Nurcapital Corporation Ltd.

Management's Discussion and Analysis

For the year ended December 31, 2016

This Management's Discussion and Analysis ("MD&A") of financial position and results of operation is prepared as at April 28, 2017 and should be read in conjunction with the audited annual financial statements and the notes thereto for the years ended December 31, 2016 and 2015.

The audited annual financial statements for the year ended December 31, 2016, and comparative information presented have been prepared in accordance with International Financial Reporting Standard ("IFRS") as issued by the International Accounting Standards Board ("IASB") therein.

All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Nurcapital Corporation Ltd.'s ("Nurcapital" or " the Corporation" or "the Company")) common shares trade on the TSX Venture Exchange (the "Exchange") under the symbol "NCL.P". Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

FORWARD LOOKING STATEMENTS

Certain statements contained within this document, and in certain documents incorporated herein by reference, constitute forward looking statements. These statements relate to future events or the Company's future performance. Forward looking statements are often, but not always, identified by the use of words: "expect", "will", "would", "seek", "anticipate", "budget", "continue", "plan", "forecast", "may", "estimate", "intend", "could", "might", "should", "believe", "potential", "target" or other similar expressions or phrases. 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. Management believes the expectations reflected in such forward looking statements to be reasonable based on information reviewed at the time of writing, but no assurance can be given that these expectations will prove to be correct or will lead to the expected result, and such forward looking statements included herein, or incorporated by reference into this document should not be unduly relied on.

These forward looking statements speak only as of the date of this document, or as of the date specified in the documents incorporated into this document by reference, as the case may be.

Actual results could differ materially from those anticipated in these forward looking statements as a result of the risk factors set forth in this document. These risks, uncertainties and factors may include, but are not limited to: unavailability of financing, changes in government regulation, general economic conditions, general business conditions, limited time being devoted to the business by directors, escalating professional fees, escalating transaction costs and the failure to identify or successfully complete a Qualifying Transaction (as defined herein). Readers are cautioned that the risk factors listed in this document are not exhaustive.

The forward looking statements contained in the document and documents incorporated by reference are expressly qualified by this cautionary statement. Management and the Company do not undertake any obligation to publicly update or revise any forward looking statements except as required by securities law.

OVERVIEW

The Company was incorporated under the *Business Corporations Act* (Ontario) on January 8, 2015. Is classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the Exchange. On January 29, 2016, the Company completed its initial public offering ("IPO") to raising gross proceeds of $441,700 and its common shares listed for trading on the Exchange on February 4, 2016 under the trading symbol NCL.P.

The Company has no assets other than cash and harmonized sales tax receivable. The proceeds from the issuance of shares are expected to provide the Company with sufficient funds to identify and evaluate business or assets with a view to completing a “Qualifying Transaction” as defined by *Exchange Policy 2.4.* The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction.

On November 1, 2016, the Company entered into a letter of intent (the “LOI”) with Nurreal Capital Corporation (“Nurreal”) to acquire from Nurreal a 50% of the issued and outstanding common shares of Erindale Village Living Inc. (“EVLI”) and 2,000,000 preferred shares of EVLI, which owns a condominium project presently called EV Royale Condo Residences (the “Project”). The LOI will be superseded by definitive documentation between the Company and Nurreal that includes customary representations, warranties conditions and covenants for transactions of this nature. Subject to the approval of the Exchange, this proposed transaction will constitute the Company's Qualifying Transaction (the “QT”) under Exchange Policy 2.4 – Capital Pool Companies (the “CPC Policy”). The Company intends to list its common shares on the Exchange as a Tier 2 Investment Issuer upon completion of the proposed QT.

Pursuant to the LOI, Nurreal will sell its ownership interest of EVLI, which owns the Project. For the QT, the Company will acquire from Nurreal a 50% of the issued and outstanding common shares of EVLI and 2,000,000 preferred shares of EVLI, in consideration for 9,900,000 common shares, based on an appraised value of $2,475,000 for Nurreal’s equity interest of EVLI at $0.25 per common share.

Upon completion of the QT, the Company will have 2,000,000 preferred shares of EVLI, which are entitled to preferential redemption by EVLI for $2,000,000 before any profits are dispersed, and 50% of the issued and outstanding common shares of EVLI. Pursuant to a unanimous shareholders agreement with the other shareholders of EVLI, the Company will have decision making authority over EVLI and the Project.

Completion of the QT is subject to completion and execution of all definitive transaction documents (including accuracy of representations and warranties, compliance of covenants and satisfaction of customary conditions) and receipt of all requisite approvals and consents for the QT including without limitation completion of due diligence by the Company, approval by the Exchange for the QT, approval by the board of directors and by the shareholders of the Company, as well as receipt of all other necessary regulatory, corporate and third party approvals and other conditions precedent customary for a transaction such as the proposed QT. There can be no assurance that the proposed QT will be completed as proposed or at all.

Nurreal and the Company are related as a result of officers and directors in common and these officers and directors of the Company directly and indirectly, own and control all the issued and outstanding shares of Nurreal. Accordingly, the proposed QT constitutes a “Non-Arm's Length Qualifying Transaction” within the meaning of Exchange Policy 2.4 and, as such, Majority of the Minority Approval (as defined in Exchange Policy 2.4) is required to approve the proposed QT.

EVALUATION OF DISCLOSURE, INTERNAL CONTROLS, AND PROCEDURES

Internal Control over Financial Reporting

Designing, establishing and maintaining adequate internal control over financial reporting is the responsibility of the Company’s management. Internal control over financial reporting is a process designed by, or under the supervision of management, and affected by the Board of Directors, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company’s financial statements in compliance with International Financial Reporting Standards (“IFRS”). These controls include policies and procedures pertaining to the maintenance of records that, in reasonable detail, accurately reflect transactions pertaining to its assets; provide reasonable assurance that all transactions are recorded to permit the preparation of its financial statements and that expenditures are being made only in accordance with authorizations of management of the Company, and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on its financial statements. Management is responsible for establishing and maintaining internal control over financial reporting and has designed and implemented such controls to ensure that the required objectives of these internal controls have been met. The management of the Company applied its judgement in evaluating the cost-benefit relationship to controls and procedures. The result of which was, because of the inherent limitations in all control systems, no evaluation of the controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

Minor control deficiencies have been identified within the Company's accounting and/or finance departments and its financial information systems over segregation of duties and user access respectively. Specifically, as is common for companies of this size, certain duties within the accounting and/or finance departments were not adequately segregated due to the limited number of individuals employed in these areas. At the present time, the CEO and CFO oversee all material transactions and related accounting records. The audit committee reviews the financial statements in detail, the key risks of the Company, and queries management about all significant transactions.

For the period covered by this MD&A there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

EXECUTIVE COMPENSATION

There has been no compensation paid to the executives of the Company since its inception except for the issuance of share options issued under the Company's stock option plan.

RESULTS OF OPERATIONS

The financial statements for the years ended December 31, 2016 and 2015 are incorporated by reference herein and form an integral part of this MD&A.

The Company is a CPC and has no sales revenue. Until such time as the Company completes a Qualifying Transaction as required by the Exchange, corporate expenditures will be restricted to costs of raising equity financing, administrative costs to maintain the Company in good standing and costs to identify and evaluate potential business opportunities.

During the period from incorporation on January 8, 2015 to December 31, 2016, the Company had no revenue.

Operating expenses for the year ended December 31, 2016 were $92,283 (2015 -$42,134). Operating expenses for the year ended December 31, 2016 consisted of professional fees and listing fees of $54,853, stock based compensation of $36,200 and general and administrative expenses of $1,230.

In the comparative period ended December 31, 2015, Operating expenses consisted of professional and listing fee of $42,134.

SUMMARY OF FINANCIAL RESULTS FOR THE PERIOD

The following summarizes the Company's annual results for the year ended December 31, 2016 and 2015:

	12 months ended December 31, 2016	January 8, 2015 (from the date of incorporation) to December 31, 2015
Revenue	Nil	Nil
Expenses	$ 92,283	$ 42,134
Net loss	$(92,283)	$(42,134)
Net loss per share	$(0.03)	$(0.04)

SUMMARY OF QUARTERLY FINANCIAL INFORMATION

	January 8, 2015 to March 31, 2015	June 30, 2015	September 30, 2015	December 31, 2015
Revenues	$ -	$-	$-	$-
Net (loss) income for the period	$-	($34,240)	$-	($7,894)
Basic and diluted income (loss) per share	$0.00	($0.03)	$0.00	($0.01)

	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016
Revenues	$-	$-	$-	$ -
Net (loss) income for the period	($52,468)	($802)	($7,211)	($31,802)
Basic and diluted income (loss) per share	($0.02)	($0.00)	($0.00)	($0.01)

RELATED PARTY TRANSACTIONS

Since the inception of the Company, no related party transactions have taken place other than the issuance of stock options under the Company stock option plan.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2016, the Company had cash of $22,220 (2015 -$22,516) held in the Company's bank account and $443,104 (2015- $39,722) held in trust with its solicitors. The Company has Harmonized Sales Tax Receivable of $14,884. The Company's accounts payable and accrued liabilities outstanding as at December 31, 2016 was $36,815 (2015 -$48,857). The Company's working capital as at December 31, 2016 was $443,393 (2015 -$ 13,381).

The Company expects to have sufficient working capital to meet its current period's anticipated financial obligations. As of the date of this MD&A, the Company has no outstanding commitments. The Company has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants.

Year ended December 31, 2016

Cash used in operating activities

The Company used cash in operating activities of $83,009 in the year ended December 31, 2016 caused primarily from on-going professional fees and general and administrative expenses, a decrease in accounts payable and accrued liabilities and a decrease in harmonized sales tax receivable. The Company expect to continue to generate negative cash from operating activities in the future until at least its Qualifying Transaction is completed and the Company commences revenue generation. In 2015, the cash used in operating activities was mainly related to professional fees and listing fees.

Cash provided by financing activities

The Company generated cash of $486,095 (2015 -$88,050) for the twelve month period ended December 31, 2016, principally from share capital issuance, net of share issuance costs.

CAPITAL STOCK AND DEFICIT

The authorized capital of the Company consists of an unlimited number of common shares without nominal or par value. As at the date hereof 3,744,500 common shares were issued and outstanding as fully paid and non-assessable.

Shareholders' equity at December 31, 2016, was $443,393

The following common shares and convertible securities were outstanding at the date hereof:

	Expiry Date	**Exercise Price**	**Options Outstanding**	**Common Shares on Exercise**
Options	February 4, 2026	$0.20	220,850	220,850

RISKS AND UNCERTAINTIES

Investing in the common shares of the Company involves risk. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A before making an investment decision. If any of the following risks actually occurs, the business, financial condition or results of operations of the Company could be harmed. In such an event, the trading price of the common shares could decline and prospective investors may lose part or all of their investment.

No Operating History

The Company was incorporated on January 8, 2015, has not commenced commercial operations and has no assets other than cash. The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future. Until completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions. The Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction. Even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction.

Possible Trading Suspension or Delisting

The Exchange may suspend from trading or delist the securities of the Company where the Company has failed to complete a Qualifying Transaction within 24 months of the date of listing or if the Company fails to meet initial listing requirements of the Exchange upon Completion of the Qualifying Transaction. Suspension from trading of the common shares may, and delisting of the common shares will, result in the regulatory securities authorities issuing an interim cease trade order against the Company. In addition, delisting of the common shares will result in the cancellation of all of the currently issued and outstanding common shares of the Company held by Insiders. Trading in the common shares of the Company may be halted at other times for other reasons, including for failure by the Company to submit documents to the Exchange in the time periods required.

Halt of Trading

Upon public announcement of a potential Qualifying Transaction, trading in the common shares of the Company will be halted and will remain halted until completion of a Qualifying Transaction, or sooner pursuant to Exchange Policy 2.4. Neither the Exchange nor any securities regulatory authority passes upon the merits of the potential Qualifying Transaction.

Exchange May Not Approve a Qualifying Transaction

Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval, as such terms are defined in Exchange Policy 2.4. Notwithstanding that a transaction may meet the definition of a Qualifying Transaction; the Exchange may not approve a Qualifying Transaction: (a) if the Company fails to meet the initial listing requirements prescribed by Exchange Policy 2.1 upon completion of a Qualifying Transaction; (b) if, following completion of a Qualifying Transaction, the Company will be a finance company or a mutual fund as defined under applicable securities laws; (c) the consideration proposed to be paid by the Company in connection with the Qualifying Transaction is not acceptable to the Exchange; or (d) for any other reason at the sole discretion of the Exchange.

Approval by the Majority of the Minority

Where Majority of the Minority Approval is required, unless the shareholder has the right to dissent and be paid fair value in accordance with the applicable corporate or other law, a shareholder who votes against a proposed Non-Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Company of fair value for the common shares.

Dilution

If the Company issues treasury shares to finance acquisition or participation opportunities, control of the Company may change and subscribers may suffer dilution of their investment.

Reliance on Management

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 directors and officers. The loss of any of its directors or officers could have a material adverse effect upon the business and prospects of the Company.

Directors and Officers

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company but will be devoting such time as required to effectively manage the Company. Some of the directors and officers of the Company are engaged and will continue to be engaged in the search for assets or businesses on their own behalf or on behalf of others such that conflicts may arise from time to time. As a consequence of such conflicts, the Company may be exposed to liability and its ability to achieve its business objectives may be impaired. Additionally, directors and officers of the Company may also serve as directors and/or officers of other reporting issuers from time to time. The Company has not purchased "key-man" insurance, nor has it entered into non-competition and nondisclosure agreements with management and has no current plans to do so.

Foreign Acquisition

In the event the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

Loans or Advances

Subject to prior acceptance from the Exchange, the Company may be permitted to loan or advance up to an aggregate of $250,000 ($25,000 without prior Exchange approval) of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Company will be able to recover the loan or advance.

Current Markets

In addition to the risks outlined above, the extreme volatility occurring in the financial markets has a significant risk for the Company. As a result of the market turmoil, investors are moving away from assets they perceive as risky to those they perceive as less so. An investment in the Company is highly speculative. The volatility in the markets and investor sentiment may make it difficult for the Company to access the capital markets in order to raise the capital it will need to fund its current level of expenditures.

OUTLOOK

The Company, a capital pool company, has only one objective and that is its successful involvement in the identification and evaluation of a Qualifying Transaction. Once identified and due diligence has taken place, the Exchange must approve the Qualifying Transaction and in certain circumstances so must shareholders.

OTHER INFORMATION

Contractual Obligations

The Company does not have any contractual obligations.

Off Balance Sheet Arrangements

As at December 31, 2016, the Company had no material arrangements off its statements of financial Position such as guaranteed contracts, contingent interests in assets transferred to an entity, derivative instrument obligations or any instruments that could trigger financing, market, or credit risk to the Company.

Going Concern

Management has prepared its financial statements using accounting principles applicable to a going concern which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business. Should the going concern assumption no longer be valid, adjustments would be required to the carrying values of assets and liabilities and to the reported expenses, and statements of financial position classifications.

IFRS accounting policies and estimates

The Company's key accounting policies and significant estimates made by management under IFRS are as follows:

Basis of presentation and Statement of Compliance

The Company's annual financial statements, including comparative periods, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The Company's financial statements as at and for the year ended December 31, 2016 are prepared using IFRS in effect as at December 31, 2016. Significant accounting policies and the applicable basis of measurement used in the preparation of these financial statements are described below.

These financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

Cash

Cash and cash equivalents include cash on hand, funds held in trust in an account at a law firm and balances with banks and investment-grade deposit certificates with original maturities of three months or less. Cash is held with a Canadian Chartered Bank. As at December 31, 2016 and 2015, the Company did not hold any cash equivalents.

Financial instruments

Financial assets

Financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, financial instruments are measured as described below based on their classification in the following categories:

Loans and receivables, Financial assets at fair value through profit or loss and Held to Maturity financial assets

The Company has no financial instruments classified as loans and receivables, held to maturity or available for sale.

Financial assets at fair value through profit or loss (FVTPL)

An instrument is classified as fair value through profit or loss if it is held-for-trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. Cash is classified as FVTPL.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. Liabilities in this category include accounts payable and accrued liabilities.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis; or, other valuation models.

Income taxes

Income tax included in operations for the periods presented comprises current and deferred tax. Income tax is recognized in operations except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Loss per share

Loss per share is based on the weighted average number of common shares of the Company outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding share options and warrants, in the weighted average number of common shares outstanding during the period, if dilutive. In the Company's case, diluted loss per share is the same as basic loss per share as the effects of including all outstanding options and warrants would be anti-dilutive.

Significant accounting judgements and estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods. Such estimates include, but are not limited to, the valuation of share-based payments and income tax accounts.

Future Accounting Standards and Interpretations

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the International Accounting Standards Board that have not yet been applied. The Company is currently assessing the impact of these standards and does not plan on early adoption. The standards impacted that are applicable to the Company are as follows:

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS 39 (effective January 1, 2018).

Additional Disclosure for Venture Issuers Without Significant Revenue

General and administrative

	From January 1, 2016 to December 31, 2016 $	From January 8, 2015, (date of incorporation) to December 31, 2015 $
General and Administrative	1,230	-
Professional fees and listing fees	54,853	42,134
Salaries and benefits	NIL	-
Stock based compensation	36,200	-
Total	**92,283**	42,134