MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is Management's Discussion and Analysis ("**MD&A**") of the financial condition and results of operations of Big Rock Brewery Inc. ("**Big Rock**" or the "**Corporation**") for the years ended December 30, 2018 and 2017.

This MD&A should be read in conjunction with the audited consolidated financial statements of the Corporation and accompanying notes as at and for the years ended December 30, 2018 and 2017 (the "**Consolidated Financial Statements**"). The Consolidated Financial Statements have been prepared using International Financial Reporting Standards ("**IFRS**") and all amounts are reported in thousands of Canadian dollars unless otherwise noted. Additional information about the Corporation, including the Annual Information Form for the year ended December 30, 2018, can be found on SEDAR at www.sedar.com and on Big Rock's corporate website at www.bigrockbeer.com. Readers should also read the section "Forward-Looking Information" contained at the end of this document. This MD&A is dated March 13, 2019.

CORPORATE PROFILE

Big Rock is headquartered in Calgary, Alberta. The Corporation produces premium, all-natural craft beers and ciders. As Canada's largest independently owned craft brewer, Big Rock has an extensive family of permanent ales and lagers, the Rock Creek series of craft ciders, and a continually changing selection of seasonal and limited-edition beers.

Founded in 1985, Big Rock was the first craft brewery in Alberta and stands out as a pioneer in the Canadian craft beer market. Big Rock produces, markets and distributes its premium high-quality specialty craft beers and ciders primarily in Canada. The Corporation owns and operates production facilities in Alberta, British Columbia ("**BC**") and Ontario. Today, Big Rock's primary brewing, packaging and warehousing facility is located in Calgary, Alberta and has been in operation since 1996. Big Rock has distribution facilities in Calgary and Edmonton, and sales staff resident in Alberta, BC, Saskatchewan, Manitoba and Ontario.

In April 2015, Big Rock opened a brewery and eatery in Vancouver, BC's thriving downtown craft beer district. This combined brewery and brewpub serves on-premise consumers and provides distribution for Big Rock's products throughout BC. During the fall of 2016, Big Rock opened a third brewery and tasting room in Etobicoke, Ontario, and on February 1, 2017, a fourth location was opened in Toronto, Ontario in the Liberty Village area, and is operated as Liberty Commons at Big Rock Brewery tasting room and restaurant.

Given the Corporation's footprint in Western Canada, the Corporation also has several co-packaging arrangements through private label agreements, and most recently, in 2018, co-manufacturing agreements.

INDUSTRY TRENDS AND INDICATORS

The craft beer industry continues to be a highly competitive market in Canada, as new craft breweries continue to enter the marketplace. Additionally, Canadian consumer trends towards healthier product offerings has fueled the market growth in lower calorie offerings in the Ready-to-Drink ("**RTD**") category. Despite increased competitive pressures, Big Rock continues to be the leading craft brand in Alberta and continues to find success as a pioneer of the Canadian craft beer industry, as it has for the last 33 years. However, given its assets, distribution footprint and ability to create high quality beverages, the Corporation is actively evaluating opportunities to diversify its revenue streams both by volume and geographically.

In addition, with the use of recreational cannabis being legalized in Canada on October 17, 2018, and the expected legalization of cannabis edibles expected in Fall 2019, the Corporation continues to evaluate the market and opportunities within. Despite the legalization of recreational cannabis, the Corporation has not experienced a negative impact in its current markets to-date. However, the Corporation believes that, the recreational cannabis industry may pose market share risk on the craft beer industry over time, particularly once the variance in offerings for consumption widens and the consumer experience becomes more controlled.

During the fourth quarter of 2018, the Corporation closed an asset purchase and licensing transaction (the "**Fireweed Transaction**") with Fireweed Brewing Corp. ("**Fireweed**"), which allowed the Corporation to expand its brewing capacity in Vancouver, in addition to providing the Corporation with a new revenue stream from the production and sale of Fireweed trademarked products in BC and Alberta.

In June 2018, an Alberta Trade Review panel ordered that the Alberta Small Brewers Development ("**ASBD**") grant program be repealed or revised within six months, as it was found to place beer producers from other provinces at a competitive disadvantage in the Alberta market. On November 26, 2018, the Alberta government announced the cancellation of the ASBD grant program, effective December 15, 2018, and a graduated mark-up system for Alberta producers of less than 50,000 hectolitres per year. As a result, the Alberta government imposed a significant tax increase on Big Rock's sales volumes with the revision. The Corporation will continue to work with the Alberta government to design a new tax system that is fair and compliant for breweries in Alberta of the Corporation's size. In the interim, the Corporation has requested and expects to rely on the financial support from the Alberta government in order to support the Corporation's growth and operations in 2019.

SELECTED ANNUAL FINANCIAL INFORMATION

	Year Ended December 30		
($000, except volumes and per share amounts)	**2018**	2017	2016
Sales Volumes (hl)[1]	201,577	208,565	199,454
Statements of Comprehensive Income Data			
Net revenue	48,748	46,573	43,126
EBITDA[2]	4,150	1,907	2,416
Operating profit (loss)	931	(1,037)	(266)
Net income (loss)	360	(1,020)	(453)
Per share – basic and diluted	$ 0.05	$ (0.15)	$ (0.07)
Statements of Financial Position Data			
Total assets	56,740	53,481	55,209
Total debt[3]	5,775	6,416	8,844

(1) Excludes contract manufacturing volumes due to the nature of the agreements.
(2) Non-GAAP Measure. See "*Non-GAAP Measures*".
(3) Includes bank indebtedness, long term debt, and obligations under finance leases; excludes license obligations.

SELECTED QUARTERLY FINANCIAL INFORMATION

Big Rock experiences seasonal fluctuations in volumes, net sales revenue and net income with the second and third quarters typically being stronger than the first and fourth quarters. These seasonal variations are dependent on numerous factors, including weather, timing of community events, consumer behaviour, customer activity and overall industry dynamics, mainly in western Canada. The selected quarterly information is consistent with these expectations and industry trends.

The following is a summary of selected financial information of the Corporation for the last eight completed quarters:

($000, except hl and per share amounts)	2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Sales volumes (hl)[1]	49,013	55,741	56,012	40,811	46,788	56,823	61,477	43,477
Net revenue	11,991	13,764	13,527	9,466	11,089	12,399	13,496	9,589
EBITDA[2]	1,075	1,563	1,246	266	623	579	1,118	(413)
Operating profit (loss)	216	747	473	(505)	33	(159)	246	(1,157)
Net income (loss)	(80)	587	240	(387)	(141)	(179)	207	(907)
Earnings per share (basic and diluted)	$ (0.01)	$ 0.08	$ 0.04	$ (0.06)	$ (0.02)	$ (0.03)	$ 0.03	$ (0.13)
$ Per /hl Amounts[1]								
Net revenue	244.65	246.93	241.50	231.95	237.01	218.20	219.53	220.55
Cost of sales	146.10	136.94	135.15	136.53	148.14	125.00	124.88	137.20
Selling expenses	63.55	65.48	65.72	76.35	61.45	74.19	63.50	75.79
General and administrative	27.24	28.88	30.08	28.55	24.22	19.76	25.23	31.44
Operating profit (loss)	4.41	13.40	8.46	(12.40)	0.71	(2.80)	4.00	(26.61)
Net income (loss)	(1.63)	10.53	4.30	(9.51)	(3.01)	(3.15)	3.37	(20.86)

(1) Excludes contract manufacturing volumes due to the nature of the agreements.
(2) Non-GAAP Measure. See "*Non-GAAP Measures*".

RESULTS OF OPERATIONS

Big Rock reported net income of $360 for the year ended December 30, 2018, compared to net loss of $1,020 in 2017. The increase in net income is primarily due to the transition and rationalization of value streams undertaken throughout the year, as well as a focus on asset capacity utilization, which resulted in increases of 4.7% and 10.1% in net revenue and gross profit, respectively, in 2018.

SEGMENTED INFORMATION

Big Rock has two reportable business segments, wholesale and retail, which are monitored by executive management for purposes of making decisions about resource allocation and performance assessment. The wholesale segment manufactures and distributes beer and cider to provincial liquor boards, grocery chains, and on-premise customers which is subsequently sold to end consumers. The retail segment sells beverages, food and merchandise to end consumers through premises owned and/or operated by the Corporation.

Segment performance is evaluated on a number of measures, the most significant being gross profit net of selling expenses. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. The Corporation's operating assets and liabilities, general and administrative expenses, income taxes and capital expenditures are managed on a corporate basis.

SEGMENTED RESULTS

For the year ended December 30	Wholesale		Retail		Eliminations		Consolidated	
	2018	2017	2018	2017	2018	2017	2018	2017
Net Revenue	$ 47,144	$ 44,666	$ 2,245	$ 2,660	$ (641)	$ (753)	$ 48,748	$ 46,573
Cost of sales	25,351	24,906	3,226	3,523	(641)	(753)	27,936	27,676
Gross profit (loss)	21,793	19,760	(981)	(863)	—	—	20,812	18,897
Selling expenses	13,537	14,167	25	123	—	—	13,562	14,290
Segment profit (loss)	$ 8,256	$ 5,593	$ (1,006)	$ (986)	$ —	$ —	7,250	$ 4,607
General and administrative costs							5,795	5,174
Depreciation and amortization							524	470
Operating profit (loss)							931	(1,037)
Finance expense							327	333
Other income							18	2
Income (loss) before income taxes							$ 622	$ (1,368)

Net Revenue

Net revenue includes wholesale beer and cider sales, net of excise taxes and provincial government liquor taxes and retail restaurant and store sales from Big Rock's Alberta, BC and Ontario locations. Geographically, Alberta continued to represent the largest share of the Corporation's sales in 2018, followed by BC and Ontario.

	Year ended December 30		
($000, except volumes)	2018	2017	Change
Sales volumes (hl)[(1)]	201,577	208,565	(6,988)
Gross revenue	66,983	65,523	1,460
Federal excise taxes	(6,003)	(5,822)	(181)
Provincial liquor tax programs	(12,232)	(13,128)	896
Net revenue	**48,748**	**46,573**	**2,175**
Net revenue by segment			
Wholesale	46,503	43,913	2,590
Retail	2,245	2,660	(415)
Net revenue	**48,748**	**46,573**	**2,175**
$ per hl[(1)]			
Wholesale net revenue	230.70	210.55	20.15

(1) Excludes contract manufacturing volumes due to the nature of the agreements.

Sales volumes were 201,577 hl for the year ended December 30, 2018, which represents a decrease of 6,988 hl (3.4%), compared to the prior year reflecting the rationalization of value streams, increased market competition and an increased focus on contract manufacturing.

Big Rock branded product sales decreased in 2018, particularly in Alberta, largely due to the discontinued brands, reduction in the number of seasonal offerings and increased competition. AGD keg sales continued to increase in the fourth quarter and fiscal 2018, compared the fourth quarter and fiscal 2017, while bottle sales volumes continue to decline as the consumer switch to cans continues.

Gross revenue was $66,983 for the year ended December 30, 2018, an increase of $1,460 (2.2%) compared to the prior year, reflecting strong sales volumes of certain product offerings and increased pricing, particularly in the third and fourth quarters, in addition to a material amount of new revenue coming from contract manufacturing. Federal excise taxes decreased in the fourth quarter and the year ended December 30, 2018, due to the change in filing requirement from production volume basis to sales volume. Provincial liquor taxes decreased by $896 in fiscal 2018, compared to the prior year as a result of an increase in contract manufacturing revenues, which provincial liquor taxes are the counterparties' obligation. As a result, net revenue was $48,748 for the year ended December 30, 2018, which represents an increase of $2,175 (4.7%) as compared to fiscal 2017.

Wholesale Revenue

Wholesale net revenue increased by $2,590 (5.9%) despite sales volumes decreasing by 6,988 hl (3.4%), for the year ended December 30, 2018, as compared to the prior year. The net revenue increases, on a percentage basis, are higher than volume increases in the fourth quarter of 2018 reflecting price increases on value and private label brand categories.

In 2018, despite a slight decline the portfolio beer and cider volumes, as compared to same periods in the prior year, the gross profit has improved significantly in cider, core brands and value brands due to the focus on competitively pricing Big Rock products. Discontinuation of Bow Valley Strong resulted in a decrease in private label volumes, which was offset by continued growth in other private label brands and contract brewing. Additionally, the introduction of a new revenue stream, contract manufacturing, in the third and fourth quarters supported Big Rock's growth in net revenue.

Retail Revenue

Retail net revenue decreased by $415 (15.6%) for the year ended December 30, 2018 compared to the same period in 2017 mainly due to a decline in sales at the BC restaurant as the Company contemplated various transaction scenarios with Fireweed.

Cost of Sales

Cost of sales was $27,936 for fiscal 2018, an increase of $260 from fiscal 2017. Cost of sales represented 57.3% of net revenue in 2018, an improvement of 2.1% from 59.4% in 2017. The improvement was due to production efficiency projects undertaken throughout 2018, in addition to the pursuit of co-manufacturing business with a focus on increased asset capacity utilization. Cost increases in materials, overhead and labour due to increased production volume from co-manufacturing were offset by material improvements realized in beer waste management and retail and restaurant cost savings in BC.

Selling Expenses

Selling expenses decreased for the year ended December 30, 2018 by $728 to $13,562, as compared with the same period last year, due to the following:

- Delivery and distribution costs decreased by $56 due to planning efficiencies achieved throughout the year and distribution savings realized in Q4 2018 as a result of the Fireweed transaction.
- Salaries and benefit costs increased by $281, primarily due to the hiring of general managers in BC and Ontario and shifts in employee roles within the Corporation.
- Marketing and sales costs decreased by $953 as result of a focus on productivity gains and a reduction in the number of introductions of new seasonal brands.

General and Administrative Expenses

General and administrative expenses increased by $621 to $5,795 for the year ended December 30, 2018, as compared with the same period last year, primarily due to employee bonus accrual (versus no employee bonuses paid in 2017) offset by the capitalization of professional fees related to the Fireweed transaction.

G&A expenses were 11.9% of net revenue in fiscal 2018, versus 11.1% in fiscal 2017.

Finance Expenses

Finance expenses slightly decreased in fiscal 2018 by $6 to $327, relative to fiscal 2017, due to lower average borrowings outstanding offset by an increase in the prime lending rate throughout 2018.

Depreciation and Amortization

Depreciation and amortization expense were $524 in fiscal 2018, versus $470 in fiscal 2017. The increase relates to an increase in intangible assets associated with the Fireweed transaction.

Other Income

Other income was $18 in fiscal 2018, compared to $2 in fiscal 2017.

Income Taxes

A current income tax recovery of $71 was recorded for the year ended December 30, 2018 which reflects taxes recoverable arising from a loss carry back, in addition to a deferred tax expense of $333 recorded in fiscal 2018. The deferred income tax provision differs from the statutory rate of 27.07% (2017 – 26.85%) due to permanent differences between the carrying amounts of assets and liabilities for accounting purposes and the tax basis, as well as the effect of non-deductible amounts.

FINANCIAL CONDITION

The following chart highlights significant changes in the Consolidated Statements of Financial Position from December 30, 2017 to December 30, 2018:

($000, unless otherwise stated)	**Increase/ (Decrease)**	**Primary factors explaining change**
Accounts receivable	220	Increase due to grants receivable but offset by overall decrease in customer amounts
Inventories	418	Increase in brews in progress and finished goods due to timing of the production schedule
Prepaid expenses & deposits	119	Increase in community sponsorship due to timing of planned events
Current income taxes	197	Increase due to income taxes on grants revenue recovered
Property, plant and equipment (including land held for sale)	(1,062)	Additions of Fireweed production assets offset by asset disposals and depreciation charges
Intangible assets	1,830	Addition of Fireweed license
Bank indebtedness	79	Increase in the combined balances of outstanding cheques and the Operating Facility balance
Accounts payable & accrued liabilities	1,209	Timing of supplier payments
Share-based payments	(182)	Decrease in share price and former management's forfeiture of share appreciation rights offset by issuance of new stock options for current management
Long term debt & finance lease	(720)	Net repayment of term loans and finance lease
License obligation	1,720	Increase due to Fireweed license
Lease incentive	32	Amortization of incentive
Deferred income taxes	333	Tax effect of changes in temporary differences

LIQUIDITY AND CAPITAL RESOURCES

Capitalization

As at December 30, ($000, unless otherwise stated)	2018	2017
Cash	$ (1,902)	$ (168)
Total debt[(2)]	5,775	6,416
Net debt[(1)]	3,873	6,248
Shareholders' equity:		
Shareholders' capital	113,845	113,845
Contributed surplus	1,578	1,347
Accumulated deficit	(76,839)	(77,199)
Total shareholders' equity	38,584	37,993
Total capitalization (total debt plus shareholders' equity, net of cash) [(1)]	$ 42,457	$ 44,241
Net debt to capitalization ratio [(1)]	9.1%	14.1%

(1) Non-GAAP measure. See "*Non-GAAP Measures*".
(2) Includes bank indebtedness, long term debt, and obligations under finance leases; excludes license obligations.

Capital Strategy

The Corporation defines its total capitalization to include common shares of the Corporation ("**Common Shares**") plus short-term and long-term debt, net of cash balances, and has no externally imposed capital requirements. The Corporation's objectives are to safeguard the Corporation's ability to continue as a going concern to support normal operating requirements and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. This allows management to maximize the profitability of its existing assets, create long-term value and enhance returns for its shareholders.

The Corporation manages its capital structure through prudent levels of borrowing, cash-flow forecasting and working capital management, and has the ability to adjust its capital structure in response to changes in economic conditions and the risk characteristics of its underlying assets.

The Corporation had a positive working capital position of $4,557 at December 30, 2018, compared to a positive working capital position of $3,533 at December 30, 2017.

As at December 30, 2018, the Corporation had total current assets and total current liabilities of $11,178 and $6,621, respectively, compared to $8,687 and $5,154, respectively, as at December 30, 2017. The increase in current assets can be attributed to an increase in the Corporation's cash balances and an increase in finished goods inventory due to customer orders, in anticipation of the price increases in December. The increase in current liabilities can be attributed to an increase in the Corporation's accounts payable balance, primarily due to increase in customer orders as well as the bonus accrual.

Given the current tax environment for beer in Alberta, the Corporation has requested and expects to rely upon the financial support of the Alberta government, while the Alberta government continues to evaluate new policy, in the interim.

The Corporation may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents to maintain or adjust its capital structure. Big Rock management prepares annual expenditure budgets, which are approved by the Board of Directors of Big Rock (the "**Board of Directors**"), to facilitate management of its capital requirements. These budgets are updated as necessary depending on numerous factors, including capital deployment, results from operations, and general industry conditions.

In addition, the Corporation monitors its capital using ratios of (i) net debt (debt less cash) to EBITDA and (ii) EBITDA to debt repayments, interest, income taxes and dividends paid ("**Fixed Charges**"). Net debt to EBITDA is calculated by dividing net debt by EBITDA and EBITDA to Fixed Charges is calculated by dividing the combined Fixed Charges by EBITDA.

The calculation of EBITDA is a non-GAAP measure, whose nearest GAAP measure is net income, or net loss as applicable, with the reconciliation between the two as follows:

	Year ended December 30		
($000, except volumes)	2018	2017	Change
Net income (loss)	360	(1,020)	1,380
Addback:			
Interest	327	333	(6)
Taxes	262	(348)	610
Depreciation and amortization	3,201	2,942	259
EBITDA[1]	**4,150**	**1,907**	**2,243**

[3] Non-GAAP measure. See "*Non-GAAP Measures*".

These policies provide Big Rock with access to capital at a reasonable cost. Big Rock's borrowing facilities have financial tests and other covenants customary for these types of facilities and must be met at each reporting date. See "*Cash Flows from Financing Activities*".

Cash Flow from Operating Activities

Cash provided by operating activities for the year ended December 30, 2018 totalled $4,608, an increase of $3,194 compared to the prior year. This increase is due to an increase in net income and an increase in non-cash working capital, which was mainly due to an increase in accounts receivable.

Cash Flow from Financing Activities

Cash used in financing activities for the year ended December 30, 2018 decreased by $1,197 compared to 2017, as the Corporation continued to make principal repayments on its outstanding balances on its term revolving loan facility and its finance lease, offset by an increase in bank indebtedness which includes outstanding cheques.

The Corporation has a $5 million revolving operating loan facility (the "**Operating Facility**") and a $6 million 5-year revolving term loan facility (the **"Term Facility"**). The Operating Facility is available for general operating purposes and funding capital expenditure requirements. The Term Facility is available to fund capital expenditures. Advances under both credit facilities may be made by way of Canadian prime rate loans and letters of credit. Interest is payable for prime-based loans under the Operating Facility at the financial institution's prime rate plus 0.75 and on the Term Facility at the financial institution's prime rate plus 1.5 percent. Fees for letters of credit are at 2.5 percent with a minimum fee payable.

Both facilities mature after a term of 5 years and any undrawn amounts under the facilities will expire on March 23, 2021, if no extension has been granted. Collateral for these borrowings is a general assignment of Big Rock's assets.

The facilities impose a number of positive and negative covenants on Big Rock, including the maintenance of certain financial covenants which are tested at each reporting date. They include the maintenance of a rolling 12-month fixed charge ratio which is required to be a minimum of 1.1 to 1, calculated as the rolling 12-month earnings before interest, taxes and depreciation, less an amount for maintenance capital compared to the rolling 12-months Fixed Charges. In addition, Big Rock's borrowings cannot exceed a borrowing base which is determined by the fair value of the Corporation's assets. Big Rock was in compliance with its covenants at December 30, 2018.

As at December 30, 2018, bank indebtedness was $163 (2017 - $84), of which $nil was outstanding on the operating loan facility (2017 - $nil).

As at December 30,	2018	2017
Term debt	$ 3,778	$ 4,181
Debt issue costs	(13)	(26)
	3,765	4,155
Current portion	(409)	(417)
Long term debt	$ 3,356	$ 3,738

On October 18, 2018, the Corporation closed an asset purchase and licensing transaction with Fireweed. As part of the license agreement entered into, the Corporation is to pay Fireweed a fee calculated based on sales volumes of Fireweed trademarked products, on a monthly basis, with a maturity date of December 31, 2024.

As at December 30,	2018	2017
License obligation	$ 1,720	$ —
Current portion	(138)	—
License obligation	$ 1,582	$ —

On January 25, 2017, Big Rock converted a $2.5 million finance facility to a sale and leaseback arrangement. The lease agreement matures after a term of five years with a fixed interest rate of 5.42%. Lease repayments are fixed, and no arrangements have been entered for contingent rental payments.

As at December 30,	2018	2017
Current portion	$ 347	$ 329
Long term portion	1,500	1,848
Total finance lease	$ 1,847	$ 2,177

As of December 30, 2018, the net carrying amount of the leased assets is $2,206 (2017 – $2,338). The depreciation of the assets recorded under finance lease is included in the cost of sales on the Consolidated Statements of Comprehensive Loss. The obligation under finance lease is secured by the lessor’s rights over the leased assets.

Cash Flow from Investing Activities

During the year ended December 30, 2018, a total of $2,361 was spent on capital expenditures, compared to $2,081 for the same periods in 2017. A majority of the expenditures were for Fireweed production equipment and licenses.

During 2018, proceeds of $141 were received during 2018 from the sale of unused bottling line assets and kegs.

Commitments and Contractual Obligations

Big Rock has entered into various commitments for expenditures covering utilities, raw materials, marketing initiatives and leasing of facilities. The commitments, for the next five years are as follows:

	2019	2020	2021	2022	2023	thereafter
Utilities contracts	$ 30	$ 30	$ 14	$ —	$ —	$ —
Raw material purchase commitments	206	15	15	—	—	—
Marketing sponsorships	214	105	—	—	—	—
Operating leases	696	736	765	770	775	691
Long-term debt	409	431	456	482	508	1,492
License obligation	138	145	151	158	166	962
Finance lease repayments	347	367	387	746	—	—
Total	$ 2,040	$ 1,829	$ 1,788	$ 2,156	$ 1,449	$ 3,145

Big Rock has entered into operating lease agreements for storage facilities, warehouses, breweries, and retail locations. The remaining lease terms range between four and 10 years. Certain leases contain extension and renewal options. Operating lease payments of $736 (2017 - $697) were recognized as expense in the Consolidated Statements of Comprehensive Income for the year ended December 30, 2018.

OFF BALANCE SHEET ARRANGEMENTS

Big Rock does not have any special purpose entities nor is it party to any arrangements that would be excluded from the balance-sheet, other than the operating leases summarized in Commitments and Contractual Obligations.

SHAREHOLDERS' CAPITAL

Big Rock is authorized to issue an unlimited number of Common Shares with no par value. The Common Shares trade on the Toronto Stock Exchange under the symbol "BR". As at March 13, 2019, Big Rock had the following issued and outstanding:

- 6,981,628 Common Shares;
- 406,802 time-based share appreciation rights ("**SARs**");
- 81,000 market-performance SARs;
- 260,000 time-based options; and
- 69,000 market-performance options.

During fiscal 2018, the Corporation granted 166,350 time-based SARs and 185,000 time-based options, as part of the share appreciation rights plan of the Corporation (the "**SARs Plan**") and share option plan of the Corporation ("**Share Option Plan**"), respectively.

The Board of Directors may issue an unlimited number of SARs under the SARs Plan. SARs granted under the SARs Plan are exercisable for a period of up to five years from date of grant, at an exercise price that is equal to the weighted average price at which the Common Shares have traded during the five trading days immediately preceding the date of grant. The exercise of SARs is settled in cash.

Big Rock has granted stock options to certain officers and directors of the Corporation pursuant to the Share Option Plan. Options granted under the Share Option Plan are exercisable for a period of up to five years from date of grant, at an exercise price that is equal to the weighted average price at which the Common Shares have traded during the five trading days immediately preceding the date of grant.

See Notes 20 and 21 to the Consolidated Financial Statements for more detailed information.

RISKS RELATED TO THE BUSINESS AND INDUSTRY

Big Rock operates in an environment that is both highly competitive and subject to significant government regulation. Due to the ongoing shifting effects of competition, the ability to predict future sales and profitability with any degree of certainty is limited. It is also difficult to anticipate changes in government regulation and legislation and the impact such changes might have on the Corporation's operations or financial results.

Premium beers from other craft breweries are continuously entering the market and the large national and multi-national brewers have products that compete directly with craft beers. In addition, there has been an increased number of imports being sold in the same markets where Big Rock competes for business.

With the vast choice of craft brands now available and the advertising initiatives of craft divisions of the major breweries, it is likely that competitive pressures on price will continue. As a result, selling prices may vary more frequently.

Tax Risk

Big Rock requires various permits, licenses, and approvals from several government agencies to operate in its market areas. In Alberta, Big Rock's largest market, the Alberta Gaming and Liquor Commission provides the necessary licensing approvals. Other licenses have been obtained from various other government authorities. Management believes that Big Rock is in compliance with all licenses, permits, and approvals.

Each provincial authority has its own tax or "mark-up" structure by which fees are levied on brewers' sales within that jurisdiction. These regulations may be changed from time to time, which may positively or negatively impact Big Rock's profitability.

The mark-up structure in Alberta has changed five times in the last six years, contributing to market uncertainty and has impacted Big Rock's results in a corresponding manner. In particular, changes announced by the Alberta government in July 2016 replaced the former graduated mark-up rate structure with a flat mark-up rate of $1.25 per litre and a grant program for Alberta small breweries. In June 2018, a Trade Review panel ordered that the Alberta government's small brewers' grant program must be repealed or revised within six months, as it was found to put beer producers from other provinces at a competitive disadvantage in the Alberta market. On November 26, 2018, the Alberta government announced the cancellation of the ASBD grant program as of December 15, 2018 and a graduated mark-up system for Alberta producers of less than 50,000 hectolitres per year. As a result, the Alberta government imposed a significant tax increase on Big Rock's sales volumes with the revision. The Corporation will continue to work with the Alberta government to design a new policy that is fair and compliant for breweries in Alberta of the Corporation's size. In the interim, the Corporation has requested and expects to rely on the financial support from the Alberta government in order to support the Corporation's growth and operations in 2019. There is no certainty that any future policies will be in the best interests of the Corporation and its shareholders, nor that the Corporation will receive any future funding from the province of Alberta.

As Alberta is the Corporation's predominant market, future changes to this mark-up rate structure could have significant impacts on the Corporation's financial results. The Corporation will continue to assess and evaluate the longer-term implications of these recent changes and continues to evaluate the long-term business plan in order to mitigate the risk of mark-up rate structure fluctuations.

Financial Risk

The Corporation's principal financial instruments are: outstanding amounts drawn from its credit facilities, which, after cash flow from operations, are its main source of financing. Other financial assets and liabilities arising directly from its operations and corporate activities include cash, accounts receivable, bank indebtedness, accounts payable, current taxes payable or receivable and long-term debt. The primary risks arising from the Corporation's financial instruments are foreign exchange risk, interest rate risk, credit risk, liquidity risk and commodity price risk, each of which are discussed below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Foreign Exchange Risk

The Corporation currently transacts with only a few foreign suppliers and thus has limited exposure to risk due to variations in foreign exchange rates. The Corporation has not entered into any derivative instruments to manage foreign exchange fluctuations; however, management monitors the Corporation's foreign exchange exposure. The Corporation does not have any significant foreign currency denominated monetary liabilities.

Interest Rate Risk

Big Rock is exposed to interest rate risk on the variable rate of interest incurred on the amounts due under operating and credit facilities and on interest earned on bank deposits. Cash flow required to service the interest on these facilities will fluctuate because of changes to market rates.

The Corporation has not entered into any derivative instruments to manage interest rate fluctuations; however, management monitors the Corporation's interest rate exposure and given the relatively low expected rate of change in prime interest rates believes the risk is immaterial. The Corporation evaluates the policies surrounding interest rates on an as needed basis and is confident that this policy is sufficient based on current economic conditions, combined with the minimal amount of debt required by the Corporation. The weighted average interest rate for the year ended December 30, 2018 was 4.58% (2017 – 4.63%).

Credit Risk

Credit risk is the risk that the counterparty to a financial asset will default, resulting in the Corporation incurring an economic loss. Big Rock has a concentration of credit risk as majority of its accounts receivable are from provincial liquor boards, which are governed under provincially regulated industry sale and payment terms. The Corporation is not exposed to significant credit risk as payment in full is typically collected by provincial liquor boards at the time of sale and receivables are with government agencies. While much of Big Rock's accounts receivable are from provincial government liquor authorities, the timing of receipts of large balances may vary significantly from period to period.

The majority of product sold outside of Canada, which is included in GST and other receivables, is done so on a 'Cash on Delivery' basis with no credit risk.

Liquidity Risk

Big Rock's principal sources of liquidity are its cash flows from operations and existing or new credit facilities. Liquidity risk is mitigated by maintaining banking facilities, continuously monitoring forecast and actual cash flows and, if necessary, adjusting levels of dividends to shareholders and capital spending to maintain liquidity. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Corporation's operations.

The Corporation expects to rely on funding from the Alberta government to help fund its future operations, if the current provincial tax environment for beer persists. In the event the Corporation does not receive such funding or that future tax and/or regulatory policies of the Alberta government are not in the best interest of the Corporation and its shareholders, the Corporation may be forced to find other funding for its operations at the risk of Big Rock's operations becoming materially harmed.

Commodity Price Risk

The Corporation is exposed to commodity price risk in the areas of utilities (primarily electricity and natural gas), malted barley, water, glass and aluminium, where fluctuations in the market price or availability of these items could impact Big Rock's cash flow, profitability and production. To minimize the impact of this risk, the Corporation enters contracts which secure supply and set pricing to manage the exposure to pricing fluctuations.

Big Rock's profitability depends on the selling price of its products to provincial liquor boards, which set minimum price thresholds. Although prices are otherwise controlled by the Corporation, they are subject to such factors as regional supply and demand, and to a lesser extent inflation and general economic conditions. As beer and cider sales are the majority source of revenue for the Corporation, a 5% increase or decrease in these prices will result in a corresponding increase or decrease in revenue.

For a more detailed discussion of risk factors that could materially affect Big Rock's results of operations and financial condition please refer to the Risk Factors section of the Corporation's Annual Information Form dated March 14, 2019 that is available on www.sedar.com.

SIGNIFICANT FOURTH QUARTER EVENTS

During the fourth quarter of fiscal 2018, the Corporation had net revenues of $11,991, compared to $11,089 in the fourth quarter of fiscal 2017, an increase of $902. The increase in year-over-year net revenues was primarily due to price management in 2018 across the Corporation's portfolio of branded products, in addition to a new focus on asset capacity utilization through contract manufacturing, offset by declines of sales volumes of Big Rock branded products.

Cost of sales increased by $230 to $7,161 in the fourth quarter of fiscal 2018, from $6,931 in the fourth quarter of fiscal 2017, due to increase production volumes primarily in the Corporation's Calgary facilities as a result of a focus on contract manufacturing business. Cost of sales as percentage of net revenues decreased to 59.7% in the fourth quarter of fiscal 2018, from 62.5% in the fourth quarter of fiscal 2017.

Selling expenses increased by $240 to $3,115 in the fourth quarter of fiscal 2018, from $2,875 in the comparable period last year, due to new product lines development for 2019. Selling expenses as a percentage of net revenues increased to 26.0% in the fourth quarter of fiscal 2018, from 25.9% in the fourth quarter of fiscal 2017.

General and administrative expenses increased by $202 to $1,335 in the fourth quarter of fiscal 2018, from $1,133 in the fourth quarter of fiscal 2017, primarily due to an increase in bonuses payable to employees, offset by the capitalizing of professional fees related to the closing of the Fireweed transaction. General and administrative expenses as a percentage of net revenues increased to 11.1% in the fourth quarter of fiscal 2018, from 10.2% in the fourth quarter of fiscal 2017.

Finance expenses were $71 in the fourth quarter of fiscal 2018, compared to $68 in the fourth quarter of fiscal 2017.

Depreciation expense (inclusive of depreciation expense included in cost of sales) increased by $109 to $849 in the fourth quarter of fiscal 2018, compared to $740 in the fourth quarter of fiscal 2017, primarily due to the increase in depreciation base with the assets purchased as part of the Fireweed transaction, in addition to other depreciation expense increases associated with small renovations to the BC restaurant for rebranding and other small system improvements.

Income tax expenses increased by $278 to $234 in the fourth quarter of fiscal 2018, from a recovery of $44 in the fourth quarter of fiscal 2017, due to an increase in deferred income tax expense.

On October 18, 2018, the Corporation acquired certain brewing assets for $535 and inventory for $135 (the "**Fireweed Transaction**") from Fireweed. As part of the Fireweed Transaction, the Corporation entered into a licensing agreement that grants the Corporation exclusive rights to the trademark and other intellectual property, with an option to acquire the intellectual property outright at the end of the term, for the maximum amount payable of $2,000, net of all payables made to Fireweed based on volumes of Fireweed branded products sold over the term. On the acquisition date, Big Rock recorded an intangible asset value of $1,885 (based on net present value of expected fees and volumes), including closing costs, and an offsetting liability of $1,745. Management has made certain assumptions to arrive at the net present value of the license obligation.

On closing of the acquisition, the Corporation has netted the amounts receivable from Fireweed with amounts owed for brewing assets and inventory acquired from Fireweed.

OUTLOOK & STRATEGY

The Corporation's operating results for the three months and the year ended December 30, 2018 improved as compared to the same period in 2017, reflecting pricing and product mix initiatives implemented during the latter part of 2017 and throughout 2018 and prudent cost control projects and initiatives undertaken throughout 2018. Such initiatives were supported by and as a result of significant restructuring and realignment of the Corporation's management team in 2018.

In 2019, the Corporation will be focused on the following:

Maximizing Capacity Utilization of Assets

The Corporation will continue to pursue opportunities to maximize capacity utilization of its assets whether through organic growth of existing brands, introduction of new brands, license agreements, mergers and acquisitions and/or contract manufacturing agreements. Given the Corporation's footprint, especially in Alberta, management continues to evaluate new volume opportunities.

The Corporation will look to expand its cellar capacity in Calgary as new business is pursued, as this is the most significant bottleneck the Corporation faces in pursuing growth. Outside of cellar capacity, the Corporation is well positioned for significant growth given its brewing capacity, packaging and warehousing capacity, distribution network and sales force.

Organic Growth

Big Rock continues to monitor consumer trends in Canada in an effort to drive innovation in the craft beer and cider industry in Canada. In response to market research and consumer trends, Big Rock is planning to launch 5 new products in 2019: *Rock Creek Rosé Cider, Jackrabbit Light Lager, Big Rock Lager, Grasshopper with Lemon and the Darcy's Poolside Grapefruit Lager*.

Management continues to focus on growth of its signature brands and believes it is well positioned to achieve growth, despite the ever-increasing competition in the Canadian craft beer industry. The Corporation will continue to offer high quality seasonal brands in 2019, consistent with the high-quality traditions and practices behind its signature offerings.

Additionally, in the fourth quarter of 2018, Big Rock began distribution of its products to the BC market through the BC Liquor Distribution Branch, which the Corporation anticipates will have a positive impact on sales volumes and profitability of Big Rock branded products in BC in 2019.

Tax Environment

Big Rock will continue to work with the Alberta government in structuring a new mark-up framework that will allow for Big Rock to execute on its growth plans in 2019 and there forward.

Cannabis

In light of the planned legalization of cannabis-infused beverages expected in the fall of 2019, the Corporation has and will continue to evaluate opportunities in the cannabis space.

Cost Reductions

Cost reductions is an ongoing initiative implemented and supported by the Corporation's management team, many of whom are new since 2018.

CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

There have been no changes in Big Rock's critical accounting estimates in the three months and year ended December 30, 2018. Further information on the Corporation's critical accounting policies and estimates can be found in the notes to the audited annual financial statements and MD&A for the year ended December 30, 2018.

FUTURE ACCOUNTING PRONOUNCEMENTS

The Corporation's consolidated financial statements as at and for the years ended December 30, 2018 and 2017 have been prepared using the IFRS standards and interpretations currently issued. Accounting policies currently adopted under IFRS are subject to change as a result of new standards being issued with an effective date of December 30, 2018 or later. A change in an accounting policy used may result in material changes to Big Rock's reported financial position, results of operations and cash flows. The IASB has issued the following pronouncements, which are not yet effective:

- Amendments to IFRS 2 *Share-based payments* are effective for annual periods beginning on or after January 1, 2018. This standard will be effective for Big Rock's fiscal year beginning on December 31, 2018. The amendments provide guidance on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. Big Rock has determined that this will not have a material impact on its financial statements.

- IFRS 9 Financial Instruments has been amended, effective for annual periods beginning January 1, 2018. This standard will be effective for Big Rock's fiscal year beginning on December 31, 2018. The amended standard replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard requires classification of financial assets based on the reporting entity's business model objectives for managing those financial assets and the characteristics of the contractual cash flows. As a result, both the classification and measurement of certain financial assets may change. Additionally, for liabilities designated at fair value through profit and loss, fair value changes attributable to changes in credit risk will be presented through other comprehensive income instead of net income. These amendments introduce a single, forward – looking "expected loss" impairment model for financial assets which will require more timely recognition of expected credit losses, and a fair value through other comprehensive income category for financial assets that are debt instruments. Big Rock will adopt IFRS 9 guidance and its related amendments as of December 31, 2018, applying the full retrospective approach to all its financial instruments. Based on management's comprehensive review of the standard, management has concluded that the adoption of IFRS 9 will not have a significant impact to its financial statements.

- IFRS 15 Revenue from Contracts with Customers has been issued which will be required to be adopted, with retrospective application, effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The standard contains a single model that applies to revenue earned from contracts with customers and two approaches to recognizing revenue: at a point in time and over time. The model establishes a five-step analysis of transactions to revenues earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard also provides a model for the recognition and measurement of sales of certain non-financial assets such as disposals of property, plant, and equipment but does not apply to insurance contracts, financial instruments or lease contracts, which falls in the scope of other IFRSs.

Big Rock will adopt this guidance and related amendments as of December 31, 2018, applying the modified retrospective approach to all contracts. Based on management's comprehensive review of the standard, including evaluation of the five-step approach outlined within the standard, management has concluded that the adoption of IFRS 15 will not have a significant impact to recording of revenues.

The adoption of the standard will also result in a change in the presentation of certain cash payments made to customers as it relates to Committed Marketing Fund ("**CMF**") payments. CMF payments were previously recorded as selling expenses in the consolidated statements of comprehensive income. On adoption of the standard, these cash payments will be presented as a reduction of revenues. Management estimates that adoption of the standard will result in a reduction of revenues and selling expenses by approximately $335 to $48,713 and $13,197, respectively, in the first year of adoption. The actual results may differ from these estimates.

As a result of the cumulative impact of adopting the new guidance in the first quarter of 2019, Big Rock currently expect to record a net effect of nil as of December 31, 2018. Big Rock is in the process of finalizing the transition adjustment calculation, which will be completed during the first quarter of 2019.

- IFRS 16 *Leases* has been issued which will be required to be adopted effective for annual periods beginning on or after January 1, 2019, for Big Rock this standard will be effective for the fiscal year beginning December 31, 2019. IFRS 16 provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

Early adoption of the above standards, amendment and interpretations is permitted. Big Rock has not early adopted any of these standards, however, the Corporation is currently assessing what impact the application of IFRS 16 will have on the financial statements of the Corporation.

DISCLOSURE CONTROLS AND PROCEDURES

The Corporation's management under the supervision of, and with the participation of, the President & Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**") of the Corporation, have designed and evaluated the effectiveness and operation of its disclosure controls and procedures, as defined under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**"). Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in reports filed with Canadian securities regulatory authorities is recorded, processed, summarized and reported in a timely fashion.

The disclosure controls and procedures are designed to ensure that information required to be disclosed by the Corporation in such reports is then accumulated and communicated to management, including the CEO and the CFO, as appropriate, to allow timely decisions regarding required disclosure. Due to the inherent limitations in all control systems, an evaluation of the disclosure controls can only provide reasonable assurance over the effectiveness of the controls. The disclosure controls are not expected to prevent and detect all misstatements due to error or fraud. Based on the evaluation of disclosure controls and procedures, the CEO and CFO have concluded that the Corporation's disclosure controls and procedures are effective as of December 30, 2018.

INTERNAL CONTROLS OVER FINANCIAL REPORTING UPDATE

The Corporation's management under the supervision of, and with the participation of, the CEO and CFO, has designed and implemented internal controls over financial reporting ("**ICFR**"), as defined under NI 52-109. The Corporation's management used as its framework the Internal Control—Integrated Framework published by The Committee of Sponsoring Organizations of the Treadway Commission.

The process used involved four steps as follows: establishment of a foundation, which involved assessing the tone at the top, the organization structure and baseline of current internal controls; design and execution, which involved prioritizing risk, identifying controls and evaluation of control effectiveness; assess and report, which involved summarizing and reporting on the findings; and conclusion on controls supported by documented evidence.

The purpose of internal controls over financial reporting is to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements in accordance with GAAP, focusing in particular on controls over information contained in the annual and interim financial statements. The internal controls are not expected to prevent and detect all misstatements due to error or fraud.

The CEO and CFO acknowledge responsibility for the design of ICFR and confirm that there were no changes in the Corporation's controls over financial reporting for the year ended December 30, 2018, that have materially affected or are reasonably likely to materially affect the Corporation's internal control over financial reporting.

Based upon their evaluation of these controls as of December 30, 2018, the CEO and CFO have concluded that the Corporation's ICFR were effective as at that date. No material weaknesses existed within the Corporation's ICFR as of December 30, 2018. In addition, there were no material changes to Big Rock's internal controls over financial reporting since the most recent interim period.

NON-GAAP MEASURES

The Corporation uses certain financial measures referred to in this MD&A to quantify its results that are not prescribed by Generally Accepted Accounting Principles. These financial measures do not have any standardized meaning under the Corporations' Generally Accepted Accounting Principles and therefore may not be comparable to similar measures presented by other issuers. The following terms "total capitalization", "net debt", "net debt to total capitalization ratio", "EBITDA", "net debt to EBITDA", "EBITDA Fixed Charges", "working capital" are not recognized measures under GAAP and may not be comparable to that reported by other companies. Total capitalization is calculated by adding shareholders' equity, total debt and cash balances. EBITDA is calculated by adding back to net income, interest, income taxes and depreciation and amortization. Net debt to EBITDA is calculated by dividing EBITDA by net debt (debt less cash) and EBITDA to Fixed Charges is calculated by dividing the combined debt repayments, interest, income taxes and dividends paid amounts by EBITDA. Working capital is defined as current assets minus current liabilities. Management uses these non-GAAP measures to evaluate the Corporation's operating results. A reconciliation of EBITDA to net income (loss), the nearest GAAP measure, is contained under "Liquidity and Capital Resources – Capital Strategy". A reconciliation of total capitalization to cash, total debt and total shareholders' equity and a reconciliation of net debt to cash and total debt are provided under "Liquidity and Capital Resources – Capitalization".

In addition, the Corporation's lender uses EBITDA to Fixed Charges ratio to evaluate the Corporation's ongoing cash generating capability and to determine the amounts and rates at which the lender is willing to finance Big Rock. Management believes that, in addition to net income and cash flow from operating activities, these measures are useful supplemental measures as they provide an indication of Big Rock's operating performance and leverage.

Readers are cautioned that these measures should not be construed as an alternative to net income, cash flows from operating activities or other relevant GAAP measures as calculated under GAAP.

FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking information that reflects management's expectations related to expected future events, financial performance and operating results of the Corporation. Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur.

All statements, other than statements of historical fact included in the MD&A, may be forward-looking information. Forward-looking information are not facts, but only expectations as to future events and generally can be identified by the use of statements that include words or phrases such as, "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "likely" "may", "project", "predict", "propose", "potential", "might", "plan", "seek", "should", "targeting", "will", and similar expressions. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that may cause Big Rock's actual results or events to differ materially from those anticipated in such forward-looking statements.

Big Rock believes that the expectations reflected in these forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. This MD&A contains forward-looking statements pertaining to the following:

- the Corporation's growth plans;
- the legalization of cannabis edibles and the Corporation's expectations and the resulting market in respect of the same;
- the Corporation's ability to and corresponding results of its work with the Alberta government;
- expected sales volumes;
- the potential introduction of new permanent and seasonal brands;
- projections of market prices and costs;
- treatment under governmental regulatory and taxation regimes, including expected price increases resulting from the indexing of excise taxes to inflation;
- supply and demand of Big Rock's products;
- the Corporation's ability to maximize capacity utilization;
- the Corporation expanding its cellar capacity;
- the Corporation's ability to offer high quality seasonal brands;
- the impact of the distribution of Big Rock products in the BC market on the Corporation's sales volumes and profitability;
- the impact of recent changes in Alberta mark-up rates, further changes in the future and the Corporation's ability to execute on its growth plans; and
- the expected continued investment in targeted marketing opportunities.

With respect to forward-looking statements listed above and contained in this MD&A, Big Rock has made assumptions regarding, among other things, the following:

- volumes in the current fiscal year will remain constant or will increase;
- input costs for brewing and packaging materials will remain constant or will not significantly increase or decrease;
- there will be no material change to the regulatory environment, including the mark-up and grant rates, in which Big Rock operates;
- there will be no supply issues with Big Rock's vendors; and

- the Corporation's ongoing discussions with the Alberta Government with respect to the mark-up and grant program will be successful in improving the mark-up and grant programs applicable to Big Rock.

Big Rock's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth above and as set out under the heading "Risk Factors" in the Corporation's 2018 Annual Information Form dated March 14, 2019 that is available on SEDAR at www.sedar.com. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. Big Rock does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law