q1-2017	Q4-2016	Q3-2016
Revenue	$476,940	$360,179	$312,171	$251,599	$268,246	$208,879	$211,346	$195,909
Adjusted EBITDA (note 1)	$974,275	$359,135	$16,533	$97,115	$103,028	$31,037	$32,925	$10,024
Net income (loss)	$769,371	$83,106	($195,066)	$235,016	($104,462)	($133,108)	($133,407)	($91,245)
Basic and diluted income (loss) per share	0.02	$0.00	($0.00)	$0.01	($0.00)	($0.01)	($0.00)	($0.00)
Total assets	11,942,311	$11,595,664	$9,060,664	$7,957,565	$6,185,675	$6,054,281	$5,329,821	$5,013,834
Total liabilities	7,874,878	$ 8,367,853	$6,082,881	$4,893,292	$4,296,612	$4,110,151	$3,379,000	$3,139,352

(Note 1) **Non-GAAP Measures and Other Financial Measures**
In managing our business and assessing our financial performance, we supplement the information provided by the GAAP-based financial statements with metrics and non-GAAP financial measures which are utilized by our management to evaluate our performance. Although we believe these measures are widely used in the specialty finance industry, some may not be defined by us in precisely the same way as by other companies in the specialty finance industry, so there may not be reliable ways to compare us to other companies. Adjusted EBITDA represents a net loss and comprehensive loss from continuing operations (the most directly comparable GAAP measure)

excluding amounts for: income tax expense; interest expense; depreciation and amortization; non-cash revenue; non-cash gains; equity-based compensation and all other non-cash expenses. We believe Adjusted EBITDA is a helpful measure because it allows us to evaluate our performance by removing from our operating results items that do not relate to our core operating performance. Adjusted EBITDA is not a measure of financial performance under GAAP and should not be considered in isolation or as a substitute for net loss and comprehensive loss from continuing operations, the most directly comparable GAAP financial measure. Adjusted EBITDA is not defined in the same manner by all companies and may not be comparable to other similarly titled measures of other companies unless the definition is the same.

LIQUIDITY AND SOLVENCY

As at May 31, 2018, the Company's cash balance was $4,851,433 and working capital was $4,752,610. This is compared with $713,792 and $1,160,034, respectively as of November 30, 2017.

The funds raised by the private placement of debentures, co-investment agreements, equity completed after year end, and cash generated from the successful exits of portfolio investments combined with growing interest income result in the Company having enough funds to operate through 2018.

OUTLOOK

The Company completed two new investments this quarter for a total of four new financings and one follow-on RBF disbursement during the six months ended May 31, 2018 (November 30, 2017: three new loan investments including one new term loan and two RBF investments as well as three follow-on RBF investments). Additionally, the Company is evaluating several investments and has capital ready to deploy to new and follow-on investments.

Management evaluates these investments in terms of their current revenue, future expected revenue growth, gross margins, earnings, cash flow, market position, and management quality. Furthermore, every month TIMIA monitors each investment in its portfolio in terms of its growth against plan and financial performance on various key financial metrics.

As with its fourth and most recent portfolio exit from QuickMobile Inc., management expects some of the remaining underlying investee companies to be sold or to achieve a similar exit for its investors in accordance with its financing agreements at predetermined exit values.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

The Company had the following related party transactions:

(a) No convertible debentures (November 30, 2017: $nil) were issued to directors, officers, family members of directors and officers and a company controlled by a family member of a director and officer identified as key management personnel. As at May 31, 2018, there was $814,725 (November 30, 2017: $819,541) due to directors, officers, family members of directors and officers and a company controlled by a family member of a director and officer identified as key management personnel.

(b) Debentures of $400,000 (November 30, 2017: $75,000) were issued to directors, officers, family members of directors and officers and a company controlled by a family member of a director and officer identified as key management personnel. As at May 31, 2018, there was $513,529 (November 30, 2017: $184,784) due to directors, officers, family members of directors and officers and a company controlled by a family member of a director and officer identified as key management personnel.

(c) Accounts payable of $13,105 (November 30, 2017: $13,356) was due to directors and officers identified as key management personnel as at May 31, 2018.

The Company considers the Chief Executive Officer, Chief Financial Officer, Chief Investment Officer, Executive Vice-President and directors as key management personnel. Key management compensation for the six months ended May 31, 2018 and 2017 were as follows:

(a) Directors fees of $22,766 (2017: $18,578) were accrued or paid during the six months ended May 31, 2018.

(b) Management fees and wages of $327,739 (2017: $126,659) were accrued or paid during the six months ended May 31, 2018.

(c) Share-based payments of $79,909 (2017: $28,680) were recorded for directors and officers identified as key management personnel.

RECENT EVENTS

On May 24, 2018, QuickMobile, one of TIMIA Capital Corp.'s revenue finance investments successfully completed its previously announced acquisition by Cvent Inc. As a result, QuickMobile has executed the early exit provisions of its revenue finance contract with the Company. The Company, which had invested $2,000,000 in QuickMobile, received an exit payment of $3,039,193, in addition to cumulative monthly payments received to the end of April 30, 2018, of $960,807, for a total of $4,000,000 received over the 2.5 years life of the facility. Because of this payout, the Company recorded a realized gain of $1,036,104 during the six months ended May 31, 2018.

On May 10, 2018, the Company arranged a $2,000,000 investment facility for Vonigo Software Ltd. The financing facility includes an initial disbursement of $700,000 and a further $1,300,000 to be disbursed upon certain milestones being met over the term of the agreement.

On May 1, 2018, the Company arranged a $1,500,000 investment facility for Paltech Solutions, doing business as 7Geese Inc. The financing facility includes an initial disbursement of $1,000,000 and a further $500,000 to be disbursed upon certain milestones being met over the term of the agreement.

On May 1, 2018, the Company appointed Oak Hill Financial Inc. for investor relations services, including, but not limited to: providing an investor relations program catering to Investment Industry Regulatory Organization of Canada (IIROC) retail brokerage investors; introducing prospective IIROC retail brokerage clients to TIMIA; and targeting adviser channels of distribution, including positioning TIMIA with Canadian-based IIROC investment advisers and family offices.

On April 17, 2018, the Company appointed Stephanie Andrew to Vice-President, Finance.

On March 19, 2018, the Company’s partner Finhaven Technology Inc. (“Finhaven”) launched an equity and debt issuance platform utilizing the ethereum blockchain for the creation of tokenized securities. Finhaven relies on its proprietary coding and smart contracts to ensure that the creation, sale and future resale of these security tokens will all be in compliance with applicable securities laws.

On February 28, 2018, the Company entered into a loan agreement with Parkbench Inc. The financing is for a total of $2,000,000, with a first disbursement of $1,000,000 and a further $1,000,000 to be disbursed upon certain milestones being met over the next 24 months.

On February 20, 2018, Rise People bought out its finance agreement with the Company. The transaction paid the Company the original $1,500,000 investment plus an additional cash payment of approximately $70,000 over and above reimbursed transaction expenses.

On January 31, 2018, the Company established a collaboration with Finhaven Technology Inc., a blockchain powered investment banking platform, to create a cryptocurrency-based investment platform (CBIP) for the Company.

On January 18, 2018, the Company closed $350,000 in non-dilutive capital from a co-investment financing. Co-investment financing allows qualified investors to directly participate in the Company's portfolio of investments by investing alongside the Company, thereby significantly increasing the amount of non-dilutive capital available to the Company. Investors will receive a specified percentage of future cash flows from portfolio companies. On January 29, 2018, the Company completed a second closing of $1,500,000 with the Company's first institutional investor, for total proceeds of $2,100,000.

On January 10, 2018, iCompass Technologies Inc., one of TIMIA Capital Corp.'s revenue finance investments, executed the early exit provisions of its contract with the Company. The Company, which had invested $1,250,000 in iCompass, received an exit payment of $1,606,000, in addition to cumulative monthly payments of $338,000 received to the end of November 30, 2017, for a total of $1,944,000 received over the life of the facility. As a result of this payout, the Company recorded a realized gain of $308,903 during the six months ended May 31, 2018.

On January 2, 2018, the Company closed a non-brokered private placement of $64,400 in new equity units at a price of $0.12 to accredited investors. Each unit is composed of one common share and a half of one common share purchase warrant. Each warrant will entitle the holder thereof to purchase one additional common share at an exercise price of $0.14 per warrant share for a period of 24 months from the date of closing of the private placement.

The Company closed $794,500 in debentures from both new and existing accredited investors. The debentures pay 12% annual interest and will be secured against the assets of the Company. They will mature on June 15, 2022, with an option for early redemption by the company after December 15, 2019.

On December 14, 2017, the Company entered into a loan agreement with Wagepoint Inc. The financing is for a total of $2,000,000, with a first disbursement of $750,000 and a further $1,250,000 to be disbursed upon certain milestones being met over the next 24 months.

On November 23, 2017, the Company entered into a co-investment agreement with its first institutional investor for $250,000. Under the agreement, the investor will receive the future cash flow from certain loans under the Company's loans receivable portfolio. The co-investment agreement will terminate upon the discharge of all of the obligations of the respective parties that make up the underlying loans receivable portfolio. The actual amounts paid and timing of payments under the co-investment agreement depend on the performance of the underlying loans receivable.

On November 8, 2017, the Company entered into a loan agreement with Realty Butler Technology Inc. ("Realty Butler"). The financing is for a total of $1,350,000, with a first disbursement of $500,000 and a further $850,000 to be disbursed upon certain milestones being met over the next twelve months. The Company will receive monthly interest and principal payments based on a prescribed percentage of Realty Butler's revenue.

On November 6, 2017, the Company entered into a loan agreement with Rise People. The financing was for a total of $2,000,000, with a first disbursement of $1,500,000 and a further $500,000 to be disbursed upon certain milestones being met over the next twelve months. The Company would receive monthly interest and principal payments based on a prescribed percentage of Rise People's revenue.

On September 19, 2017, the Company closed its $1,000,000 12% "D Round" Debenture Offering as previously announced on February 2, 2017.

On September 18, 2017, 4,900,000 common share purchase warrants were exercised at a price of $0.06 per common share. Proceeds from the exercise of the warrants were $294,000 and 4,900,000 common shares have been issued from the Company's treasury.

On September 1, 2017, the Company invested $350,000 in Beanworks Solutions, Inc. pursuant to the existing loan agreement that the two parties entered into on May 31, 2017.

On August 29, 2017, the Company completed its first RBF exit with the exit of Lambda Solutions Inc. ("Lambda"). The proceeds of this exit, plus monthly payments received over the life of the investment, totaled $823,000 on the $600,000 investment. The Company recognized a net book value gain of $35,310 on the disposition of this facility.

On August 2, 2017, the Company closed a non-brokered private placement of 5,391,999 Units at a price of $0.12 per unit for gross proceeds of $647,080. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at an exercise price of $0.14 per warrant share for a period of two years.

On July 17, 2017, the Company made a follow-on investment of $250,000 in iCompass, an existing portfolio company. The total amount invested in this portfolio company is $1,250,000.

On May 31, 2017, the Company closed its fifth revenue financing deal with Beanworks Solutions Inc. ("Beanworks"), a $2,000,000 financing, of which $500,000 was advanced upon the closing of the transaction. Further disbursements are tied to the revenue growth of Beanworks over a fixed period.

SUBSEQUENT EVENTS

On June 13, 2018, the Company closed $1,000,000 in non-dilutive capital through the Company's co-investor platform.

On June 27, 2018, the Company closed $750,000 in non-dilutive capital through the Company's co-investor platform. The additional capital brings the Company's cash balance to over $5,500,000 and increases its capacity to provide revenue-based financing solutions to private software-as-a-service companies.

On July 10, 2018, the Company exited its investment of Mazza, realizing a gain of $112,187, $109,642 of which was reported as an unrealized gain in the current and prior periods.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial Instruments

Under IFRS, financial instruments are classified into one of the following categories: held-to-maturity, fair value through profit or loss ("FVTPL"), loans and receivables, available-for-sale or other financial liabilities.

The following table summarizes information regarding the carrying values of the Company's financial instruments:

		May 31, 2018		**November 30, 2017**
Cash – FVTPL	$	4,851,433	$	713,792
Accounts receivable – Loans and receivables		111,269		366,202
Loans receivable – Loans and receivables		5,773,715		6,832,962
Equity investments – FVTPL		1,137,838		1,052,196
Accounts payable – Other financial liabilities		359,071		178,022
Convertible debentures – Other financial liabilities		2,019,694		2,010,935
Debentures – Other financial liabilities		4,771,506		3,586,317
Co-investment obligations – Other financial liabilities	$	712,370	$	250,000

The estimated fair values of cash and accounts payable approximate their respective carrying values due to their nature and short terms to maturity. Investments are carried at their fair value. Notes payable, loans receivable, convertible debentures, debentures and debenture subscriptions received are carried at amortized cost.

Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and royalty investments. The Company limits exposure to credit risk by maintaining its cash with financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits. The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash and royalty investments.

In monitoring credit risk, the Company performs ongoing credit evaluations of its investees' financial condition. The evaluation considers delinquency trends, sales volumes and the investee's ability to maintain its financial condition. Every quarter, the Company accrues a loan loss provision of 0.75% (3% p.a.) of the portfolio amortized loan balance, net of future cash flows belonging to the holders of the co-investment obligation agreements. Included in the amounts presented is a loan loss provision of $30,043 for the quarter ended May 31, 2018.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company maintains sufficient cash balances to meet current working capital requirements. The Company is dependent on obtaining regular financings to continue as a going concern. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash consists of cash deposited in business accounts held by high credit quality financial institutions. The Company is not invested in any asset backed commercial paper.

	Carrying amount	Contractual cash flows	Within 1 year	Within 2 years	Within 5 years
	$	$	$	$	$
Accounts payable	359,071	359,071	359,071	-	-
Convertible debentures	2,019,694	2,019,694	15,882	-	2,003,812
Debentures	4,771,506	4,771,506	54,264	-	4,717,242
Co-investment obligations	712,370	712,370	-	-	712,370
Total	7,862,641	7,862,641	429,217	-	7,433,424

Co-investment obligations, having a carrying value of $712,370, do not contain a contractual cash flow. Co-investors are only entitled to a percentage of revenue, if and when received.

Foreign Exchange Risk

The Company does not have significant foreign exchange risk as all its transactions are in Canadian dollars.

Interest Rate Risk

The Company's exposure to interest rate risk arises from the interest rate impact on its cash. The Company's practice has been to invest cash at floating rates of interest in order to maintain liquidity, while achieving a satisfactory return for shareholders.

Market Risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices. Additionally, the Company adjusts its investments to fair value at the end of each reporting period. This process could result in significant write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability, which could have a significant unfavourable effect on the Company's financial position. The Company manages market risk by having a portfolio of investments not singularly exposed to any one issuer; however, its investment activities are currently concentrated primarily in the technology and energy sectors. The Company also manages its market risk by reviewing commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

In compliance with the requirements of National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings, the Certifying Officers have reviewed and certified the Financial Statements for the three and six months ended May 31, 2018 and year ended November 30, 2017, together with other financial information included in the Company's annual securities filings. The Certifying Officers have also certified that disclosure controls and procedures have been designed to provide reasonable assurance that material information relating to the Company is made known within the Company and that they operated effectively during the year.

OUTSTANDING SHARE DATA

As of May 31, 2018, and as at the date of this MD&A, the Company had 34,777,462 common shares outstanding, 4,705,000 stock options, $2,051,000 convertible debentures convertible into 14,650,000 common shares, and 10,768,814 share purchase warrants outstanding.

ON BEHALF OF THE BOARD:

"Michael Walkinshaw"

Chief Executive Officer

TIMIA CAPITAL CORP.