MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2019

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EXPLANATORY NOTES

The following Management's Discussion and Analysis of Financial Results ("MD&A"), dated May 9, 2019, should be read in conjunction with the cautionary statement regarding forward-looking information and statements below, as well as the audited consolidated financial statements and notes thereto, for the years ended December 31, 2018 and 2017. The annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts in the following MD&A are in Canadian dollars unless otherwise stated. References to "McCoy," "McCoy Global," "the Corporation," "we," "us" or "our" mean McCoy Global Inc. and its subsidiaries, unless the context otherwise requires. Additional information relating to McCoy Global, including periodic quarterly and annual reports and Annual Information Forms ("AIF"), filed with Canadian securities regulatory authorities, is available on SEDAR at sedar.com and our website at mccoyglobal.com.

FORWARD-LOOKING INFORMATION AND STATEMENTS

This MD&A contains certain forward-looking statements and forward-looking information (collectively referred to herein as "**forward-looking statements**") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking information is often, but not always, identified by the use of words such as "could", "should", "can", "anticipate", "expect", "objective", "ongoing", "believe", "will", "may", "projected", "plan", "sustain", "continues", "strategy", "potential", "projects", "grow", "take advantage", "estimate", "well-positioned" or similar words suggesting future outcomes. In particular, this MD&A contains:

Forward-looking statements relating to McCoy Global's:

- business strategy;
- future development and organic growth prospects;
- impact of re-structuring plans and cost structure;
- competitive advantages; and
- merger and acquisition strategy.

Forward-looking statements respecting:

- the business opportunities for the Corporation that are based on the views of management of the Corporation and current and anticipated market conditions; and
- the perceived benefits of the growth and operating strategies of the Corporation; which are based upon the financial and operating attributes of the Corporation as at the date hereof, as well as the anticipated operating and financial results.

Other forward-looking statements regarding the Corporation are located in the documents incorporated by reference in this MD&A and are based on certain key expectations and assumptions of the Corporation concerning anticipated financial performance, business prospects, strategies, the sufficiency of budgeted capital expenditures in carrying out planned activities, the availability and cost of labour and services and the ability to obtain financing on acceptable terms, which are subject to change based on market conditions and potential timing delays. Although management of the Corporation considers these assumptions to be reasonable based on information currently available to them, they may prove to be incorrect.

By their very nature, forward-looking statements involve inherent risks and uncertainties (both general and specific) and risks that forward-looking statements will not be achieved. Undue reliance should not be placed on forward-looking statements, as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in the forward-looking statements, including those set out below and those detailed elsewhere in this MD&A:

- oil and natural gas price fluctuations;
- domestic and foreign competition;
- technology;
- replacement or reduced use of products and services;
- international operations;
- ability to effectively manage growth;
- business mergers and acquisitions;
- supply chain;
- reliance on key persons workforce availability;
- legal compliance;
- litigation;
- breach of confidentiality;
- safety performance;
- foreign exchange;
- availability of financing;
- selling additional common shares;
- customers' inability to obtain credit/financing;
- material differences between actual results and management estimates and assumptions;
- impact of the United States-Mexico-Canada Agreement;
- Greenhouse Gas ("GHG") regulations;
- change in U.S. administration;
- conservation measures and technological advances;
- terrorist attack or armed conflict;
- sufficiency of internal controls;
- insurance sufficiency, availability and rate risk;
- information security; and
- challenges by taxation authorities.

Readers are cautioned that the foregoing list is not exhaustive.

The reader is further cautioned that the preparation of financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. These judgments and estimates may change, having either a negative or positive effect on net earnings as further information becomes available, and as the economic environment changes.

The information contained in this MD&A, including the documents incorporated by reference herein, identifies additional factors that could affect the operating results and performance of the Corporation. We urge you to carefully consider those factors.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this MD&A are made as of the date of this MD&A and the Corporation does not undertake and is not obligated to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.

DESCRIPTION OF GAAP MEASURES AND NON-GAAP MEASURES

Throughout this MD&A, management uses measures which do not have a standardized meaning as prescribed by IFRS and therefore are considered to be additional or non-GAAP measures presented under IFRS.

EBITDA is a non-GAAP measure defined as net earnings (loss), before:

- depreciation of property, plant and equipment;
- amortization of intangible assets;
- income tax expense (recovery); and
- finance charges, net.

Adjusted EBITDA is a non-GAAP measure defined as net earnings (loss), before:

- depreciation of property, plant and equipment;
- amortization of intangible assets;
- income tax expense (recovery);
- finance charges, net;
- provision for (recovery of) excess and obsolete inventory;
- other losses (gains), net;
- restructuring charges;
- share-based compensation; and
- impairment losses.

The Corporation reports on EBITDA and adjusted EBITDA because they are important measures used by management to evaluate performance. The Corporation believes adjusted EBITDA assists investors in assessing McCoy Global's current operating performance on a consistent basis without regard to non-cash, unusual (i.e. infrequent and not considered part of ongoing operations), or non-recurring items that can vary significantly depending on accounting methods or non-operating factors.

Adjusted EBITDA is not considered an alternative to net earnings (loss) in measuring McCoy Global's performance. Adjusted EBITDA does not have a standardized meaning and is therefore not likely to be comparable to similar measures used by other issuers. Adjusted EBITDA should not be used as an exclusive measure of cash flow since it does not account for the impact of working capital changes, capital expenditures, debt changes and other sources and uses of cash, which are disclosed in the consolidated statements of cash flows.

OUTLOOK AND FORWARD-LOOKING INFORMATION

For the first quarter of 2019, McCoy reported revenue of $14.8 million, alongside positive earnings and adjusted EBITDA for the third consecutive quarter, proving our ability to drive profitability despite uncertain market fundamentals. This achievement was a result of McCoy's continued discipline on implementing cost reductions and operating efficiencies, underpinned by improved industry fundamentals since the second half of 2018.

Market uncertainty in December, 2018 and early 2019 drove delays in project approvals for many customers, specifically in international and offshore markets, and as a result backlog declined to $9.9 million as at March 31, 2019. Although customer order activity began the year at a slow pace, it accelerated subsequent to the first quarter with $7.2 million of order intake reported for the month of April, 2019 and backlog of $13.2 million as at April 30, 2019. We expect our second quarter revenues to be impacted by the delays in order intake to some degree as a result of longer lead time requirements on many of these higher specification orders. To mitigate the impact, McCoy has taken calculated steps and made strategic investments in certain finished goods inventories throughout the first quarter to enable quicker order conversion.

For the remainder of 2019, international and offshore markets highlight an area of opportunity for McCoy as the market continues its gradual recovery. McCoy's engineering capabilities and technology offerings position the Corporation to partner with a diverse range of customers as a solutions provider to address complex challenges and drive new revenue opportunities.

In the US land market, the Permian basin remains highly competitive and increased market uncertainty has exacerbated pricing pressures and increased scrutiny over capital spending. McCoy has responded to the changing purchasing landscape by investing in its rental fleet and strategic finished goods equipment inventory to enable just-in-time customer purchases to better support the short-term contracts that are prevalent in this region.

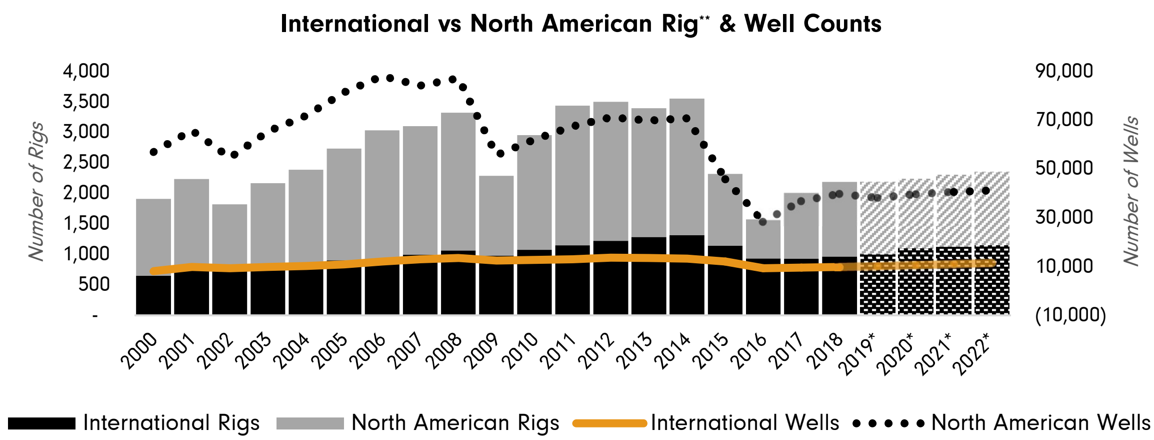
McCoy has continued to focus on developing new technology, and during the first quarter invested $0.5 million in its 'Digital Technology Roadmap' as planned. McCoy has partnered with a global leading technology developer in this strategic endeavor. This initiative is a key priority for McCoy as the industry moves towards a focus on data driven solutions. McCoy anticipates launching the first of these new product solutions prior to the end of 2019. During, and subsequent to the first quarter, we continued to introduce and deliver the next generation of the McCoy Torque Turn ("MTT") monitoring and control software product. Along with recently acquired ATEX certification for hazardous environments, the MTT has many improved functions and features that has so far received positive customer response. Revenue generated from new products developed over the past twelve months continues to trend towards McCoy's strategic target.

McCoy remains committed to protecting shareholders from dilution and to preserving its balance sheet during these unpredictable market conditions. As the market improves and McCoy realizes increased revenues and order intake, McCoy's team will continue its focus on improving margins and generating free cash flow through supply chain and operational efficiencies.

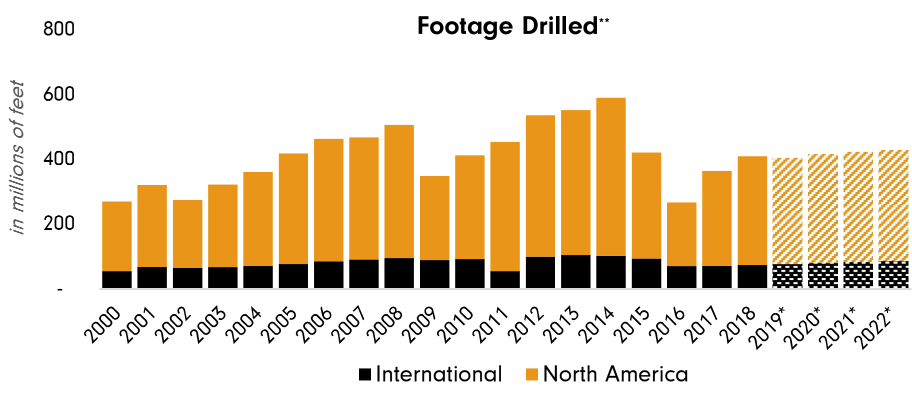
MARKET CONDITIONS

Management uses active rig counts as well as number and length of wells being drilled as data points to monitor and set expectations of the future performance of the Corporation. Generally, these metrics are leading indicators of demand for McCoy Global's products and services, although there are many factors that may impact any correlation.

A summary of historical and forecasted rig and well counts, which includes both land and offshore, obtained from Spears & Associates Drilling and Production Outlook, March 2019, is as follows:



A summary of historical and forecasted footage drilled, which includes both land and offshore, obtained from Spears & Associates Drilling and Production Outlook, March 2019, is as follows:



**Forecasted*
***Cumulative*

Although market conditions experienced a slight improvement in the first quarter of 2019, customers remain conservative regarding the deployment of capital. As market conditions begin to stabilize, McCoy expects customers to increasingly deploy capital to meet project requirements, as evidenced by the increase in orders received in April, 2019.

Despite delays in order intake during the quarter, international and offshore markets have continued their gradual recovery and customers have begun to re-invest in equipment to meet demand and look to new technologies to drive efficiency. McCoy continues to have a strong product presence in the offshore and international markets.

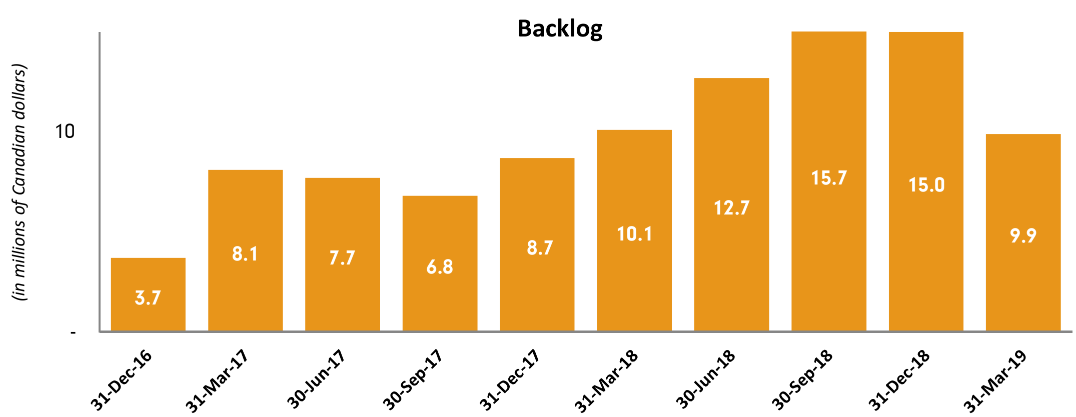
In the North American land market, competition, cash constraints and pricing pressure continue to influence customer decisions on well-construction equipment purchases, which has led to increased customer demand for equipment rental options. McCoy continues to respond to the changing purchasing landscape by investing it its rental fleet and strategic finished goods inventories.

Backlog

Backlog is a measure of the amount of customer orders the Corporation has received and is therefore an indicator of a base level of future revenue potential. Backlog is not a GAAP measure and, as a result, the definition and determination of backlog will vary among other issuers reporting a backlog figure.

The Corporation defines backlog as orders that have a high certainty of being delivered and is measured on the basis of a firm customer commitment, such as the receipt of a purchase order. Customers may default on or cancel such commitments, however may be secured by a deposit and/or require reimbursement by the customer upon default or cancellation. Backlog reflects likely future revenues; however, cancellations or reductions may occur and there can be no assurance that backlog amounts will ultimately be realized as revenue, or that the Corporation will earn a profit on backlog once fulfilled. Expected delivery dates for orders recorded in backlog historically spanned from one to six months.

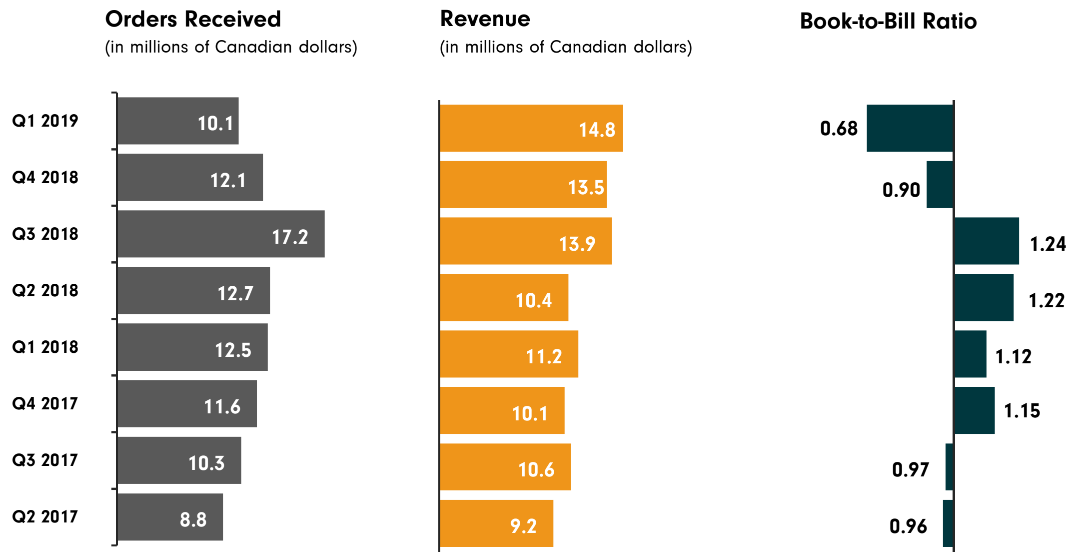
McCoy Global's backlog as at March 31, 2019 totaled $9.9 million, a decrease of $5.1 million or 34% from December 31, 2018. Compared to March 31, 2018, backlog decreased $0.2 million or 2%. As at April 30, 2019, McCoy Global's backlog totaled $13.2 million, an increase of $3.3 million or 33% from March 31, 2019.



Book-to-Bill Ratio

The book-to-bill ratio is a measure of the amount of net sales orders received to revenues recognized. The ratio is an indicator of customer demand and sales order processing times. The book-to-bill ratio is not a GAAP measure and therefore the definition and calculation of the ratio will vary among other issuers reporting the book-to-bill ratio. McCoy Global calculates the book-to-bill ratio as net sales orders taken in the reporting period divided by the revenues reported for the same reporting period.

Set out below are orders received, revenue and the book-to-bill ratio:



The Corporation received orders of $7.2 million for the month ended April 30, 2019, and reported backlog of $13.2 million as at April 30, 2019.

STRATEGY AND CORE BUSINESS VISION

McCoy Global's vision is to be recognized as the Trusted Partner delivering Smart Solutions for Rugged Applications

McCoy Global Inc. is incorporated and domiciled in Canada and is a leading provider of equipment and technologies designed to support wellbore integrity and assist with collecting critical data for the global energy industry. McCoy Global's core products are used predominantly during the well construction phase for both land and offshore wells during both oil and gas exploration and development.

The Corporation is engaged in the following:

- design, production and distribution of capital equipment to support wellbore integrity and to support capital equipment sales through aftermarket products and services such as technical support, consumables, and replacement parts;
- design, production and distribution of data collection technologies used in rugged applications for the global energy industry as well as in construction, marine and aerospace;
- repair, maintenance, and calibration of the Corporation's capital equipment and similar competitor products; and
- rental of the Corporation's capital equipment.

Set out below are McCoy Global's principal operations:

Operating Name	Country of Incorporation	Operating Region	Ownership Interest
McCoy Global Canada Corp.	Canada	Canada	100%
McCoy Global FZE	United Arab Emirates	Eastern Hemisphere	100%
McCoy Global USA, Inc.	United States	United States, Central America & Latin America	100%

FINANCIAL RESULTS

Summary of Consolidated Financial Results

As at and for the three months ended March 31 ($000 except per share amounts)	2019	2018
Revenue	14,840	11,243
Net earnings (loss)	524	(1,951)
Per common share – basic	0.02	(0.07)
Per common share – diluted	0.02	(0.07)
Adjusted EBITDA	713	(482)
Per common share – basic	0.03	(0.02)
Per common share – diluted	0.03	(0.02)
Total assets	59,780	50,429
Total liabilities	19,668	9,879
Total non-current liabilities	6,348	632

EBITDA and adjusted EBITDA are calculated as follows:

For the three months ended March 31 ($000)	2019	2018
Net earnings (loss)	524	(1,951)
Depreciation of property, plant and equipment	627	362
Finance charges, net	134	38
Amortization of intangible assets	4	138
Income tax expense	-	21
EBITDA	1,289	(1,392)
Other losses, net	147	286
Share-based compensation expense (recovery)	83	(32)
Restructuring charges	-	798
Recovery of excess and obsolete inventory	(806)	(142)
Adjusted EBITDA	713	(482)

Net earnings (loss), EBITDA and adjusted EBITDA were impacted by the adoption of IFRS 16 which replaced operating expenses with depreciation of right-of-use-assets and finance charges on lease liabilities. During the three months ended March 31, 2019, the Corporation recognized $0.2 million in depreciation of right-of-use-assets and nominal finance charges on lease liabilities. For the three months ended March 31, 2019, the adoption of IFRS 16 resulted in a $0.2 million increase in EBITDA and adjusted EBITDA. Principal portions of lease payments of $0.2 million were recorded as financing activities on the condensed consolidated interim statements of cash flows. The Corporation has not restated comparatives for 2018 as permitted by the transitional provisions of IFRS 16.

REVENUE

($000 except percentages)	For the three months ended March 31 2019	2018	Change	% Change
Revenue	**14,840**	11,243	3,597	32%

As a result of the strengthening of industry fundamentals beginning in the middle of 2018, McCoy entered 2019 with backlog of $15.0 million, which supported the increase in revenues for the quarter. This increase in customer activity also shifted product mix from aftermarket consumables and replacement parts to capital equipment as customers began to replace existing end of life equipment.

GROSS PROFIT

($000 except percentages)	For the three months ended March 31 2019	2018	Change	% Change
Gross profit	**4,570**	2,896	1,674	58%
Gross profit as a % of revenue	***31%***	*26%*	*5%*	

Gross profit increased from the comparative period as a result of increased production through-put, in combination with the cost reductions realized as a result of restructuring initiatives implemented in the prior years in addition to continued focus on supply chain efficiencies. Gross profit in the comparative period includes the transitional impact of consolidation production facilities and costs associated with transitioning to an assembly production model.

Gross profit for the three months ended March 31, 2018 includes a $0.8 million recovery of excess and obsolete inventory (2018 – recovery of $0.1 million). The inventory recovery is primarily related to components for non-standard product models which have seen renewed customer demand.

GENERAL AND ADMINISTRATION EXPENSE (G&A)

($000 except percentages)	For the three months ended March 31 2019	2018	Change	% Change
G&A	**2,361**	2,263	98	4%
G&A as a % of revenue	***16%***	*20%*	*(4%)*	

G&A has remained consistent with the comparative period as a result of continued cost disciple. The Corporation continues to monitor its overhead spend and expects future G&A expenditures to continue to decline as a percentage of revenue as Corporation's current overhead cost structure can be leveraged for revenue growth.

SALES AND MARKETING EXPENSE (SALES & MARKETING)

	For the three months ended March 31			
($000 except percentages)	2019	2018	Change	% Change
Sales & Marketing	**612**	797	(185)	(23%)
Sales & Marketing as a % of revenue	***4%***	*7%*	*(3%)*	

Sales & Marketing has decreased from the comparative quarter as a result of the previously announced restructuring initiatives. Sales & Marketing spend has remained consistent over recent quarters.

RESEARCH AND DEVELOPMENT (R&D)

	For the three months ended March 31			
($000 except percentages)	2019	2018	Change	% Change
R&D expense	**792**	**644**	148	23%
Capitalized development expenditures	**529**	**90**	439	488%
R&D expenditures	**1,321**	**734**	587	80%
R&D expenditures as a % of revenue	**9%**	**7%**	*2%*	

McCoy has continued to focus on developing new technology, and during the first quarter invested $0.5 million in its the 'Digital Technology Roadmap' as planned. McCoy has partnered with a global leading technology developer in this strategic endeavor. This initiative is a key priority for McCoy as the industry moves towards a focus on data driven solutions. McCoy anticipates launching the first commercial products prior to the end of 2019. Revenue generated from new products developed over the past twelve months continues to trend towards McCoy's strategic target.

OTHER ITEMS

	For the three months ended March 31			
($000 except percentages)	2019	2018	Change	% Change
Other losses, net	**147**	**286**	(139)	(49%)
Finance charges, net	**134**	**38**	96	253%
Restructuring charges	**-**	**798**	(798)	(100%)

Other losses, net is comprised primarily of foreign exchange fluctuations and gains or losses on the disposal of property, plant and equipment.

Finance charges, net, includes borrowing costs, finance charges imputed on operating leases in accordance with IFRS 16, offset by interest income on cash and cash equivalents.

Restructuring charges relate to restructuring initiatives to reduce the Corporation's cost structure. Restructuring charges for the three months ended March 31, 2018 relate to restructuring initiatives to reduce the Corporation's cost structure.

SUMMARY OF QUARTERLY RESULTS

($000 except per share amounts)	2019 Mar 31	2018 Dec 31	Sep 30	Jun 30	Mar 31	2017 Dec 31	Sep 30	Jun 30
Revenue	**14,840**	13,543	13,899	10,391	11,243	10,054	10,563	9,214
Impairment and restructuring charges (reversals)	**-**	65	15	1,028	798	1,288	319	365
Net earnings (loss)	**524**	931	183	(2,954)	(1,951)	(6,254)	(3,390)	(3,097)
Basic and diluted earnings (loss) per share	**0.02**	0.03	0.01	(0.11)	(0.07)	(0.23)	(0.12)	(0.11)
EBITDA	**1,289**	1,513	911	(1,054)	(1,392)	(5,648)	(2,915)	(2,453)
Adjusted EBITDA	**713**	776	687	(772)	(482)	(898)	(1,494)	(919)

Net earnings (loss), EBITDA and adjusted EBITDA were impacted by the adoption of IFRS 16 which replaced operating expenses with depreciation of right-of-use-assets and finance charges on lease liabilities. During the three months ended March 31, 2019, the Corporation recognized $0.2 million in depreciation of right-of-use-assets and nominal finance charges on lease liabilities. For the three months ended March 31, 2019, the adoption of IFRS 16 resulted in a $0.2 million increase in EBITDA and adjusted EBITDA.

LIQUIDITY AND CASH FLOW

Selected cash flow information is as follows:

For the three months ended March 31 ($000)	2019	2018
Cash generated from operating activities	**241**	**319**
Cash used in investing activities	**(703)**	**(413)**
Cash used in financing activities	**(563)**	**(2,962)**

Cash from operating activities for the three months ended March 31, 2019 was primarily generated by positive EBITDA offset by an increase in working capital and finance costs paid. Cash from operating activities in the prior period was a result of a reduction in working capital and cash tax recoveries offset by EBITDA losses. Cash generated from operating activities for the first quarter of 2019 was also impacted by the adoption of IFRS 16, which resulted in $0.2 million relating to the principal portion of lease payments being reclassified as cash used in financing activities. These payments were previously classified as operating activity cashflows. This is offset by an increase of $0.2 million in depreciation of right-of-use assets and nominal finance charges on lease liabilities.

Cash used in investing activities for the three months ended March 31, 2019 was primarily related to investment in McCoy's 'Digital Technology Roadmap' for the development of two strategic products scheduled for commercialization by the end of 2019 and additions to the Corporation's rental fleet. Cash used in the comparative period was primarily additions to the Corporation's rental fleet.

Cash used in financing activities for the three months ended March 31, 2019 was primarily from the repayment of the Corporation's borrowings and the principal portion of lease payments. In the comparative period, cash was used in the repayment of borrowings offset be funds transferred from restricted cash.

As at ($000)	**March 31, 2019**	December 31,2018
Cash and cash equivalents	**9,756**	10,947
Restricted cash, as per credit facility	**500**	500
Borrowings	**(4,343)**	(4,775)
Net cash	**5,913**	6,672

As a result of gradually improving industry fundamentals, the Corporation reported its third consecutive quarter of positive earnings and adjusted EBITDA.

McCoy remains committed to managing the business for success in the current market environment through continued focus on margin improvements through supply chain and operational efficiencies and diligently maintaining previously enacted cost reduction initiatives. With activity levels expected to stabilize, generating operating cashflows and increasing working capital efficiency is another key priority for the Corporation in 2019.

Anticipated capital spending for the remainder of 2019 includes:

- US$1.1 million of investment in Corporation's Digital Technology Roadmap;
- settlement of provisions included in current liabilities as at March 31, 2019;
- investment in rental equipment to satisfy increasing customer demand; and
- nominal investments in production facility equipment.

Market uncertainty continues to be a challenge in developing longer term forecasts for the Corporation, including working capital projections.

OUTSTANDING SHARE DATA

As at May 9, 2019 the following class of shares and equity securities potentially convertible into common shares were outstanding:

Common shares	27,436,439
Convertible equity securities:	
Stock options	1,335,000
Restricted share plan units	492,000

The stock options and restricted share plan units are exercisable into an equal number of common shares. Stock options may be exercised after they have vested. Restricted share plan units are converted to common shares at pre-determined vesting dates.

Options with the following exercise price ranges were outstanding as at May 9, 2019:

Exercise price range	Options outstanding	Weighted average remaining contractual life
	#	years
$1 to $2	650,000	7.49
$2 to $4	565,000	6.86
$4 to $6	100,000	0.40
> $6	20,000	0.02
	1,335,000	6.24

CONTROLS AND PROCEDURES

INTERNAL CONTROLS OVER FINANCIAL REPORTING ("ICFR")

Management has evaluated whether there were changes in our Internal Controls over Financial Reporting ("ICFR") during the three-month period ended March 31, 2019 that have materially affected, or are reasonably likely to materially affect, our ICFR. No such changes have been identified. Please see page 23 of McCoy Global's 2018 Annual Report for a discussion of internal controls over financial reporting and disclosure controls.

ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. Management is responsible for establishing and maintaining adequate ICFR.

OTHER INFORMATION

Additional information relating to the Corporation, including the Corporation's Annual Information Form for the year ending December 31, 2018 is available on SEDAR at www.sedar.com.

OTHER INTERIM MD&A REQUIREMENTS

There have been no significant changes in the following items from those described in our 2018 Annual Report. Please refer to the page numbers listed below from McCoy Global's 2018 Annual Report:

- Financial risk management and financial instruments – pages 62-65;
- Capital management – page 65;
- Contractual obligations – page 20;
- Related party transactions – page 66;
- Critical accounting estimates and judgements – pages 21-22; and
- Risks and uncertainties – pages 23-31.