MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2019

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EXPLANATORY NOTES

The following Management's Discussion and Analysis of Financial Results ("MD&A"), dated November 6, 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;
- international trade relations;
- 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 third quarter of 2019, McCoy Global's strong operational performance resulted in net earnings of $1.2 million and Adjusted EBITDA of $2.2 million. In addition, McCoy significantly advanced its 'Digital Technology Roadmap' initiative by completing the first phase of this strategy and development of the first two products under the initiative:

VIRTUAL THREAD-REP™ technology — A remote support service that enables real-time connection makeup evaluation support for Tubular Running Service customers

CALCERT™ technology, providing enhanced measurement certainty — An applied calibration machine learning technology for McCoy's Tubular Make-Up equipment servicing requirements

McCoy also completed another critical advancement of its strategic technology initiatives with the acquisition of DrawWorks LP ("DrawWorks") in early October 2019. DrawWorks' team of skilled engineers have developed innovative equipment offerings which are complementary to McCoy, one of which is the recently developed DWCRT™, a modular mechanically operated casing running tool. The acquisition enables us to deliver enhanced solutions to our customers through the integration of our data-driven technology platform with DrawWorks' equipment offerings. We also anticipate unlocking DrawWorks' depth of design expertise on new products and technical packages to further diversify our service offerings in future.

McCoy will leverage its strong global footprint to enable DrawWorks' products to reach new customers and markets under our globally recognized and respected McCoy brand. For the year ended December 31, 2018, DrawWorks reported unaudited annual revenues of US$6.3 million. Shortly following close, the production of DrawWorks' technologies has been integrated into McCoy's existing production footprint, while DrawWorks' customer base is being supported through McCoy's global technical sales and service team.

McCoy assumed open order backlog of $2.0 million in connection with the acquisition of DrawWorks, which will support revenues for the fourth quarter of 2019 and offset the 35% sequential decline in order intake reported for the third quarter. Declining activity levels in the US land market were persistent throughout the quarter and the direct, negative impact on capital spending by customers in this region continues.

During the third quarter of 2019, the US land market saw further softening in drilling activity resulting from a combination of oil price volatility and operators moving toward prioritization of cash flows with less focus on growth. Quarterly rig count continued their decline from the second quarter, falling by a further 11%. We anticipate drilling and completion activity in the US land market will continue to decline through the remainder of the year and into 2020.

Looking ahead, international and offshore markets highlight an area of opportunity for McCoy as this sector 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. However, the timing of capital equipment revenues from international and offshore markets tend to be more project driven and as a result the timing of order placement is difficult to predict.

Products introduced under McCoy's Digital Technology Roadmap, including the addition of DrawWorks' product portfolio, will be key to generating incremental revenue in this uncertain market environment as the industry moves towards a focus on data driven solutions to increase efficiency, reduce labor costs and improve safety.

In addition to progress made on our 'Digital Technology Roadmap', we have continued to introduce and deliver new products to market in 2019, including the next generation of the McCoy Torque Turn ("MTT") monitoring and control software product. Along with ATEX certification for hazardous environments, the MTT has many improved functions and features and has received positive customer response. Finally, the development of McCoy's next generation wireless Data Sub is expected to complete field trials before year end, with commercialization following shortly thereafter. This Data Sub will provide customers with patented, unique technology advances that will continue to set McCoy apart as technology leaders.

The increased emphasis on capital discipline from our customers is driving the need for increased efficiency through innovative technologies. As such, McCoy remains focused on driving its profitability and managing working capital to improve cash flow and return on capital, while continuing to address our customers' most challenging needs through McCoy's investments in data driven technologies.

In summary, our near-term agenda will be:

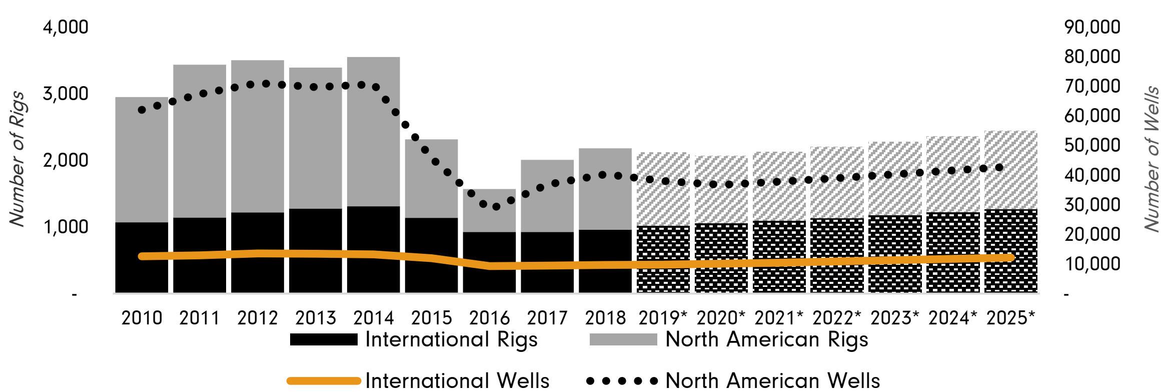
- continued capital discipline and overhead cost reduction;
- development of the technology advancements that will define our future;
- commercialization of recently developed products, following completion of field trials; and
- continued focus on supporting our customers.

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, September 2019, is as follows:

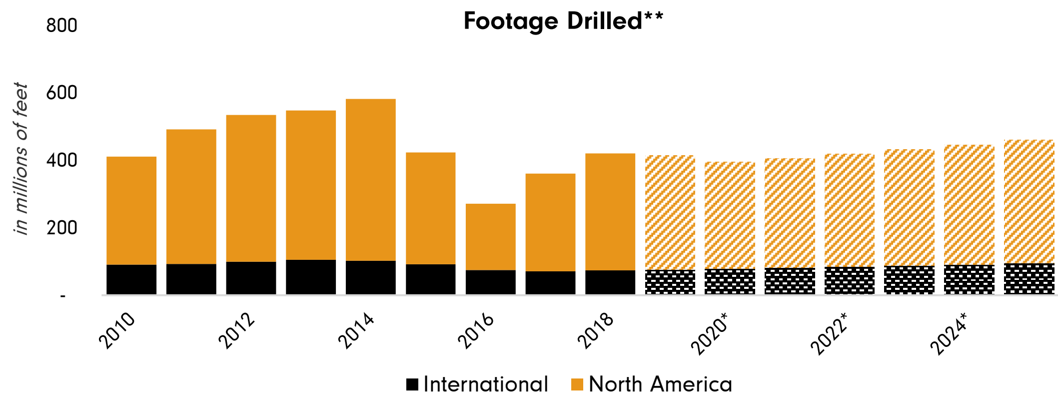
International vs North American Rig & Well Counts**



**Forecasted*

***Cumulative*

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



**Forecasted*

***Cumulative*

The demand for McCoy Global's products and services is related to drilling activity levels and customers' capital and operating budgets, which in turn are influenced by oil and natural gas prices and expectations as to future price trends. The availability of existing capital equipment adequate to serve drilling activity requirements, or lack thereof, further drives demand levels for McCoy's capital equipment products.

Industry fundamentals strengthened through much of 2018, giving rise to higher drilling activity and to some degree, customer spending primarily in North America. However, in the fourth quarter of 2018, oil prices declined sharply which led to increased uncertainty surrounding our customers' 2019 capital budgets, and customers generally taking a more conservative approach to capital outlays.

In the North American land market, competition, cash constraints, pricing pressure and declines in market activity have continued to influence customer decisions on well-construction equipment purchases through 2019. McCoy continues to respond to this challenging market environment by investing in data driven technologies to improve efficiency for its customers.

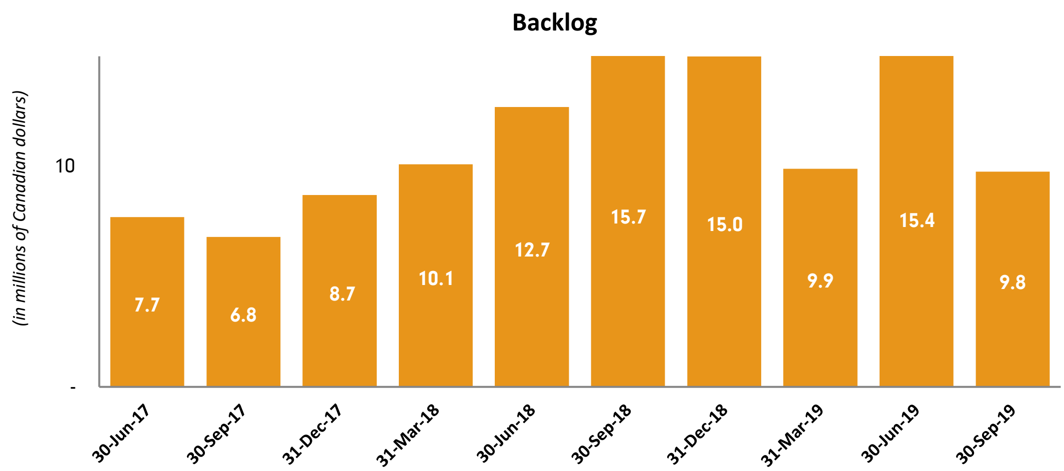
International and offshore markets have continued their gradual recovery and customers have begun to re-invest in equipment to meet demand and look to new technologies to drive efficiency. McCoy continues to have a strong product presence in the offshore and international markets. McCoy also remains in a strong position to take advantage of growth due to its large, global installed base of technologies including land and offshore applications.

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 orders, however the commitment may be secured by a deposit and/or require reimbursement by the customer upon default or cancellation. Although backlog reflects likely future revenues, 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 have historically spanned from one to six months.

McCoy Global's backlog as at September 30, 2019 totaled $9.8 million (Q2 2019 - $15.4 million), a decrease of $5.6 million or 35% from June 30, 2019. Immediately subsequent to September 30, 2019, McCoy assumed $2.0 million of additional order backlog in connection with the acquisition of DrawWorks, bringing total backlog to $11.8 million.



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:

Orders received are those orders in a period which have been included in backlog. Orders received are typically booked in $USD. For each reporting period, orders received are converted to $CAD at an average foreign exchange rate for the period. As a result, orders received can fluctuate from one reporting period to another because of foreign exchange volatility.

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

For the three months ended September 30 ($000 except per share amounts)	2019	2018
Revenue	**15,222**	13,899
Net earnings	**1,238**	183
Per common share – basic	**0.04**	0.01
Per common share – diluted	**0.04**	0.01
Adjusted EBITDA	**2,213**	687
Per common share – basic	**0.08**	0.02
Per common share – diluted	**0.08**	0.02

As at and for the nine months ended September 30 ($000 except per share amounts)	2019	2018
Revenue	**41,517**	35,533
Net earnings (loss)	**172**	(4,722)
Per common share – basic	**0.01**	(0.17)
Per common share – diluted	**0.01**	(0.17)
Adjusted EBITDA	**2,864**	(571)
Per common share – basic	**0.11**	(0.02)
Per common share – diluted	**0.11**	(0.02)
Dividends per common share	**-**	-
Total assets	**61,139**	54,948
Total liabilities	**21,894**	17,234
Total non-current liabilities	**7,999**	4,104

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 September 30, 2019, the Corporation recognized $0.3 million in depreciation of right-of-use-assets and $0.1 million finance charges on lease liabilities (nine months ended September 30, 2019 - $0.7 million and $0.2 million, respectively). For the three months ended September 30, 2019, the adoption of IFRS 16 resulted in a $0.2 million increase in EBITDA and Adjusted EBITDA (nine months ended September 30, 2019 - $0.4 million). For the three months ended September 30, 2019, principal portions of lease payments of $0.2 million were recorded as financing activities on the condensed consolidated interim statements of cash flows (nine months ended September 30, 2019 - $0.6 million). The Corporation has not restated comparatives for 2018 as permitted by the transitional provisions of IFRS 16.

EBITDA and Adjusted EBITDA are calculated as follows:

($000)	Three months ended September 30 2019	Three months ended September 30 2018	Nine months ended September 30 2019	Nine months ended September 30 2018
Net earnings (loss)	**1,238**	183	**172**	(4,722)
Depreciation of property, plant and equipment	**688**	411	**2,006**	2,195
Amortization of intangible assets	**1**	147	**5**	439
Income tax expense	**-**	78	**-**	362
Finance charges, net	**217**	92	**422**	191
EBITDA	**2,144**	911	**2,605**	(1,535)
Impairment charges	**-**	-	**-**	902
Restructuring charges	**-**	15	**-**	939
Share-based compensation	**25**	(31)	**154**	63
(Reversals) provisions for excess and obsolete inventory	**(155)**	(418)	**(795)**	(1,010)
Other losses (gains), net	**199**	210	**900**	74
Adjusted EBITDA	**2,213**	687	**2,864**	(567)

REVENUE

($000 except percentages)	Three months ended September 30 2019	2018	Change	% Change	Nine months ended September 30 2019	2018	Change	% Change
Revenue	**15,222**	13,899	1,323	10%	**41,517**	35,533	5,984	17%

Revenue for the three and nine months ended September 30, 2019 was impacted by modest strengthening of industry fundamentals since the second quarter of 2018, primarily driven by international and offshore growth. This increase in customer activity also shifted product mix from aftermarket consumables and replacement parts to capital equipment as customers have begun to replace existing end of life equipment. Revenues for the three months ended September 30, 2019 were also impacted by $1.8 million in customer shipments that were carried over from the second quarter of 2019.

Gross profit

($000 except percentages)	Three months ended September 30 2019	2018	Change	% Change	Nine months ended September 30 2019	2018	Change	% Change
Gross profit	**4,964**	3,775	1,189	31%	**12,385**	8,494	3,891	46%
Gross profit %	***33%***	*27%*	*6%*		***30%***	*24%*	*6%*	

For the three and nine months ended September 30, 2019, gross profit improved from the comparative period as a result of increased production through-put, in combination with the cost reductions realized as a result of continued focus on supply chain efficiencies. Gross profit in the comparative periods includes the transitional impact of the consolidation of production facilities and costs associated with transitioning to an assembly production model.

Gross profit for the three months ended September 30, 2019 includes a nominal recovery related to provisions for excess and obsolete inventory (2018 – recovery of $0.4 million). Gross profit for the nine months ended September 30, 2019 includes a $0.8 million recovery of excess and obsolete inventory (2018 – recovery of $1.0 million).

General and administration expense (G&A)

($000 except percentages)	Three months ended September 30 2019	2018	Change	% Change	Nine months ended September 30 2019	2018	Change	% Change
G&A	**1,982**	1,850	132	7%	**6,749**	6,444	305	5%
G&A as a % of revenue	***13%***	*13%*	*-%*		***16%***	*18%*	*(2%)*	

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

Sales and marketing expense (Sales & Marketing)

($000 except percentages)	Three months ended September 30 2019	2018	Change	% Change	Nine months ended September 30 2019	2018	Change	% Change
Sales and Marketing	**544**	627	(83)	(13%)	**1,752**	2,063	(311)	(15%)
Sales and Marketing as a % of revenue	***4%***	*5%*	*(1%)*		***4%***	*6%*	*(2%)*	

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

RESEARCH AND DEVELOPMENT (R&D)

($000 except percentages)	Three months ended September 30				Nine months ended September 30			
	2019	2018	Change	% Change	**2019**	2018	Change	% Change
R&D expense	**784**	720	64	9%	**2,390**	2,241	149	7%
Capitalized development expenditures	**559**	-	559	100%	**1,889**	164	1,725	1,052%
R&D expenditures	**1,343**	720	623	87%	**4,279**	2,405	1,874	78%
R&D expenditures as a % of revenue	***9%***	*5%*	*4%*		***10%***	*7%*	*4%*	

McCoy has continued to focus on developing new technology to address customer challenges, and during the nine months ended September 30, 2019 invested $1.9 million in its the 'Digital Technology Roadmap' as planned. McCoy completed the first phase of the Roadmap with the successful launch of two digital products:

VIRTUAL THREAD-REP™ technology — A remote support service that enables real-time connection makeup evaluation support for Tubular Running Service customers

CALCERT™ technology, providing enhanced measurement certainty — An applied calibration machine learning technology for McCoy's Tubular Make-Up equipment servicing requirements

In addition to the successful launch of these products, McCoy has developed the cloud-based platform and digital infrastructure to further enable future digital product offerings and enhancements.

Costs incurred on product development are capitalized as intangible assets when it is probable the development will provide economic benefits, considering its commercial and technical feasibility, the resources available for development and that costs can be measured reliably.

Other Items

($000 except percentages)	Three months ended September 30 2019	2018	Change	% Change	Nine months ended September 30 2019	2018	Change	% Change
Finance charges, net	**217**	92	125	136%	**422**	191	231	121%
Other losses, net	**199**	210	(11)	(5%)	**900**	74	826	1,116%
Restructuring charges	**-**	15	(15)	(100%)	**-**	939	(939)	(100%)
Impairment charges	**-**	-	-	-%	**-**	902	(902)	(100%)

Finance charges, net, includes borrowing costs offset by interest income on cash and cash equivalents. For the three and nine months ended September 30, 2019 finance charges, net, also includes interest charges imputed on leases in accordance with IFRS 16.

Other losses, net is comprised primarily of foreign exchange fluctuations and gains or losses on the disposal of property, plant and equipment. For the nine months ended September 30, 2019, other losses include $0.6 million of additional provisions recorded for certain site remediation costs associated with a previous business divestiture.

Impairment charges recognized during the nine months ended September 30, 2018 related to internally generated intellectual property. McCoy Global reviewed capitalized development costs related to new product development projects and determined that the future economic benefits expected from the use of these assets was uncertain.

Restructuring charges recognized during the three and nine months ended September 30, 2018 related to restructuring initiatives to reduce the Corporation's cost structure related to transitioning production from Edmonton, Alberta to Broussard, Louisiana; and consolidating Eastern Hemisphere operations in the United Arab Emirates.

Summary of Quarterly Results

($000 except per share amounts)	2019 Sep 30	2019 Jun 30	2019 Mar 31	2018 Dec 31	2018 Sep 30	2018 Jun 30	2018 Mar 31	2017 Dec 31
Revenue	**15,222**	11,455	14,840	13,543	13,899	10,391	11,243	10,054
Impairment and restructuring charges	**-**	-	-	65	15	1,028	798	1,288
Net earnings (loss)	**1,238**	(1,590)	524	931	183	(2,954)	(1,951)	(6,254)
Basic and diluted earnings (loss) per share	**0.04**	(0.06)	0.02	0.03	0.01	(0.11)	(0.07)	(0.23)
EBITDA	**2,144**	(828)	1,289	1,513	911	(1,054)	(1,392)	(5,648)
Adjusted EBITDA	**2,213**	(61)	713	776	687	(772)	(482)	(898)

Net earnings (loss), EBITDA and Adjusted EBITDA were impacted by the adoption of IFRS 16, effective January 1, 2019, which replaced operating expenses with depreciation of right-of-use-assets and finance charges on lease liabilities.

During the three months ended September 30, 2019, the Corporation recognized $0.3 million in depreciation of right-of-use-assets and $0.1 million finance charges on lease liabilities (nine months ended September 30, 2019 - $0.7 million and $0.2 million, respectively). For the three months ended September 30, 2019, the adoption of IFRS 16 resulted in a $0.2 million increase in EBITDA and Adjusted EBITDA (nine months ended September 30, 2019 - $0.4 million).

LIQUIDITY AND CAPITAL RESOURCES

As at ($000)	**September 30, 2019**	December 31, 2018
Cash and cash equivalents	**11,600**	10,947
Restricted cash, as per credit facility	**500**	500
Borrowings	**(6,679)**	(4,775)
Net cash	**5,421**	6,672

During the three months ended September 30, 2019 the Corporation entered into a US denominated loan agreement for $3.1 million, net of transaction costs, secured by certain of its US real estate assets in anticipation of the acquisition of DrawWorks LP. Effective October 2, 2019, the Corporation acquired all of the outstanding partnership units of DrawWorks LP, with aggregate consideration as follows:

	October 2, 2019
	$
Consideration transferred:	
Cash consideration, net	**5,859**
Promissory note, bearing interest at 5.25%, repayable in quarterly instalments over 18 months	**1,994**
Total consideration	**7,853**

If the acquisition closed with cash consideration paid on or before September 30, 2019, the Corporation would have reported $5.7 million of cash and cash equivalents as at September 30, 2019, with an additional $0.5 million of funds restricted under the terms of certain of the Corporation's credit facilities.

In addition to the acquisition of DrawWorks, anticipated capital spending for the remainder of 2019 includes:

- settlement of provisions included in current liabilities as at September 30, 2019;
- investment in rental equipment to satisfy increasing customer demand; and
- nominal investments in production facility equipment.

McCoy remains committed to managing the business for success in the current market environment through continued focus on margin improvements through operational efficiencies and diligently maintaining previously enacted cost reduction initiatives. Though market uncertainty continues to be a challenge in developing longer term forecasts for the Corporation, generating operating cashflows and increasing working capital efficiency regardless of market conditions is a key priority for the Corporation.

Selected cash flow information is as follows:

($000)	Three months ended September 30		Nine months ended September 30	
	2019	2018	**2019**	2018
Cash generated from (used in) operating activities	**250**	806	**2,696**	(3,345)
Cash used in investing activities	**(559)**	(350)	**(2,960)**	(1,112)
Cash generated from (used in) financing activities	**2,520**	(493)	**1,411**	1,569
Debt to equity ratio	**0.56 to 1**	0.46 to 1	**0.56 to 1**	0.46 to 1
Net cash	**5,421**	7,856	**5,421**	7,856

Cash generated from operating activities for the three and nine months ended September 30, 2019 was driven by positive EBITDA. For the three months ended September 30, 2019 increases in trade receivable balances due to the timing of customer shipments also impacted cash generated from operating activities. For the nine months ended September 30, 2019, cash 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 (nine months ended June 30, 2019 – $0.6 million). 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 (six months ended June 30, 2019 – $0.6 million). Cash used in operating activities for the three and nine months ended September 30, 2018 was primarily used to increase working capital in anticipation of an increase in revenue in the second half of 2018, offset by a recovery of corporate income taxes.

Cash used in investing activities for the three and nine months ended September 30, 2019 was primarily related to investment in McCoy's 'Digital Technology Roadmap' and additions to the Corporation's rental fleet. Cash used in the comparative period was primarily additions to the Corporation's rental fleet.

During the three months ended September 30, 2019 the Corporation entered into a loan agreement for $2.4 million USD secured by certain of its US real estate assets in anticipation of the acquisition of DrawWorks LP. Cash used in financing activities for the three and nine months ended September 30, 2019 related to repayments of the Corporation's term loan, the principal portions of lease payments and the repurchase of shares. During the nine months ended September 30, 2018 the Corporation refinanced its borrowings under a previous facility and $2.0 million was released from its restrictions of borrowings.

OUTSTANDING SHARE DATA

As at November 6, 2019 the following class of shares and equity securities potentially convertible into common shares were outstanding:

Common shares	27,630,989
Convertible equity securities:	
Stock options	1,210,000
Restricted share plan units	254,250

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 November 6, 2019:

Exercise price range	Options outstanding	Weighted average remaining contractual life
	#	years
$1 to $2	650,000	7.23
$2 to $3	360,000	7.13
$3 to $4	200,000	5.60
	1,210,000	6.93

CONTROLS AND PROCEDURES

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management has evaluated whether there were changes in our Internal Controls over Financial Reporting ("ICFR") during the nine-month period ended September 30, 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 62-64;
- Capital management – page 65;
- Contractual obligations and off-balance sheet arrangements – page 20;
- Related party transactions – page 20;
- Critical accounting estimates and judgements – pages 21-22; and
- Risks and uncertainties – pages 23-31.