

**NETCOINS HOLDINGS INC.
(FORMERLY GAR LIMITED)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019**

**(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

GENERAL

This Management's Discussion and Analysis of GAR Limited ("GAR" or the "Company") ("MD&A") is dated November 29, 2019, provides analysis of the Company's financial results for the three and nine months ended September 30, 2019 compared to the three and nine months ended September 30, 2018. The following information should be read in conjunction with the condensed consolidated interim financial statements for the three and nine months ended September 30, 2019 and 2018 with accompanying notes and the audited consolidated financial statements and related notes for the year ended December 31, 2018, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures are expressed in Canadian dollars unless otherwise stated.

COMPANY OVERVIEW

Netcoins Holdings Inc. (formerly GAR Limited) was incorporated on February 20, 1987 under the Business Corporation Act (Ontario). On August 31, 2018, the Company filed a Certificate of Continuance in the Province of British Columbia and adopted Articles of Continuance as a BC company under the Business Corporations Act of British Columbia (the "BCBCA"). These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

Netcoins Holdings is a public company which is listed on the Canadian Securities Exchange ("CSE") under the symbol "NETC". The Company's head office is 800 West Pender Street, Suite 1430, Vancouver, BC, V6C 2V6, and registered and records office is located 1055 W. Georgia Street, Suite 1500, PO Box 11117, Vancouver, BC, V6E 4N7.

On March 9, 2018, the Company completed the acquisition of Netcoins Inc. ("Netcoins"), a private British Columbia corporation incorporated on July 8, 2014. Netcoins develops and markets software that enable the efficient purchasing of Bitcoin and uses its software to purchase and sell Bitcoin to customers. The Company acquired all of the issued and outstanding shares of Netcoins under a share purchase agreement (the "Reverse Takeover Transaction", the "Transaction", or the "RTO"). In connection to the Transaction, the Company is doing business under the business name "Netcoins Holdings Inc." and operating the primary business of Netcoins.

On the closing of the RTO, Netcoins became a wholly-owned subsidiary of the Company. As Netcoins is deemed to be the accounting acquirer for accounting purposes, its assets and liabilities and operations since incorporation on July 8, 2014 are included in the consolidated financial statements at their historical carrying value. The Company's results of operations are included from March 9, 2018 onwards, the closing date. Please refer to the Reverse Acquisition (note 5 of the financial statements) for more details.

During the nine months ended September 30, 2019, the Company disposed all of its subsidiaries to an unrelated third party. The Company's results of operations from its subsidiaries are classified as discontinued operations in its statements of loss and comprehensive loss. Please refer to note 20 in the financial statements for financial information relating to the discontinued operations. The Company will be seeking investments and business transactions in well-established sectors.

SUMMARY OF QUARTERLY RESULTS

Key financial information for the three and nine months ended September 30, 2019 is summarized as follows, reported in Canadian dollars except for per share amounts:

	Three Months Ended		Nine Months Ended	
	September 30, 2019 (\$)	September 30, 2018 (\$)	September 30, 2019 (\$)	September 30, 2018 (\$)
<u>From Continuing Operations</u>				
Expenses	(655,877)	(977,079)	(1,607,775)	(19,391,199)
Net loss	(655,877)	(977,079)	(1,607,775)	(19,391,199)
Loss per share	(0.01)	(0.01)	(0.01)	(0.29)
<u>From Discontinued Operations</u>				
Revenues				
Sales	4,677,396	21,808,486	43,349,627	32,026,284
Purchases	(4,660,005)	(21,488,087)	(43,016,244)	(31,428,939)
Gross profit	17,391	320,399	333,383	597,345
Gross margin	0.4%	1%	1%	2%
Expenses	(399,377)	(2,033,440)	(1,639,083)	(3,532,030)
Other gains (losses)	(212,082)	1,101,096	(89,232)	1,101,096
Gain on sale of subsidiaries	2,312,755	-	2,312,755	-
Net gain (loss)	1,917,357	(325,442)	1,241,498	(1,547,841)
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			September 30, 2019 (\$)	September 30, 2018 (\$)
Current assets			3,114,898	6,116,775
Current liabilities			703,822	296,013
Total assets			3,115,830	6,234,275
Total Liabilities			703,822	296,013

Discussion of the results of operations for the three-month period ended September 30, 2019 and the nine-month period ended September 30, 2019 include amounts from discontinued operations of Netcoins Holdings' subsidiaries for consistent comparison to the prior year.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

Revenues

Revenues from cryptocurrency sales for the three months ended September 30, 2019 were \$4,677,396, compared to revenues of \$21,808,486 during the same period in the prior year.

Cost of sales from cryptocurrency purchases for the three months ended September 30, 2019 were \$4,660,005, compared to cost of sales of \$21,488,087 during the same period in the prior year.

Gross margin for the three months ended September 30, 2019 was at 0.4% compared to 1% in the same period in the prior year.

Operating expenses

Expenses for the three months ended September 30, 2019 were \$937,517 (\$660,989 from continuing operations and \$276,528 from discontinued operations), compared to \$3,042,125 incurred the same period in the prior year. The significant differences in expenditures were as follows:

- Marketing and advertising expenses: \$5,279 (\$66 from continuing operations and \$5,213 from discontinued operations) for the three months ended September 30, 2019 compared to \$1,474,644 during the same period in prior year, as the Company had expanded and experienced tremendous growth in the prior year third quarter period;
- Share-based payments: \$102,235 (\$102,235 from continuing operations and \$nil from discontinued operations) for the three months ended September 30, 2019 compared to \$869,126 during the same period in 2018, as the Company adopted a stock option plan in 2018 and granted options to directors, management and certain employees;

- Consulting fees: \$399,500 (\$397,500 from continuing operations and \$2,000 from discontinued operations) compared to \$98,379 during the same period in 2018, as the Company engaged consultants to assist in the sales of the subsidiaries in the third quarter of 2019;
- Professional fees: \$135,990 (\$133,887 from continuing operations and \$2,103 from discontinued operations) compared to \$74,800 during the same period in the prior year; the Company engaged professionals to consult in the sales of the subsidiaries in the third quarter of 2019.

RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

Revenues

Revenues from cryptocurrency sales for the nine months ended September 30, 2019 were \$43,349,627, compared to revenues of \$32,026,284 during the same period in the prior year.

Cost of sales from cryptocurrency purchases for the nine months ended September 30, 2019 were \$43,016,244, compared to cost of sales of \$31,428,939 during the same period in the prior year.

Gross margin for the nine months ended September 30, 2019 was at 1% compared to 2% in the same period in the prior year.

Operating expenses

Expenses for the nine months ended September 30, 2019 were \$3,247,325 (\$1,612,997 from continuing operations and \$1,634,328 from discontinued operations), compared to \$22,937,984 incurred the same period in the prior year. The significant differences in expenditures were as follows:

- Marketing and advertising expenses: \$43,837 (\$66 from continuing operations and \$43,771 from discontinued operations) for the nine months ended September 30, 2019 compared to \$2,075,561 during the same period in prior year, as the Company had expanded and experienced tremendous growth in the prior year;
- Share-based payments: \$656,620 (\$636,620 from continuing operations and \$nil from discontinued operations) for the nine months ended September 30, 2019 compared to \$2,936,095 during the same period in 2018, as the Company adopted a stock option plan in 2018 and granted options to directors, management and certain employees;
- Consulting fees: \$682,000 (\$500,000 from continuing operations and \$182,000 from discontinued operations) compared to \$98,379 during the same period in 2019, as the Company engaged consultants to assist in the sales of the subsidiaries in 2019;
- Professional fees: \$422,838 (\$356,849 from continuing operations and \$65,989 from discontinued operations) compared to \$74,800 during the same period in the prior year; the Company engaged professionals to consult in the sales of the subsidiaries in 2019; while in 2018, the Company engaged advisors to assist in the rapid growth of the business and in preparation for the reverse acquisition.

CAPITAL STRUCTURE

On November 11, 2019, the Company completed a consolidation of the authorized and issued common shares of the Company on the basis of one post-consolidated Common Share for twenty-five pre-consolidation Common Shares. As of the date of this MD&A, the Company has 4,856,589 post-consolidation common shares issued and outstanding.

In addition, there are outstanding stock options for a further 54,372 post-consolidation common shares, respectively.

The details of stock options outstanding are as follows:

Grant Date	Expiry Date	Number of Shares Issuable on Exercise	Weighted Average Exercise Price
March 13, 2018	March 13, 2023	54,372	\$8.75

CAPITAL RESOURCES

The Company defines capital as consisting of shareholder's equity and due to a related party. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As at September 30, 2019 and December 31, 2018, the Company is not subject to any externally imposed capital requirements or debt covenants. There was no change to the Company's approach to capital management during the three and nine months ended September 30, 2019 and 2018.

LIQUIDITY

The Company's objective in managing liquidity risk is to maintain sufficient liquidity in order to meet operational and investing requirements. The Company has historically financed its operations primarily through the sale of share capital by way of private placements.

At September 30, 2019, the Company had cash of \$2,873,180 (December 31, 2018 - \$5,598,712) and working capital of \$2,411,076 (December 31, 2018 - \$5,071,654). The change in working capital at September 30, 2019 and December 31, 2018 is attributed to several factors commensurate with the growth of the business including the decrease in cash on deposit with cryptocurrency exchanges due to the disposition of Netcoins' subsidiaries, the growth in trade receivables and payables, and decrease in cryptocurrency inventory at 2019 quarter-end, and prepaid expenses.

Cash used in operating activities was \$2,143,412 during the nine months ended September 30, 2019, compared to \$1,779,932 used in operating activities during same period in the prior year. The change in operating cash flows is attributed primarily to the decrease in operating activities due to disposition of Netcoins' subsidiaries.

Cash used in investing activities was \$582,120 during the nine months ended September 30, 2019, compared to \$5,255,301 provided by investing activities during the same period in the prior year. The change in investing cash flows is attributed primarily to the cash received upon completion of the RTO.

Cash provided by financing activities of \$nil for the nine months ended September 30, 2019 compared to \$1,369,966 provided by financing activities during the same period in the prior year. The change in financing cash flows was primarily due to receipt of funds from the exercise of warrants under the convertible debenture units.

The continued operation of the Company in the future may depend on the Company's ability to obtain additional financings. In the past years, the Company has relied on shareholder loans and cash generated from operations to meet its cash requirements. Future developments, in excess of funds on hand, will depend on the Company's ability to obtain financing through equity financing, debt financing or other means. There can be no assurances that the Company will be successful in obtaining any such financing; failure to obtain such additional financing could have a material adverse effect on the Company's operations.

DISCONTINUED OPERATIONS

On May 27, 2019, the Company announced it has entered into a share purchase agreement with an unrelated third party (the "Purchaser") regarding the sale of Netcoins Inc., NTC Holdings Corp. and NTC Holdings USA Corp. (collectively, the "Subsidiaries").

The Subsidiaries were sold on July 31, 2019 with effect from August 1, 2019 and are reported in the current period as discontinued operations. Please refer to note 20 in the financial statements for financial information relating to the discontinued operations.

RELATED PARTY TRANSACTIONS

The Company's related parties include key management personnel and companies related by way of directors or shareholders in common.

Key Management Personnel Compensation

During the nine months ended September 30, 2019 and 2018, the Company paid and/or accrued salaries, commissions, consulting and professional fees to management personnel and directors:

	Three Months Ended		Nine Months Ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Management	\$ 23,945	\$ 125,591	\$ 241,997	\$ 288,348
Directors	73,672	95,000	427,772	285,000
	\$ 97,617	\$ 220,591	\$ 669,769	\$ 573,348

During the three and nine months ended September 30, 2019, the Company also had share-based payments made to management and directors of \$102,235 (2018 - \$869,126) and \$636,620 (2018 - \$2,936,095), respectively.

During the three and nine months ended September 30, 2019, the Company purchased \$130,443 (2018 - \$158,150) and \$472,603 (2018 - \$275,226) worth of bitcoins from a company with common management, respectively.

Due to Related Parties

As at September 30, 2019 and December 31, 2018, the Company has the following amounts due to related parties:

	September 30, 2019	December 31, 2018
Accounts payable and accrued liabilities	\$ 15,609	\$ 92,848
	\$ 15,609	\$ 92,848

OFF BALANCE SHEET ARRANGEMENTS

The Company currently has no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels.

The hierarchy is as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 fair value measurements are those derived from inputs that are unobservable inputs for the asset or liability.

The fair value of cash approximates their carrying value due to the short-term maturity. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties

and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial Risk Factors

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash held with banks, cash on deposit with fiat to Bitcoin Exchanges and from outstanding trade receivables. The Company minimizes credit risk associated with its cash balance substantially by dealing with financial institutions deemed to be reliable due to their history of operations. Credit risk associated with cryptocurrency sale proceeds collected by vendors on behalf of the Company is limited as transactions are usually settled within 1 or 15 days.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations with cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company is exposed to liquidity risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest-bearing debt. The Company's sensitivity to interest rates is minimal.

Foreign Currency Risk

Currency risk is the risk that the value of financial assets and liabilities denominated in currencies, other than the functional currency of the Company, will fluctuate due to changes in foreign currency exchange rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company previously was exposed to foreign currency risk through cash in banks and cash on deposit with fiat to cryptocurrency exchanges which are denominated in United States dollars (USD). As at September 30, 2019 the Company was not exposed to currency risk.

BUSINESS RISKS AND UNCERTAINTIES

Additional information on risks and uncertainties relating to Netcoins' business is provided in GAR's Listing Statement dated February 28, 2018, under the heading "Risk Factors".

CONTRACTUAL OBLIGATIONS

The Company presently has no contractual obligations pursuant to which the Company has any payments owing in the next five years.

Additional information on Netcoins' material contracts is provided in GAR's Listing Statement dated February 28, 2018, under the heading "Information Concerning Netcoins – Material Contracts".

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ significantly from these estimates.

The following discusses the most significant accounting judgements, estimates and assumptions that the Company has made in the preparation of its financial statements.

Areas of judgment:

- Revenue recognition

In recognizing revenue, the Company determines if it acts as a principal in executing transactions with third parties, judgment is required to determine if the Company is acting as the principal or an agent in order to determine if revenue should be recognized on a gross or net basis for bitcoin sales and purchases.

- Going concern

Determining if the Company has the ability to continue as a going concern is dependent on its ability to achieve profitable operations. Certain judgments are made when determining if the Company will be able to continue as a going concern.

- Deferred tax assets

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Management applies judgment in determining the likelihood of future taxable profits.

- Determination of fair values

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

- Impairment of receivables

Receivables measured at amortized cost or at FVTOCI are assessed at each reporting date to determine whether there is an objective evidence of impairment. An expected credit loss impairment model is applied, where expected credit losses are the present value of all cash shortfalls over the expected life of the receivable. A receivable is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the receivable, and that the loss event will have a negative effect on the estimated future cash flows of that receivable that can be estimated reliably.

An impairment loss in respect of receivables is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. Interest on the impaired receivables continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

- Depreciation of property, plant and equipment

Depreciation of equipment and leasehold is an estimate of its expected life. In order to determine the useful life of computing equipment, assumptions are required about a range of market and economic factors.

- *Accounting for Digital Assets*

At present, there is limited guidance in IFRS on the recognition and measurement of digital assets.

Noted below are the key policies used to account for these assets.

- *Fair Value of Digital Assets*

Digital assets are measured at fair value using the quoted price on www.coinmarketcap.com.

Management considers this fair value to be a level two input under IFRS 13 Fair Value Measurement fair value hierarchy as the price on this source represents an average of quoted prices on multiple digital currency exchanges. The digital assets are valued based on the closing price obtained from www.coinmarketcap.com at the reporting period corresponding to the digital assets mined by the Company. The Company is relying on the data available at www.coinmarketcap.com to be an accurate representation of the closing price for the digital assets.

- Impairment of non-financial assets

Non-financial assets are tested annually for impairment. The calculation requires assumptions and the use of estimates including growth rates for future cash flows, the number of years used in the cash flow model, the discount rate and other estimates.

- Tax assets and liabilities

Provisions for income taxes are made using the best estimate of the amount expected to be paid or recovered based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of each reporting period. However, it is possible that at some future date an additional liability could result from audits by tax authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made. Deferred tax assets and liabilities contain estimates about the nature and timing of future permanent and temporary differences as well as the future tax rates that will apply to those differences. Changes in tax laws and rate as well as changes to the expected timing of reversals may have a significant impact on the amounts recorded for deferred tax assets and liabilities. Management closely monitors current and potential changes to tax law and bases its estimates on the best available information at each reporting date.

SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies are summarized in Note 4 to the audited financial statements for the years ended December 31, 2018 and 2017.

ACCOUNTING STANDARDS ISSUED AND APPLICABLE TO THE COMPANY

IFRS 9 Financial Instruments. In July 2014, the IASB completed the final elements of IFRS 9 "Financial Instruments." The standard supersedes earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 "Financial Instruments: Recognition and Measurement." IFRS 9, as amended, includes a principle-based approach for classification and measurement of financial assets, a single 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. The standard came into effect for annual periods beginning on or after January 1, 2018 with earlier adoption permitted. IFRS 9 was applied by the Company on January 1, 2018 with no impact to the Company.

IFRS 15 Revenue from Contracts with Customers. In May 2014, the IASB issued IFRS 15 "Revenue from Contracts with Customers" which replaces IAS 18 "Revenue," IAS 11 "Construction Contracts," and related interpretations. The standard is to be adopted for fiscal years beginning on or after January 1, 2018, with earlier adoption permitted. IFRS 15 was applied by the Company on January 1, 2018 with no impact to the Company.

IFRS 16 Leases. In January 2016, the IASB issued IFRS 16 "Leases", which replaces IAS 17 "Leases". For lessees applying IFRS 16, a single recognition and measurement model for leases would apply, with required recognition of assets and liabilities for most leases. The standard will come into effect for annual periods beginning on or after January 1, 2019, with earlier adoption permitted. IFRS 16 was applied by the Company on January 1, 2019 with no impact to the Company.

No other IFRS or IFRIC pronouncements that are not yet effective would be expected to have a material impact on the Company.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements that may be deemed “forward-looking statements”, including statements regarding developments in the Company’s operations in future periods, adequacy of financial resources and future plans and objectives of the Company. All statements in this document, other than statements of historical fact, which address events or developments that the Company expects to occur, are forward looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential”, “interprets” and similar expressions, or events or conditions that “will”, “would”, “may”, “could” or “should” occur. Forward-looking statements in this document include statements regarding future expenditures on research and development and operating expenses, liquidity and effects of accounting policy changes.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory or governmental approvals and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Readers are cautioned not to place undue reliance on this forward-looking information.

Forward-looking statements are based on the beliefs, estimates and opinions of the Company’s management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that Management’s beliefs, estimates, opinions or other factors should change except as required by law.

These statements are based on a number of assumptions including, among others, assumptions regarding general business and economic conditions, the timing of the receipt of regulatory and governmental approvals for the transactions described herein, the ability of the Company and other relevant parties to satisfy stock exchange and other regulatory requirements in a timely manner, the availability of financing for the Company’s proposed transactions and on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause results to differ materially.

There can be no assurance that such information will prove to be accurate, and readers are cautioned not to place undue reliance on this forward-looking information.