MANAGEMENT’S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2019

Management's Discussion and Analysis

INTRODUCTION

This Management's Discussion and Analysis (the "MD&A"), dated as May 30th, 2019, is for the three months ended March 31, 2019 and February 28, 2018. This MD&A should be read in conjunction with the unaudited consolidated financial statements for the three months ended March 31, 2019 and February 28, 2018 available under Atlas Engineered Products Ltd's ("AEP" or "the Company") profile on SEDAR at www.sedar.com.

The referenced unaudited consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and related IFRS Interpretations Committee ("IFRICs") as issued by the International Accounting Standards Board ("IASB"). All amounts included in this MD&A are expressed in Canadian dollars unless otherwise indicated.

AEP's board of directors, on the recommendation of the audit committee, has approved the content of this MD&A.

The Company is listed on the TSX Venture Exchange ("TSX-V") in Canada under the symbol AEP. All dollar amounts stated in this MD&A are expressed in Canadian dollars unless noted otherwise.

CHANGE OF FISCAL YEAR-END

To better align its financial reporting with the calendar year and that of its industry peers, the Company changed its fiscal year-end to December 31, from May 31. The Company's transition year is the seven months ended December 31, 2018. This has resulted in a comparative period for the three months ended March 31, 2019 to be February 28, 2018. For additional information see the Notice of Change of Year End filed on SEDAR on January 2, 2019.

FORWARD-LOOKING INFORMATION

This MD&A contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators. It is important to note that, unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations up to the date of the MD&A.

Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking statements in this MD&A include statements regarding the Company's future plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a part, the ability of the Company to hire and retain employees and consultants and estimated administrative assessment and other expenses. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause the actual results to differ include market prices, continued availability of capital and financing, inability to obtain required regulatory approvals and general market conditions. These statements are based on a number of assumptions, including assumptions regarding general market conditions, the timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms acceptable to the Company and the ability of third-party service providers to deliver services in a timely manner. Some of these risks and uncertainties are identified under the heading "RISKS AND UNCERTAINTIES" as disclosed elsewhere in this

MD&A. Additional information regarding these factors and other important factors that could cause results to differ materially may be referred to as part of particular forward-looking statements.

Forward-looking statements in this MD&A also include future-oriented financial information and financial outlook information ("FOFI") regarding the Company and its prospective results of operations, cash flows and components thereof. The FOFI contained in this MD&A is subject to the same assumptions, risk factors, limitations and qualifications set forth in this MD&A relating to other forward-looking statements. The FOFI contained in this MD&A is provided for the purpose of providing information regarding management's assessment of the Company's anticipated business operations and may not be appropriate for other purposes.

Forward-looking statements, including FOFI, contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise except as required by securities law. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

NON-IFRS / NON-GAAP FINANCIAL MEASURES

Certain measures in this MD&A do not have any standardized meaning under IFRS and, therefore are considered non-IFRS or non-GAAP measures (collectively, "non-IFRS measures"). These non-IFRS measures are used by management to facilitate the analysis and comparison of period-to-period operating results for the Company and to assess whether the Company's operations are generating sufficient operating cash flow to fund working capital needs and to fund capital expenditures. As these non-IFRS measures do not have any standardized meaning under IFRS, these measures may not be comparable to similar measures presented by other issuers. The non-IFRS measures used in this MD&A include "EBITDA",

"EBITDA margin", "adjusted EBITDA", "adjusted EBITDA per share", "adjusted EBITDA margin", "normalized EBITDA", and "normalized EBITDA margin". "EBITDA" is calculated as revenue less operating expenses before interest expense, interest income, amortization and depletion, impairment charges, and income taxes. "EBITDA margin" is EBITDA expressed as a percentage of revenues. "Adjusted EBITDA" is EBITDA after adjusting for share-based payments, foreign exchange gains or losses and non-recurring items. "Adjusted EBITDA per share" is adjusted EBITDA divided by the weighted average number of shares outstanding for the relevant period. "Adjusted EBITDA margin" is adjusted EBITDA expressed as a percentage of revenues. "Normalized EBITDA" is EBITDA adjusted for one time items. "Normalized EBITDA margin" is normalized EBITDA expressed as a percentage of revenues. Further information regarding these measures can be found in the "Non-IFRS Measures" section of this MD&A.

CORPORATE PROFILE

Atlas Engineered Products Ltd. ("AEP" or "the Company"), formerly Archer Petroleum Corp., was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on January 18, 1999. The Company's corporate office is located at 6551 Aulds Road, Unit 102, Nanaimo, British Columbia V9T 6K2.

AEP is a public company that is acquiring and operating well-established companies in Canada's truss and engineered products industry. Since going public on November 6, 2017, the Company has grown its Canadian footprint with six operations in British Columbia, Manitoba and Ontario. Its six plants consist of: Atlas Building Systems ("Atlas"), Pacer Building Components ("Pacer"), Clinton Building Components ("Clinton"), Satellite Building Components ("Satellite"), South Central Building Systems ("SC") and Coastal Windows & Doors ("Coastal").

The Company designs, manufactures and sells roof trusses, floor trusses, wall panels, and windows. The Company also distributes I-joists, engineered beams, and patio doors for use by builders of residential and commercial wood-framed buildings. These include single family homes, townhouses, multi-story wood-framed residential buildings, commercial buildings and agricultural structures.

OVERALL STRATEGY

The Company's strategy is focused on profitability and sales revenue growth within its current markets, and the pursuit of a roll-up acquisition strategy to consolidate similar companies operating in the truss and engineered wood products industry across Canada.

To pursue its business strategy, the Company's specific objectives are to:

I. Drive revenue growth within all operating markets by developing and enhancing the Company's sales teams, products, and services.
II. Lower operating costs by introducing scale economies in procurement and leveraging the strategic deployment of expensive design, engineering and transportation resources for the benefit of all operating locations
III. Broaden the product offerings available within each of the Company's operating markets. (While most acquisition targets the Company is evaluating manufacture trusses, I-joists and engineered beams, only a few supply engineered floor trusses and floor- and wall-panel systems and other components.)
IV. Acquire revenue and profit accretive businesses that strategically expand the Company's geographic footprint.

The Company believes its strategy provides for several competitive advantages, including:

- Strong regional and national leadership;
- Accumulated design and manufacturing know-how and deep operational expertise;
- Design, engineering and manufacturing capabilities;
- Built-in loyal clients;
- Scalability of operations; and
- Operational practices and methods that are replicable.

Due to truss size, quality, and shipping constraints, there is a maximum geographical radius within which it is logistically feasible to transport trusses. Most metropolitan areas have several truss plants who compete aggressively on price and consequently struggle to achieve consistently high profit margins. Outside large metropolitan areas, truss production facilities generally serve wide geographical areas in which there are limited competitors, very loyal customers, and significantly higher margins than those enjoyed by their counterparts in more crowded markets. Through strategic market consolidation the Company will be able to acquire significant market share in key geographies, leverage additional revenue and profit from the acquired entities through business improvement opportunities and cost savings available at scale, and drive growth by diversifying their product mix to include pre-fabricated floor and wall panels where they are not currently offered.

The strong performance of the Company's founding operations in Nanaimo, BC, now carried on through the Company's wholly owned subsidiary, Atlas, serves as the Company's benchmark for operational and financial performance, and for evaluating potential targets in the truss and engineered wood products sector.

The Company believes the owners of many Canadian truss companies will be seeking to sell their businesses over the next several years. The Company's acquisition program has been designed to provide an exit strategy for these owner managers and integrate target companies in a manner that strategically increases the Company's share of the Canadian market, while positioning the acquired entities for significant continued growth.

To date, the Company has focused on the Pacific Region, Ontario and the Canadian Prairies. These regions have the most buoyant residential construction markets and the largest number of truss plants. However, the Company intends to remain opportunistic should other strategically valuable options present themselves.

HIGHLIGHTS FOR THE FIRST QUARTER AND SIGNIFICANT SUBSEQUENT EVENTS

Financial

- Overall revenue for the three months ended March 31, 2019 was $6,216,908, up from $2,079,046 for the three months ended February 28, 2018, representing an overall growth in revenue from the prior period of almost 200%. This performance is in line with overall Company strategy and plan taking in to account the seasonality and acquisition growth of the business. The Company is confident it is on track to achieve the targets subsequently discussed in this MD&A under Outlook (page 4).

- Compared the prior financial year ended December 31, 2018 (-4.9%), the Company has turned to a positive adjusted EBITDA margin of 3.2% during the first quarter ended March 31, 2019, typically the slowest season in this industry. Normalized EBITDA margin for the quarter ended March 31, 2019 was 4.6%.

Acquisitions

During the three months ended March 31, 2019, AEP completed one acquisition:

- South Central Building Systems Ltd ("SC").: On March 1, 2019, the Company closed its acquisition of SC. To acquire SC, AEP paid an aggregate purchase price of $3.4 million, consisting of $2.5 million cash and assumed or refinanced debts, one million AEP common shares valued at an agreed upon price of $0.40 per share, and $500,000 payable in five equal monthly instalments. This acquisition is the Company's first acquisition in the Canadian prairies and gives the Company access to the Winnipeg and Southern Manitoba markets.

Integration/Optimization

- We achieved strong organic growth through integrating and optimizing our operations. Our Atlas operation in Nanaimo, BC continued to grow revenues by 13% for the three months ending March 31, 2019 compared to the three months ending February 28, 2018.

- The Company has a decentralized corporate structure with regional hubs supported by a lean head office to provide the most effective means of managing a geographically diverse operation. The head office team has been structured to provide corporate support to regional management teams in the areas of Corporate Strategy, Operational Excellence, Organizational Development, Operations and Human Resources, Finance, Procurement, and IT Infrastructure.

- Included in the Company's results for the three months ended March 31, 2019 are significant costs incurred to improve the following at SC and each of the Company's previous acquisitions:
  - Improved workflows to increase productivity and efficiencies,
  - Automation activities – upgrading and improving equipment and technology applications,
  - Equipment relocation and installation to maximize capacity and equipment usage,
  - Product development to prepare for rapid sales growth through the busy construction season laying ahead.

- Combined, the Company currently employs 193 employees, as of March 31, 2019.

OUTLOOK

The Company's revenue objective for 2019 is to have reached an annualized revenue run rate in the $45 million to $55 million range with a 10% to 15% EBITDA margin. On a pro-forma basis, as well as taking seasonality into account, management believes the acquisitions the Company has completed, the addition of new product lines and sales staff to specific regions, and the focus on improved costs, should enable those targets to be achievable.

FINANCIAL HIGHLIGHTS

The Company's results for the three months ended March 31, 2019 includes results from Atlas in Nanaimo, BC and Clinton in Clinton, ON, Satellite operations in Merrickville, ON from August 1, 2018, Coastal from October 1, 2018, Pacer in Ilderton, ON from November 19, 2018, and SC from March 1, 2019. The Company's results for the comparative period ended February 28, 2018 includes Atlas, and Clinton from February 21, 2018.

Summary of Financial Results

Overall revenue for the three months ended March 31, 2019 was $6,216,908, up from $2,079,046 for the three months ended February 28, 2018, representing an overall growth in revenue from the prior period of almost 200%. This has resulted from organic and acquisition growth from the prior period to the current period.

Revenue for the three months ended March 31, 2019 from the Atlas Nanaimo operations was $2,309,447 as compared to revenues of $2,041,965 for the comparable three month period ended February 28, 2018, representing period-over-period organic growth of 13%. Despite very harsh winter conditions in Eastern Canada, the Company has seen strong organic revenue growth across the majority of its operations. Prior period results for Clinton, Satellite, Coastal, Pacer, and SC are from previous ownerships and were not audited. Revenue from acquisitions (Satellite, Coastal, Pacer, and SC) for the three months ended March 31, 2019 was $3,195,727 (three months ended February 28, 2018 was $37,081), representing a substantial increase to the Company's total revenues for the period ended March 31, 2019.

Cost of sales during the three months ended March 31, 2019 was $5,056,491 as compared to $1,589,243 for the three months ended February 28, 2018. The Company believes it will be able to significantly lower cost of sales as its acquisition targets become more fully integrated with the Company's and economies of scale are realized.

Adjusted EBITDA, a non-IFRS financial measurement, for the three months ended March 31, 2019 was $198,963, representing a 3.2% adjusted EBITDA margin, compared with $321,579 adjusted EBITDA and 15.5% adjusted EBITDA margin for the three months ended February 28, 2018 (See "Non-IFRS Financial Measures on page 8"). As discussed above, results for the three months ended February 28, 2018 did not include Satellite, Coastal, Pacer or SC.

During the three months ended March 31, 2019, the Company absorbed $88,956 in one-time costs related to severance and acquisitions. *(*See *"Results of Operations"* for one-time costs summary).

Selected Financial Results for the Three Months Ended March 31 and February 28			
	Mar 2019	Feb 2018	Feb 2017
Revenue from the Business	$3,021,181	$2,041,965	$1,757,921
Revenue from New Acquisitions	3,195,727	37,081	-
Total Revenue	6,216,908	2,079,046	1,757,921
Cost of Sales	5,056,491	1,589,243	1,409,279
Gross Profit	1,160,417	489,803	348,642
Gross Margin %	18.7%	23.6%	19.8%
Operating Expenses	1,639,338	739,218	134,042
Operating (Loss) Income	(478,921)	(249,415)	214,600
Net (Loss) Income After Adjustments and Taxes	(439,637)	(295,757)	140,215
Adjusted EBITDA	**198,963**	**321,579**	**185,988**
Adjusted EBITDA Margin %	3.2%	15.5%	10.6%
Normalized EBITDA	**287,919**	**321,579**	**185,988**
Normalized EBITDA Margin %	4.6%	15.5%	10.6%
Weighted Average Number of Shares	45,324,263	30,730,405	1,010
Adjusted EBITDA per Share ($ per share)	0.00	0.01	184.15
Loss per Share, Basic and Fully Diluted ($ per share)	(0.01)	(0.01)	138.83

Selected Financial Results for the Three Months Ended March 31, Seven Month Year Ended December 31, and Year Ended May 31			
	Mar 2019	Dec 2018	May 2018
Total Assets	$27,737,581	$26,061,954	$9,208,284
Total Non-Current Liabilities	7,397,663	5,012,861	1,274,300
Dividends	-	-	576,483

*Dividends from May 2018 were declared prior to completion of the reverse takeover transaction between Atlas Engineered Products Ltd. and Archer Petroleum Corp. (the "Archer Transaction").

Summary of Quarterly Financial Results

The following table sets forth selected financial information from the Company's unaudited quarterly financial statements for each of the eight most recently completed quarters. See below under Results of Operations for more details.

Summary of Quarterly Results				
	Three Months Ended	Four Months Ended	Three Months Ended	
	31-Mar-19	31-Dec-18	31-Aug-18	31-May-18
Revenues	$ 6,216,908	$ 8,269,618	$ 5,083,058	$ 3,987,449
Net (loss) income (3)	(439,637)	(1,193,675)	(56,411)	(485,317)
Net (loss) income per share (basic and diluted) (1)	0.00	(0.04)	0.00	(0.02)
	Three Months Ended			
	28-Feb-18	30-Nov-17	31-Aug-17	31-May-17
Revenues	$ 2,079,046	$ 2,791,623	$ 2,739,058	$ 2,062,762
Net (loss) income (2)	(295,757)	(4,506,473)	332,782	(1,541,291)
Net (loss) income per share (basic and diluted)(1)	(0.01)	(0.55)	309.00	(1,526.00)

(1) The basic and diluted income per share calculations result in the same amount due to there not being any

outstanding instruments that would be anti-dilutive.

(2) The net loss for the three months ended May 31, 2017 resulted from a write-down of $1,755,671 due from related party amount.

(3) The net loss for the three months ended November 30, 2017 resulted from the listing expense of $4,832,341 resulting from the Archer Transaction.

RESULTS OF OPERATIONS

Three months ended March 31, 2019

Revenue for the three months ended March 31, 2019 was $6,216,908 compared to revenue of $2,079,046 for the three months ended February 28, 2018. The revenue increase is due to the strong organic growth and our acquisitions, despite seasonally this being the slowest quarter for the construction industry. The revenue increase from new acquisitions for the three months ended March 31, 2019 was $3,195,727 compared to $37,081 for the three months end February 28, 2018. For March 31, 2019, this represents the new acquisitions of Satellite, Coastal, Pacer, and SC. Results for the three months ended February 28, 2018 included Atlas and Clinton (from February 21, 2018).

Cost of sales for the three months ended March 31, 2019 was $5,056,491 compared to $1,589,243 for the three months ended February 28, 2018 due to increased sales and new acquisitions that had higher cost of sales.

Gross margins slipped from 23.6% for the three months ended February 28, 2018 to 18.7% for the three months ended March 31, 2019. This was somewhat expected as the Company anticipates that many of its acquisition targets will operate more efficiently once those operations are fully integrated with the Company's operations. The decrease in gross margins for the three months ended March 31, 2019 resulted from:

- Group raw material inventory savings were not realized immediately upon acquisition as inventory amounts for the Company's acquisitions were purchased at higher pre-integration costs. As inventories are consumed, new inventories are replenished at lower group costs.
- A significant portion of cost of sales includes labour. Part of the integration process is identifying and resolving labour inefficiency at the Company's acquisition targets to improve workflows and productivity. The Company is making significant strides to ensure all locations are operating at the highest efficiency and productivity to increase margins.

The Company is applying best practices and pricing advantages to its acquisitions, but until this process is completed, it is expected that operations at these locations will perform at a lower margin than the core Atlas division in Nanaimo, BC. For example, Atlas, in Nanaimo, BC, increased gross margins from 27% for the three months ended February 28, 2018 to 37% for the three months ended March 31, 2019. All locations, with the exception of Pacer, have shown margin growth. During the three months ended March 31, 2019, the Company was focused on integrating Pacer which initially resulted in higher costs through equipment fixes and upgrades, machinery relocation to increase workflows, and working through historical higher priced inventory. It is expected that inventory costs at Pacer will decrease as Pacer is brought on to the Company's group procurement plan.

The Company recorded a net loss of $439,637 ($-0.01 per share) for the three months ended March 31, 2019 compared to a net loss of $295,757 ($-0.01 per share) for the three months ended February 28, 2018.

Administrative and office for the three months ended March 31, 2019 $225,432 (three months ended February 28, 2018 – $65,414). Administrative and office expenses have increased due to acquisitions and public company related costs. These costs include the recruitment fees, investor and marketing fees, acquisition fees, and office related expenses.

Depreciation for the three months ended March 31, 2019 $319,314 (three months ended February 28, 2018 – $34,352). Depreciation increased due to building and equipment and intangible assets that were acquired with the Company's acquisitions. During the three months ended March 31, 2019, $272,602 in additional

depreciation was included in cost of sales (three months ended February 28, 2018 – $59,575).

Management fees three months ended March 31, 2019 $73,200 (three months ended February 28, 2018 – $103,689). Management fees decreased due to the restructuring of the parent office resulting in the reduction of positions and the change from management contracts to employment contracts.

Professional fees for the three months ended March 31, 2019 $199,717 (three months ended February 28, 2018 – $132,010). Professional fees increased due to the Company's acquisition of SC that resulted in higher legal and financing fees during the period.

Salaries and benefits for the three months end March 31, 2019 $525,777 (three months ended February 28, 2018 – $62,935). There has been a significant increase in salaries and benefits due to the staffing increase from February 2018 to March 2019 in the parent office and with acquisitions. A large portion of this is due to the Company's acquisition of five businesses that each have their own operating salaries and benefits. Some positions in the prior period were also under management contracts which have been changed to employment agreements during this period.

Share-based payments for the three months ended March 31, 2019 $85,968 (three months end February 28, 2018 – $285,412). This has decreased due to the number of options issued and being expensed in the comparative period was higher than the current period. This current period expense is also reduced due to the forfeiture of a number of options that had been issued from November 2017 to date. Options are expensed over eighteen months as they vest and any unvested options on termination are credited back to share based payment expense.

One-time Costs

The Company incurred $88,956 in one-time costs related to severance and acquisitions during the three months ended March 31, 2019. These costs are not expected to be ongoing and are included in the Normalized EBITDA calculation. No one-time costs were identified in the three months ended February 28, 2018.

Non-IFRS Financial Measures – EBITDA, Adjusted EBITDA, and Normalized EBITDA

EBITDA is a non-IFRS measure that provides an indication of whether the Company's operations are generating sufficient operating cash flow to fund working capital needs and to fund capital expenditures. EBITDA comprises revenue less operating expenses before interest expense, interest income, depreciation, impairment charges, and income taxes.

Adjusted EBITDA is a non-IFRS measure in which standard EBITDA (earnings before interest expense, interest income, taxes, depreciation, and impairment charges) is adjusted for share-based payments expense, foreign exchange gains or losses, and non-recurring items. Foreign exchange gains or losses may consist of both realized and unrealized losses. Under IFRS, entities must reflect in compensation expense the cost of share-based payments. In the Company's circumstances, share-based payments can involve a significant accrual of amounts that will not be settled in cash but are settled by the issuance of shares in exchange. The Company discloses adjusted EBITDA to aid in understanding of the results of the Company and is meant to provide further information about the Company's financial results to investors.

Adjusted EBITDA margin is adjusted EBITDA expressed as a percentage of revenues. The adjusted EBITDA margin has decreased due to cost of integration activities, acquisitions, staffing, and seasonality.

Normalized EBITDA is adjusted EBITDA adjusted for one-time costs. Normalized EBITDA margin is normalized EBITDA expressed as a percentage of revenues.

In February 2018, AEP acquired Clinton, and during the remainder of 2018, the Company acquired Satellite, Coastal, and Pacer. In March of 2019, the Company acquired SC. To effectively lead this organization, the Company established a small parent office which included a CEO and CFO. These were costs that the

Company did not have for the three months ended February 2018.

Atlas, in Nanaimo, BC, is the Company's benchmark for efficiency and productivity. The Company is applying the Atlas methodology to all of its acquisitions and is still in the process of integrating these operations. The Atlas operations are also located on the west coast of Canada where seasonal weather does not impact operations to the same extent as the Company's eastern divisions. For the three months ended March 2019, the Company's eastern divisions include Clinton, Satellite, Pacer, and SC and were impacted by weather seasonality that will normally result in a lower first quarter revenues on an ongoing basis. When examined on its own, the Atlas operations reported strong organic growth.

Adjusted EBITDA margin for the seven month period ended December 31, 2018 was -4.9%. Adjusted EBITDA margin for the three months ended March 31, 2019 improved to 3.2% due to the successful reduction of overhead staff, contract cancellations, and acquisition integration efficiency gains.

Normalized EBITDA margin was 4.6% for the three months ended March 31, 2019, ahead of the Company's plan, mainly due to accelerated progress on acquisition integration activities.

EBITDA, Adjusted EBITDA, and Normalized EBITDA Calculation for Three Months Ended March 31 and February 28		
	Mar 2019	**Feb 2018**
Net loss for the period as reported	($439,637)	($295,757)
Interest earned	(104,421)	(13,599)
Interest expense	109,757	11,054
Income tax (recovery) expense	(125,804)	25,782
Accretion expense	0	6,332
Finance charge on leases	69,922	16,935
Depreciation	591,916	285,582
EBITDA	**101,733**	**36,329**
Foreign exchange (loss) gain	11,262	(162)
Share-based payments	85,968	285,412
Adjusted EBITDA	**198,963**	**321,579**
Revenue	6,216,908	2,079,046
Adjusted EBITDA Margin %	3.2%	15.5%

One time costs	88,956	-
Normalized EBITDA	**287,919**	**321,579**
Normalized EBITDA Margin %	4.6%	15.5%

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Related party transactions

The Company's related parties consist of the Company's directors and officers, and any companies associated with them. Key management personnel include directors and executive officers of the Company. Other than the amounts disclosed above, there was no other compensation paid or payable to key management personnel for employee services for the reported periods.

The Company incurred the following charges during the periods ended March 31, 2019 and February 28, 2018:

	March 31, 2019	February 28, 2018
	$	$
Salaries and benefits	146,712	-
Management fees	73,200	103,689
Finance charge on leases [1]	7,389	11,256
Share-based compensation	58,335	167,341
Professional fees	-	17,901
Total related party transactions	285,631	300,187

Amounts due to/from related parties are detailed as follows:

	March 31, 2019	December 31, 2018
	$	$
Due to related parties		
Accounts payable and accrued liabilities	-	(76,620)
Lease obligation [1]	(457,020)	(515,635)
Total due to related parties	(457,020)	(592,255)

1. A director of the Company has a 50% ownership in a company that owns the land and building and leases the premises to Atlas in Nanaimo, BC.

LIQUIDITY AND CAPITAL RESOURCES

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern. In the management of capital, the Company includes its components of shareholders' equity.

The Company maintains and adjusts its capital structure based on changes in economic conditions and the Company's planned requirements. The Company may adjust its capital structure by issuing new equity, issuing new debt, or acquiring or disposing of assets, and controlling its expenses. The Company is not subject to externally imposed capital requirements.

The Company is not subject to any capital requirements imposed by a regulator, other than continued listing requirements.

As at March 31, 2019 the Company held cash of $671,190 and had working capital of ($5,750,890) (December 31, 2018 – cash $1,593,762 and working capital of ($5,102,869)). The negative working capital is mainly due to the going concern reclassification of all long-term debt from RBC to current. Subsequent to the quarter ended March 31, 2019, the Company renegotiated the current ratio covenants on certain of its long-term loans, which should enable the Company to more easily comply with these requirements. The Company is also in the process of refinancing these loans from 1 year variable rates to 2 year variable rates. The Company expects that these measures will enable these loans to be classified as long-term debts moving forward.

During the three months ended March 31, 2019 net cash provided by operating activities was $558,402 (three months ended February 28, 2018 – cash used in operating activities was $640,128). The change from the current period to the prior period is mainly due to the acquisitions which has increased assets and depreciation and accounts receivable. Share based payments also had a decrease due to option forfeitures which has been credited after prior period expenses. Net cash used in investing activities was $3,345,278

(February 28, 2018 – cash used in investing activities of $1,009,181). The cash provided by investing activities increased due to the cash paid for the SC acquisition and the new crane truck for the Atlas division. Cash provided by financing activities was $1,864,304 (February 28, 2018 – cash used in financing activities of $75,109). In the three months ended March 31, 2019, this was mostly due to the proceeds from long-term debt of $2,075,300 used to acquire SC.

CAPITAL EXPENDITURES

During the three months ended March 31, 2019, the Company used cash to acquire equipment of $430,169 (three months end February 28, 2018 - $1,776). Overall building and equipment increased due to acquisitions and the purchase of a new crane truck for Atlas in order to support increased sales and deliveries.

FINANCIAL INSTRUMENTS

Fair value of financial instruments

Due to the short-term nature of cash, trade accounts receivable, accounts payable and accrued liabilities the carrying value of these financial instruments approximate their fair value. Customer deposits are short-term in nature as they are either refundable if the order is not completed or applied to an order at their carrying value. The carrying value of the customer deposits would approximate their fair value. The fair value of long-term debt is not materially different from their carrying value.

Classification of financial instruments

The Company's financial instruments consist of cash, trade accounts receivable, accounts payable and accrued liabilities, customer deposits, long-term debt, and the liability portion of the exchangeable notes. The Company classified and measured its cash and trade accounts receivable as subsequently measured at amortized cost. The accounts payable and accrued liabilities, customer deposits, and long-term debt are measured at amortized cost.

Financial and capital risk management

The Company thoroughly examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include interest rate risk, credit risk, and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors.

CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies with the most significant effect on the amounts recognized in the Company's financial statements are as follows:

KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of consolidated financial statements in conformity with IFRS as issued by the IASB requires management to make estimates and judgements that affect the amount reported in the consolidated financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and are subject to measurement uncertainty. Actual results may differ from these estimates.

SECURITIES OUTSTANDING

As at May 30, 2019, the Company's outstanding share information is as follows:

Security	Number	Exercise Price	Expiry Date
Issued and outstanding common shares	$30,730,405	NA	NA
Stock options	1,225,832	0.49	8-Nov-22
Stock options	450,000	0.60	5-Feb-23
Stock options	235,833	0.53	21-Feb-23
Stock options	66,666	0.55	18-Apr-23
Stock options	1,300,000	0.30	4-Mar-24
Total Options	**$3,278,331**		

The Company also has 5,165,000 outstanding warrants that can be exercised at $0.60. Some of these warrants expire on October 31, 2020 and the remainder expire on December 3, 2020.

DISCLOSURE OF CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the consolidated financial statements for the three months ended March 31, 2019 and this accompanying MD&A (together, the "Annual Filings").

In contrast to the full certificate under NI 52-109 the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with its filings on SEDAR at www.sedar.com.

RISKS AND UNCERTAINTIES

The Company's business and financial prospects are subject to several risks and uncertainties, including operational, financial and regulatory risks. The risks described below are not the only ones that the Company may face. If any of these risks occur, the Company's business, financial position and its results of operation could be materially and adversely affected.

Business Development and Marketing Strategy

The Company has devised a business development and marketing strategy, which it will implement to expand its products and services based on assessments by management and current market conditions. Management anticipates that the Company's business development and marketing strategies will play a significant role in determining whether the Company can expand its products and services. There is no guarantee that the business development and marketing strategies of the Company will be successful.

Brand Awareness

The Company's expansion of the Company's products and services depends on increasing market consolidation through strategic acquisitions and through this maintaining customer loyalty in these captive markets before another company decides to move into the market and follow a similar business objective of market consolidation through acquisition. There is no assurance that the Company will be able to increase brand awareness. In addition, the Company must successfully develop a market for its products in order to sell its products. If the Company is not able to successfully develop a market for its products, then such failure will have a material adverse effect on the business, financial condition and operating results of the Company.

Growth Risk

A key component of the Company's strategy is to continue to grow, both by increasing sales and earnings in existing markets with existing products, and by expanding into new markets and products. There can be no assurance that the Company will be successful in growing its business or in managing its growth. The Company's growth depends on, among other things:

- identifying and developing new markets and products;
- identifying and acquiring other businesses that are suitable acquisition candidates;
- successfully integrating any acquired businesses with existing operations;
- establishing and maintaining favourable relationships with customers in new markets, and maintaining these relationships in existing markets;
- establishing and maintaining favourable relationships with suppliers in new markets, and maintaining these relationships in existing markets; and
- successfully managing expansion and obtaining required financing.

In addition, the Company will depend on its ability to implement and integrate the following elements of its growth strategy:

- develop and expand sales through acquisitions;
- introduce new product lines; and
- carry out acquisitions, including identifying to the extent possible liabilities of the newly acquired businesses.

Management of Growth

The inability of the Company to successfully manage its growth could have a material adverse effect on its operating results and cause its results from operations to fluctuate. As part of the Company's growth strategy, it intends to introduce new product lines, pursue acquisitions and expand sales to existing and new customers, in new and existing territories. The Company's expense levels are based, in part, on expected future revenues and the Company is constrained in its ability to reduce expenses quickly if for any reason its sales levels do not meet expectations in a quarter or period. Furthermore, rapid expansion may place a significant strain on the Company's senior management team and other key personnel as well as its business processes, operations and other resources. The Company's ability to manage growth will also depend in part on its ability to continue to enhance its management information systems in a timely fashion, particularly if customer demands change in ways that the Company does not anticipate. Any inability to manage growth could result in delivery delays and cancellation of customer orders, which could have a material adverse effect on the
Company's business.

Business Development, Marketing and Sales Risk

The Company's future growth and profitability will depend on the effectiveness and efficiency of its national and potentially future international business development and marketing and sales strategy, including the Company's ability to (i) consolidate the market via strategic acquisitions; (ii) determine appropriate business development, marketing and sales strategies and (iii) maintain acceptable operating margins on such costs. There can be no assurance that business development, marketing and sales costs will result in revenues for the Company in the future or will generate awareness of the Company's products and services. In addition, no assurance can be given that the Company will be able to manage the Company's business development, marketing and sales costs on a cost-effective basis.

Maintenance Obligations and Facility Disruptions

The Company's manufacturing processes are vulnerable to operational problems that could impair the ability to manufacture products. The Company could experience a breakdown in any of their machines or

other important equipment, and from time to time, planned or unplanned maintenance outages that cannot be performed safely or efficiently during normal hours of operation. Such disruptions could cause a loss of production, which could potentially have a material adverse effect on the business, financial conditions and operating results.

Dependence on the Housing, Construction, Repair and Remodelling Market

The demand for the Company products is primarily affected by the level of new wood-framed residential and commercial construction activity and, to a lesser extent, repair and remodeling activity and other industrial uses, which are subject to fluctuations due to changes in general economic conditions. Decreases in the level of residential construction activity generally result in lower revenues, profits and cash flows for builders who are important customers to the Company.

Fluctuations in Prices and Demand for and Selling Price of Lumber

The Company's financial performance principally depends on the demand for and selling price of its products. The markets for lumber products are cyclical and are subject to significant fluctuations. The markets for lumber are highly volatile and are affected by factors such as North American economic conditions, including the strength of the Canadian and U.S. housing market, the growing importance of the Asian market, changes in industry production capacity, changes in inventory levels and other factors beyond the Company's control. In addition, interest rates have a significant effect on residential construction and renovation activity, which in turn influences the demand for and price of lumber.

Product Liability Claims

The Company produces engineered products and each product design is certified by a professional engineer. Each of these certified products is then inspected and is subject to the building plan and permit which in turn is covered by new homes and buildings protection liability insurance policies.

Although the Company believes that it maintains adequate insurance coverage, it may from time to time be subject to claims for damages resulting from defects in products that it supplies. Product liability claims, even if unsuccessful, may result in significant litigation costs to defend the claims as well as other costs incurred to remedy the problem, such as product recalls, which could substantially increase the Company's expenses. Successful or partially successful product liability claims could result in significant monetary liability and could seriously disrupt the Business, particularly if the Company's insurance coverage is inadequate or unavailable in respect of any such claims.

Furthermore, a highly publicized actual or perceived problem with products that the Company supplies could adversely affect the market's perception of its products which may result in a decline in demand for products supplied by the Company, thereby reducing the Company's revenues and operating results, which could have a material adverse effect on its business.

Uninsured or Uninsurable Risk

The Company may become subject to liability for risks against which it cannot insure or against which the Company may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for the Company's usual business activities. Payment of liabilities for which the Company does not carry insurance may have a material adverse effect on the Company's financial position and operations.

Competition

The Company may face significant competition in selling its products and services. Many competitors may have substantial marketing, financial, development and personnel resources. To remain competitive, the

Company believes that it must effectively and economically provide: (i) products and services that satisfy customer demands, (ii) superior sales and customer service, (iii) high levels of quality and reliability, and (iv) dependable and efficient distribution networks. Increased competition may require the Company to reduce prices or increase spending on sales and marketing and customer support, which may have a material adverse effect on its financial condition and results of operations. Any decrease in the quality of the Company's products or level of service to customers or any occurrence of a price war among the Company's competitors and the Company may adversely affect the business and its results from operations.

Patent Infringement

While the Company believes that its products and operations will not violate the intellectual property rights of third parties, other parties could bring legal actions against the Company claiming damages and seeking to enjoin the marketing and sale of the Company's products for allegedly conflicting with patents held by them. Any such litigation could result in substantial cost to the Company and diversion of effort by its management and technical personnel. If any such actions are successful, in addition to any potential liability for damages, the Company could be required to obtain a license in order to continue to market the affected products. There can be no assurance that the Company would prevail in such action or that any license required under any such patent would be available on acceptable terms, if at all. Failure to obtain needed patents, licenses or proprietary information held by others may have material adverse effect on the Company's business. In addition, if the Company were to become involved in such litigation, it could consume a substantial portion of the Company's time and resources.

Cyber Security Risk

The Company relies on information technology systems and networks in its operations. The Company could be materially and adversely affected if the information technology systems or networks are compromised by malicious cyber attacks. This information technology infrastructure may be subject to security breaches or other cybersecurity incidents. In addition, these systems may be compromised by natural disasters or defects in software or hardware systems. The consequences of the Company's information technology systems being compromised potentially include material and adverse impacts on its financial condition, operations, production or sales, due to disruption of its business activities, and access to, and/or compromising of, proprietary sensitive information, including confidential customer or employee information, litigation and regulatory costs, devaluation of any intellectual property and reputation harm. While the Company believes it takes appropriate precautions considering cyber security risks, there can be no assurance that it may not be subject to cyber security risks or attack, which could have a material adverse effect on business or results of operations.

Obsolescence

Maintaining a competitive position requires constant growth, development and strategic marketing and planning. If the Company is unable to maintain a technological advantage, the Company's ability to grow its business will be adversely affected and its products may become obsolete compared with other technologies.

Results of Operations and Financing Risks

Management believes, based on its expectations as to the future performance of the Company, that the cash flow from its operations and funds available to it will be adequate to enable the Company to finance its operations, execute its business strategy and maintain an adequate level of liquidity. However, expected revenue and the costs of planned capital expenditures are only estimates. Actual cash flows from operations are dependent on regulatory, market and other conditions that will be beyond the control of the Company. As such, no assurance can be given that management's expectations as to future performance will be realized. In addition, management's expectations as to the future performance of the Company reflect the current state of its information about recently acquired assets or entities, assets or entities currently considered for acquisition, the operations related thereto and integration efforts, and there can be

no assurance that such information is correct or complete in all material respects.

Additional Requirements for Capital

Substantial additional financing may be required if the Company is to be successful with the Company's acquisition strategy and the overall development of its business. The Company does not currently know whether it will be able to secure additional funding or funding on terms acceptable to the Company. The Company's ability to obtain additional funding will be subject to several factors, including market conditions, investor sentiment and the Company's operating performance. These factors may take the timing, amount, terms and conditions of additional funding unattractive to the Company. If the Company is unable to raise additional funds on terms acceptable to the Company's management when needed, the Company's ability to execute its acquisition strategy could be impaired, which could lead to a material adverse impact on its business. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion or may not be able to further develop its business at all.

If the Company can obtain additional funds by way of an equity financing, the Company's existing shareholders may experience dilution. Any additional debt financing, if available, may involve restrictions on the Company's financing and operating activities.

Liquidity and Future Financing Risk

The Company does not currently have cash reserves for funding future growth and expansion and therefore may require additional financing in order to fund future growth in operations and expansion plans. The Company's ability to secure any required financing to sustain its operations will depend in part upon prevailing capital market conditions, as well as the Company's business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to the Company's management. If additional financing is raised by issuing Common Shares, control may change, and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, the Company may be required to scale back its business plan.

Changes in Law, Regulations and Guidelines

The Company's business will be subject to laws, regulations, and guidelines. Although the Company intends to comply with all laws and regulations, there is no guarantee that the governing laws and regulations will not change which will be outside of the Company's control.

Key Personnel Risk

The Company's success will depend on its directors' and officers' ability to develop the Company's business and manage its operations, and on the Company's ability to attract and retain the Chief Executive Officer and other key technical, sales, public relations and marketing staff or consultants to ramp up its business activities. The loss of any key person or the inability to find and retain new key persons could have a material adverse effect on the Company's business. Competition for qualified technical, design, sales and marketing staff, as well as officers and directors can be intense and no assurance can be provided that the Company will be able to attract or retain key personnel in the future, which may adversely impact the Company's operations.

Conflicts of Interest Risk

Certain of the Company's directors and officers are also involved as advisors for other companies. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers' conflict with or diverge from the Company's interests. In accordance with the BCBCA, directors who have a material interest in any person who is a party to a material contract, or a proposed material contract are required, subject to certain exceptions, to disclose that interest and generally

abstain from voting on any resolution to approve the contract.

In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Company. However, in conflict of interest situations, the Company's directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to the Company. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavourable to the Company.

Intellectual Property Protection

The Company's intellectual property is protected primarily through trade secrets and copyright protection. The Company takes steps to document and protect its trade secrets and authorship of works protectable by copyright. However, there is no guarantee that such steps protect against the disclosure of confidential information, rights of employees, or that legal actions would provide sufficient remedy for any breach. Additionally, the Company's trade secrets might otherwise become known or be independently developed by competitors. If the Company's intellectual property cannot be protected, the business might be adversely affected.

Going-Concern Risk

As at March 31, 2019, the Company was in violation of the covenants of its long-term debt facilities. Subsequent to period end, the Company obtained a waiver from the lender waiving compliance with this covenant as at March 31, 2019. Management has forecasted that the Company may also fail to meet those covenants at certain covenant compliance testing dates in 2019. There is no certainty that the Company would be able to obtain similar waivers at any or all of those points, which could result in the lender having the ability to demand repayment. If the lender demands repayment, the Company may not have sufficient cash to repay the debt and may not be able to secure debt on similar commercial terms or raise equity that could be used to repay the existing debt. These conditions indicate the existence of a material uncertainty that may cast significant doubt regarding the Company's ability to continue as a going concern.

The Company is currently in discussions with the lenders to negotiate amendments to the debt covenants. The Company's ability to continue as a going concern is dependent upon its ability to maintain debt financing to support its growth and operations. While the Company has been successful in obtaining financing in the past, and received a waiver form its lender for the March 31, 2019 covenant breach, the success of future initiatives cannot be assured.

Subsequent to the year end, the Company has continued to meet the financial obligations payments on the required due dates.

Market Risk for Securities

The market price for the Company shares could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the Company's Shares. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

Absence of Cash Dividends

To date, the Company has not paid any cash dividends on its Common Shares and it does not anticipate the payment of any dividends on its Common Shares in the foreseeable future.

Smaller Companies

Market perception of smaller companies may change, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds through the issue of further Common Shares or

otherwise. The share price of publicly traded smaller companies can be highly volatile. The value of the Company's securities may go down as well as up, and, the share price may be subject to sudden and large falls in value given the restricted marketability of the Common Shares, results of operations, changes in earnings estimates or changes in general market, economic and political conditions.

Future Sales by Significant Shareholders

Following release of shares from the resale restrictions imposed by the terms of the Escrow Agreement, should the former shareholders of Atlas Private determine to act in concert and sell their shares, the market price of the Common Shares may fall. This could result from the pressure on the market caused by such sales, or from concern that the sales signify problems in the Company's operations, or from some combination of the two. Mitigating this risk to some extent, though in no way eliminating it, is the fact that the Escrowed Securities are subject to certain release provisions.

Seasonality risk

As the Company continues its acquisitions across Canada there are several locations that will face extreme weather conditions that will impact manufacturing and delivery of products. It will also impact our customers and deliveries could be delayed.

SUBSEQUENT EVENTS

No significant subsequent events occurred after the three months ended March 31, 2019 to the filing of this report.

OTHER INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com.