TIMIA CAPITAL CORP. (the “Company”)

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

The following discussion and analysis is for the year ended **November 30, 2018**. This MD&A was approved by the Board of Directors on March 14th, 2019.

INTRODUCTION

The discussion and analysis of the operating results and financial position of the Company should be read in conjunction with the November 30, 2018 Financial Statements and related Notes (the “Financial Statements”), which have been prepared in accordance with 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. (“TIMIA” or 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 North American technology companies in exchange for either: i) variable monthly payments structured as a percentage of revenue, subject to minimum monthly payments or ii) a fixed schedule of predetermined monthly payments. 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 changed its investment focus and management team in mid-2015 and has seen a recovery in its share price and an increase in trading volumes. Graph 1 below provides the stock price per share over the 10 year history of GreenAngel Energy Corp. and through its conversion to TIMIA.

<u>Graph 1</u>

The Company's head office and principal place of business is Suite 207 - 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 North America (individually, an "Investee" and collectively the "Investees") and, in return, receives monthly payments. TIMIA's revenue consists of interest from its Revenue Financing ("RF") contracts between TIMIA and each Investee, interest from the Company's term loan investments and income from transaction and other fees (due diligence fees and other similar payment types). Specific investee financings are contracted for various expected durations with a maximum payback period of as much as 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 equity positions obtained through its prior business model as GreenAngel Energy Corp. The Company is actively managing its equity portfolio to optimize returns to shareholders however it is no longer making new equity investments or follow-on investments in the existing portfolio. From time to time, TIMIA may acquire new equity holdings as a function of its lending activity.

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 year ended November 30, 2018, the Company had the following highlights:

- Total revenue of $1,738,239 was an increase of 67% from $1,040,895 in the prior year;
- Total assets increased 57% to $14,254,460 from $9,060,664 in the prior year;
- Interest income grew 58% to $1,521,999 for the year compared to $960,545 in the prior year;
- $1,582,906 gain on investments including $1,562,002 in cash gains resulting from numerous successful exits from both its equity and loan portfolios; Exits this year returned cash of $7,609,208 compared to cash from exits of $567,109 in the prior year;
- $4,600,000 was raised through the co-investment model compared with $250,000 in the prior year;
- Strong cash balance of $3,749,949 available for future investments compared to a cash balance of $713,792 in the prior year;
- Investment portfolio activity included exits from four loans and an equity investment. 11 loan investments were completed of which three were follow on investments;
- Entered the U.S. private debt market with an investment into RealSavvy Inc. ("RealSavvy") in the fourth quarter of 2018; and
- Net income of $18,838 compared to a net loss of $197,620 for the prior year.

For the three months ended November 30, 2018, the Company had the following highlights:

- Completed a $2,000,000 revenue financing deal with FormHero and advanced a first disbursement of $1,000,000;
- Provided Aprio with a $1,000,000 facility including an initial advance of $400,000;
- Invested an additional $500,000 in Paltech Solutions dba 7Geese Inc. for a total investment of $1,5000,000 after the company met its key milestones;
- Provided a USD $2,500,000 financing arrangement to Texas-based software company, RealSavvy and released a first disbursement of USD $1,000,000;
- Closed $1,000,000 in non-dilutive capital with a co-investment from Manitou Investment Management Ltd.; and
- Hired Mark Bakker as Director of Marketing, accelerating origination activities to put cash to work.

OVERALL PERFORMANCE

During the year ended November 30, 2018, the Company continued to grow its business by completing 11 investments as well as exiting four investments from its loan portfolio and another from its legacy equity portfolio.

For the year ended November 30, 2018, the Company posted a net income of $18,838 compared to a net loss of $197,620 in the prior year. The net income is primarily due to an approximate 58% increase in interest income over the prior year and the Company recognizing a gain on investments of $1,582,906 from the exits of Rise People Inc. ("Rise"), iCompass Technologies Inc. ("iCompass"), QuickMobile Inc. ("QuickMobile"), Beanworks Solutions Inc. ("Beanworks") and Mazza Innovation Ltd. ("Mazza") as well as an unrecognized gain of $56,904 from the combined increases in value for equity investments Lambda and Mojio.

For the three months ended November 30, 2018, the Company posted a net loss of $405,256 compared with a net loss of $195,066 in the same three month period last year reflecting an increase in non-cash expenses in addition to the investments in marketing and sales activities during the quarter ended November 30, 2018.

TIMIA continues to build the value and size of its portfolio by expanding the number of companies in its loan portfolio, making follow-on investments in existing portfolio companies and actively assisting in the growth plans of the companies in their portfolio. During the year ended November 30, 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 year ended November 30, 2018, TIMIA's investment portfolio had the following highlights:

- Average loan portfolio year over year revenue growth of 87% and average revenue per full time employee of companies in TIMIA's loan portfolio is over $115,000;
- Loan portfolio company, Beanworks was recapitalized through a Series B round and exited its $1,150,000 financing agreement with TIMIA providing an exit payment of $1,332,223;
- QuickMobile was acquired by Cvent and exited its loan with TIMIA Capital returning a payment of $3,039,000;
- Equity portfolio company, Mazza was acquired by Sensient Technologies, a company listed on the New York Stock Exchange; providing a return of cash to TIMIA of $232,187; and
- Equity portfolio company Mojio closed an oversubscribed $40,000,000 Series B round, resulting in a de-risking of this investment as well as an unrealized increase in value of TIMIA's common share ownership in the company.

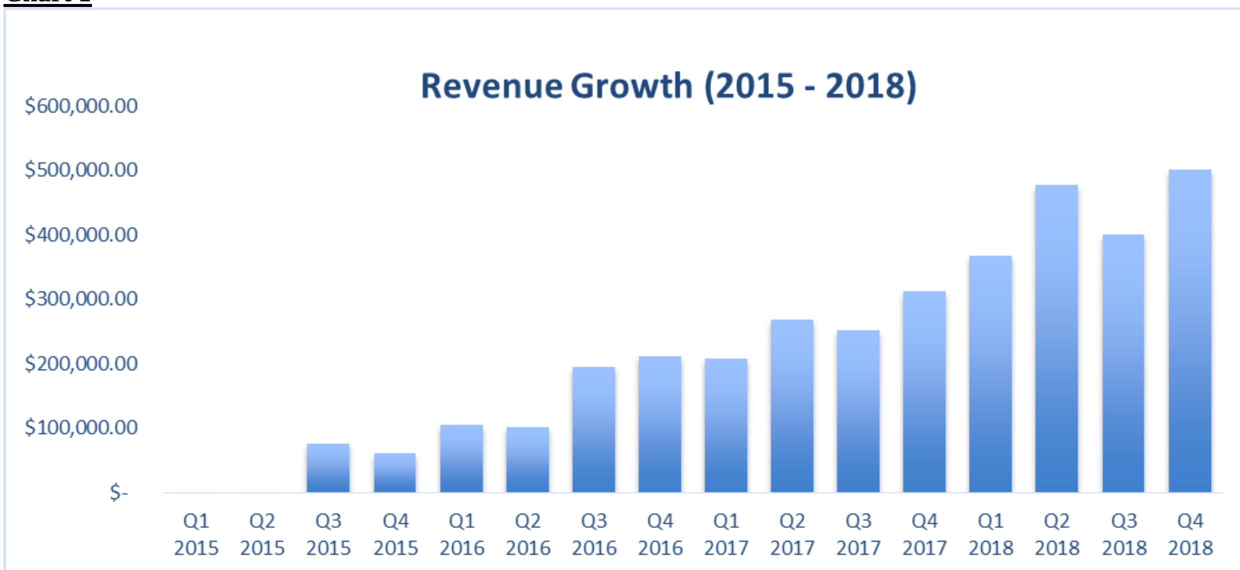
REVENUE GROWTH

The Company's revenue is primarily interest income generated under the Company's RF model. Interest income in the year ended November 30, 2018 was $1,521,999 compared to $960,545 for the prior year. Interest income in the three months ended November 30, 2018 was $436,118 compared to $271,821 in the same period last year. As the Company makes new investments, the number of monthly payments derived from the portfolio grows.

Income from transaction and other fees was $216,240 for the year ended November 30, 2018 compared to $80,350 for the prior year. Income from transaction and other fees was $65,011 in the three months ended November 30, 2018 compared to$40,350 in the same period last year. Total revenue for the year ended November 30, 2018 increased 67%, to $1,738,239 compared to $1,040,895 for the year ended November 30, 2017.

Chart 1 shows the quarterly increase in revenue since Q1 2015.

Chart 1



The increase in revenue over the year, representing interest and transaction fees, are a result of new loan investments made by the Company. 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. The decrease in revenue for the third quarter ended August 31, 2018 compared to the second quarter ended May 31, 2018 reflects the timing of multiple exits that have occurred over the previous two quarters and their short-term impact on revenue due to the inevitable delay in re-investing those proceeds in revenue-generating loans. This same effect significantly increased the Company's cash balance and helped drive profitable gains on investments. The surplus cash balance is actively being reinvested, including disbursements totaling $3,195,303 during the fourth quarter, to restore this revenue and continue the growth trend.

EXPENSES INCREASE TO BUILD INFRASTRUCTURE

During the year ended November 30, 2018, the Company invested into the growth of its business including increasing its deal origination efforts, completing its expansion into the United States, and increasing its investor relations efforts. The following key items being highlighted:

Operational Expense

- Investor relations and communications increased from $81,973 to $307,692 due to increased external investor relations services including advisors and market makers, as well as fees paid for fund raising services provided. This investment facilitated the increasing awareness of the Company to public market investors;

- Marketing services and promotion expense increased from $80,614 to $273,756 to invest in increased deal flow origination, both in terms of systems, personnel, in-person and web events, and advertising. This enabled the Company to close 11 deals this year compared to three deals in the prior year;
- Accounting and Legal increased from $192,785 to $266,841 due to increased accounting and legal structuring costs related to the entrance of the Company into the United States market, increasing audit costs due to the growth of organization, and increased Board-related legal matters;
- Administrative, management and directors' wages and fees increased due to a team headcount increase as the organization scales. Office, travel, systems and miscellaneous expense went up correspondingly to support increased headcount; and
- Share-based payments expense was higher largely due to the vesting of options from an option grant on May 10, 2018 to management and directors of which the options to the directors, representing 64% of options, vested this year with the remainder vesting between one and three years from their issue date.

Finance Expense

- Interest expense makes up $791,893 of the total expense amount of $2,873,167 for the year, an increase of $279,243 over last year. The increase in interest expense is associated with the issuance of new debentures with warrants during the year.

The breakdown of expenses for the years ended November 30, 2018 and 2017 are as follows:

	2018	2017
Administrative, management, and directors' fees (Note 9)	574,177	299,702
Accounting and legal	266,841	192,785
Share-based payments (Note 9)	192,553	49,753
IR and communications	307,692	81,973
Marketing services and promotion	273,756	80,614
Office, travel, systems, and miscellaneous	312,821	217,071
Interest expense	791,893	512,650
Transfer agent and regulatory fees	23,254	28,379
Loan loss provision	130,180	141,896
	2,873,167	1,604,823

INTEREST 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 November 30, 2018 include a Co-investment obligations liability and an Interest payments to co-investors expense in Other Items related to this co-investor program.

Interest payments to co-investors expensed during the year ended November 30, 2018 were $403,829 and represent management's estimate of the expense portion of the total payments paid to co-investors during the year. There were no Interest payments to co-investors in the prior year.

SELECTED ANNUAL INFORMATION

The following selected consolidated financial information has been derived from the Financial Statements and should be read in conjunction with the Financial Statements.

Fiscal Years ended	**November 30, 2018**	**November 30, 2017**	**November 30, 2016**
Net Income (Loss) for the Year	$18,838	($197,620)	($424,951)
Income (Loss) Per Common Share	$0.00	($0.01)	($0.02)
Income (Loss) Per Diluted Common Share	$0.00	($0.01)	($0.02)
Total Assets	$14,254,460	$9,060,664	$5,329,821
Total Liabilities	$10,729,659	$6,082,881	$3,379,000
Cash Dividends per Common Share	Nil	nil	nil
Weighted Average Number of Common Shares Issued and Outstanding	34,841,608	26,864,675	22,560,392

SUMMARY OF QUARTERLY RESULTS

	Q4-2018	Q3-2018	Q2-2018	Q1-2018	Q4-2017	Q3-2017	Q2-2017	Q1-2017
Revenue	$501,129	$399,991	$476,940	$360,179	$312,171	$251,599	$268,246	$208,879
Adjusted EBITDA (note 1)	($100,347)	$109,686	$974,275	$359,135	$16,533	$97,115	$103,028	$31,037
Net income (loss)	($420,418)	($413,221)	$769,371	$83,106	($195,066)	$235,016	($104,462)	($133,108)
Basic and diluted income (loss) per share	($0.01)	($0.01)	$0.02	$0.00	($0.00)	$0.01	($0.00)	($0.01)
Total assets	$14,254,460	$13,108,902	$11,942,311	$11,595,664	$9,060,664	$7,957,565	$6,185,675	$6,054,281
Total liabilities	$10,729,659	$9,372,383	$7,874,878	$ 8,367,853	$6,082,881	$4,893,292	$4,296,612	$4,110,151

(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.

COMMENTS ON Q4 RESULTS

Q4 Net Loss of $420,418 was primarily due to the following factors:

- Un-deployed cash balances – due to the higher rate of exits that occurred in the portfolio, the Company's un-deployed cash balances were higher than planned, with an average cash balance of $4.5M through the quarter. Interest costs were paid on this un-deployed capital to debenture holders and co-investors driving up the net loss;

- Legal costs associated with expansion into the United States totaling approximately $50,000 were incurred in the quarter;
- Annual audit costs of $35,000 were accrued in the quarter;
- Human resources related costs relating to new employees of approximately $20,000 were incurred in the quarter;
- Origination costs relating to travel and one-time events held by the Company to drive up origination of new deals approximating $55,000 were incurred; and
- Financing costs relating to fees paid to external parties for fund raising of approximately $15,000 were incurred as well as expenses relating to a large annual investor conference of approximately $10,000.

LIQUIDITY AND SOLVENCY

As at November 30, 2018, the Company's cash balance was $3,749,949 and working capital was $3,614,268. 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 and cash generated from the exits of portfolio investments combined with growing interest income result in the Company having enough funds to operate through 2019. Subsequent to year end, the Company further increased its ability to make new investments by closing a $10,500,000 of non-dilutive financing through a limited partnership structure (see Subsequent Events section for details).

OUTLOOK

The Company completed 11 investments including eight new loan investments and three investments into existing loan portfolio companies this year (2017: three new loan investments and three follow-on loan investments). The Company continues to evaluate new investment opportunities 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 TIMIA's recent portfolio exits, 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) Certain 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 invested in the Company's convertible debentures. As at November 30, 2018, there was $814,653 (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 $675,000 (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 November 30, 2018, there was $788,672 (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) During the year $121,188 (2017 - $75,339) of interest from both debenture and convertible debentures were accrued or paid to certain 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.

(d) Accounts payable of $13,183 (2017: $13,356) was due to directors and officers identified as key management personnel as at November 30, 2018.

(e) Rent expense of $30,510 (2017: $Nil) was accrued or paid during the year ended November 30, 2018.

The Company considers the Chief Executive Officer, Chief Financial Officer, Chief Investment Officer, Chief Credit Officer, and Directors as key management personnel. Key management compensation for the years ended November 30, 2018 and 2017 were as follows:

(a) Directors fees of $44,703 (2017: $40,453) were accrued or paid during the year ended November 30, 2018.

(b) Management fees of $489,091 (2017: $256,611) were accrued or paid during the year ended November 30, 2018.

(c) Share-based payments of $114,707 (2017: $49,753) were recorded for directors and certain officers identified as key management personnel for the year ended November 30, 2018.

WUTIF Capital (VCC) Inc. (“WUTIF”), a company related to the Chairman of the Board of TIMIA is pursuing legal action against Mazza Innovation Ltd. (“Mazza”) and its primary shareholder relating to a dispute over the distribution of proceeds received from the sale of Mazza. The President of, and a member of the Board of Directors of, Mazza during the sale process is also a member of the Board of Directors and the former Chief Financial Officer of TIMIA. At present, TIMIA is not a party to the legal action.

RECENT EVENTS

On November 1, 2018, the Company retained Venture Liquidity Providers Inc. (“Venture Liquidity Providers”) to initiate its market-making services and provide assistance in maintaining an orderly trading market for the common shares of the Company. The market-making services will be undertaken by Venture Liquidity Providers through a registered broker, W.D. Latimer Co. Ltd., in compliance with the applicable policies of the TSX-V and other applicable laws. The Company and Venture Liquidity Providers act at arm's length; Venture Liquidity Providers has no present interest, directly or indirectly, in the Company or its securities. The fee paid by the Company to Venture Liquidity Providers is for services only.

On October 31, 2018, the Company closed $1,000,000 in non-dilutive capital through the Company’s co-investor platform. The Toronto-based Manitou Investment Management Ltd. via its total return yield fund had previously invested $2,500,000 in the Company’s underlying portfolio of private software companies bringing its total commitment as a co-investor to $3,500,000 since January of this year.

On October 29, 2018, Mark Bakker was appointed as Director of Marketing.

On October 23, 2018, the Company put in place a $1,000,000 investment facility for Aprio Inc. The financing facility includes an initial disbursement of $400,000, which has been advanced, and a further $600,000 to be disbursed upon certain milestones being met over the term of the agreement.

On October 17, 2018, the Company put in place a US$2,500,000 investment facility for RealSavvy Inc. The financing facility includes an initial disbursement of US$1,000,000, which has been advanced, and a further US$1,500,000 to be disbursed upon certain milestones being met over the term of the agreement.

On October 10, 2018, the Company put in place a $2,000,000 investment facility for FormHero Inc. The financing facility includes an initial disbursement of $1,000,000 and a further $1,000,000 to be disbursed upon certain milestones being met over the term of the agreement.

On August 31, 2018, Beanworks Solutions Inc. ("Beanworks") executed the early exit provisions of its revenue finance contract with the Company. The Company, which had invested $1,150,000 out of a $2,000,000 facility in Beanworks, received an exit payment of $1,332,223. As a result of this payout, the Company recorded a realized gain of $92,808 during the year ended November 30, 2018.

On August 16, 2018, the Company made a further $750,000 investment in Wagepoint Inc. The $750,000 investment is part of the software company's existing $2,000,000 revenue financing facility with the Company.

On August 14, 2018, the Company made a $500,000 investment in Paltech Solutions dba 7Geese Inc. of Vancouver, BC which was announced on September 5, 2018. The $500,000 investment is part of the software Company's existing $1,500,000 revenue financing facility with TIMIA, and the second disbursement in four months.

On August 9, 2018, the Company arranged a $2,000,000 investment facility for Ziva Dynamics Inc. The financing facility includes an initial disbursement of $750,000 and a further $1,250,000 to be disbursed upon certain milestones being met over the term of the agreement.

On July 10, 2018, the Company exited its investment of Mazza Innovation Ltd. for total proceeds of $232,187, realizing a gain of $88,187 during the year ended November 30, 2018.

On June 27, 2018, the Company closed $750,000 in non-dilutive capital through the Company's co-investor platform.

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

On May 24, 2018, QuickMobile, one of TIMIA's revenue finance investments was acquired 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. As a result of this payout, the Company recorded a realized gain of $1,036,104 during the year ended November 30, 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. The contract was terminated within the year.

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 which has been recorded as interest revenue.

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 29, 2018, the Company completed a closing of non-dilutive co-investment financing for $1,500,000.

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 10, 2018, iCompass Technologies Inc., one of TIMIA'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 year ended November 30, 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 Avenue HQ Inc. (formerly Realty Butler Technology Inc.) ("Avenue"). 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 Avenue'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 12 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 RF 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 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.

SUBSEQUENT EVENT

On December 13, 2018, the Company closed a private placement of $1,320,000 of Series E debentures at a price of $100 per unit. The private placement resulted in the issuance of 13,200 debentures and 440,000 warrants. 7,750 debentures and 258,333 were issued as of the year ended November 30, 2018. All of the securities sold pursuant to the private placement are subject to a four-month hold period. A total commission of $28,700 and 95,666 broker warrants, exercisable at $0.30 with a two-year term, were paid as part of this transaction. The debentures bear an interest rate of 12% per annum, payable quarterly in arrears, have a term of five years from November 30, 2018 and will be secured against the assets of the Company. The warrants are exercisable for five years from November 30, 2018, at a price of $0.30 per share. The Company will use these proceeds, from both new and existing accredited investors, to expand its growing portfolio of loan investments.

On January 11, 2019, the Company appointed Andrew Abouchar, its Chief Credit Officer, to the additional role of Chief Financial Officer.

On January 21, 2019, the Company entered into a US$3,000,000 investment facility for Karbon Inc., a software company based in Sausalito, California. The financing facility includes an initial disbursement of US$1,000,000, which was advanced, and a further US$2,000,000 to be disbursed upon certain milestones being met over the term of the agreement.

On February 28, 2019, the Company entered into a 3 year, $2,000,000 investment facility for Vancouver-based software company, BasicGov systems, Inc. The full financing amount was advanced on March 1, 2019.

On March 6, 2019 the Company completed a $10,500,000 financing in launching its first Limited Partnership (“LP”). Under the terms of the LP, TIMIA will retain 20% of the LP units and act as the LP’s manager. Existing financing facility agreements with TIMIA’s portfolio of SaaS companies, representing approximately $8,000,000 in value will be transferred into the LP with relative monthly payments being distributed to LP unit holders, including TIMIA, going forward. The Company, in its capacity as the manager of the LP will invest in the remaining $2,000,000 in similar transactions over the following 120 days. In addition, the Company will receive approximately $6,000,000 as net proceeds of this transaction.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial Instruments

The following table summarizes information regarding the carrying values and classification of the Company's financial instruments as of the years ended November 30, 2018 and 2017:

		2018		2017
Cash – FVTPL	$	3,749,949	$	713,792
Accounts receivable – Loans and receivables		193,956		366,202
Loans receivable – Loans and receivables		9,307,564		6,832,962
Equity investments – FVTPL		965,100		1,052,196
Accounts payable – Other financial liabilities		206,399		178,022
Convertible debentures – Other financial liabilities		2,028,565		2,010,935
Debentures – Other financial liabilities		5,454,334		3,586,317
Co-investment obligations – Other financial liabilities	$	2,886,456	$	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. Equity 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 revenue based 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 loan 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 $130,180 for the year ended November 30, 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 in order 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	206,399	206,399	206,399	-	-
Convertible debentures	2,028,565	2,028,565	15,490	2,008,167	4,908
Debentures	5,454,334	5,454,334	54,622	-	5,399,712
Co-investment obligations	2,886,456	2,886,456	257,367	-	2,629,089
Total	10,575,754	10,575,754	533,878	2,008,167	8,033,709

Co-investment obligations, having a carrying value of $2,886,456, 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 of its transactions for the year are in Canadian dollars, with the exception of the RealSavvy loan receivable which is denominated in US 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 years ended November 30, 2018 and 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 November 30, 2018, and as at the date of this MD&A, the Company had 36,065,462 common shares outstanding, 4,705,000 stock options, and $2,051,000 convertible debentures convertible into 14,650,000 common shares. As of November 30, 2018, the Company had 9,364,147 share purchase warrants outstanding and 9,545,814 share purchase warrants outstanding as at the date of this MD&A.

ON BEHALF OF THE BOARD:

"Michael Walkinshaw"

Chief Executive Officer

TIMIA CAPITAL CORP.