The Hash Corporation

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

As used in this management's discussion and analysis of financial condition and results of operations ("MD&A"), unless the context indicates or requires otherwise, all references to the "Company", "we", "us" or "our" refer to The Hash Corporation, as constituted on September 30, 2020.

This MD&A for the three and nine months ended September 30, 2020 and 2019 should be read in conjunction with the Company's unaudited financial statements, the accompanying notes for three and nine months ended September 30, 2020, and 2019 and the audited financial statements and accompanying notes for the year ended December 31, 2019. The financial information presented in this MD&A is derived from the Company's unaudited financial statements for the three and nine months ended September 30, 2020 and 2019 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are in Canadian dollars except where otherwise indicated.

This MD&A is dated as of October 21, 2020.

FORWARD-LOOKING INFORMATION

The information provided in this MD&A, including information incorporated by reference, may contain certain forward-looking statements and forward-looking information (collectively referred to as "forward-looking statements") within the meaning of applicable Canadian legislation about our current expectations, estimates and projections about the future, based on certain assumptions made by us in light of the Company's experience and perception of historical trends. Although we believe that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct.

This forward-looking information is identified by words such as "anticipate", "believe", "expect", "plan", "forecast", "future", "target", "project", "capacity", "could", "should", "focus", "proposed", "scheduled", "outlook", "potential", "may" or similar expressions and includes suggestions of future outcomes, including statements about the Company's intention to produce and the expected costs and timing thereof; the Company's proposed collaboration agreements with other entities; the Company's expected production capacity; the estimated costs of the Company's proposed capital projects and future investments; potential proceeds from the exercise of the Company's outstanding share purchase warrants; actions taken by the Company, or that the Company may take in the future, to adjust its capital structure; potential effects of regulations under the Cannabis Act (Canada) (together with the regulations thereunder (the "Cannabis Regulations"), the "Cannabis Act") and related legislation introduced by provincial governments. Readers are cautioned not to place undue reliance on forward-looking information as the Company's actual results may differ materially from those expressed or implied.

The Company has made certain assumptions with respect to the forward-looking statements regarding, among other things: the Company's ability to generate sufficient cash flow from operations and obtain financing, if needed, on acceptable terms or at all; general economic, financial market, regulatory and political conditions in which the Company operates; the expected yield from the Company's operations; interest in the Company's products or services; anticipated and unanticipated costs; government regulation of the Company's activities; the timely receipt of any required regulatory approvals; the Company's ability to obtain qualified staff, equipment and services in a timely and cost efficient manner; the Company's ability to conduct operations in a safe, efficient and effective manner; and the Company's expansion plans and timeframe for completion of such plans.

Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because no assurance can be given that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: the limited operating history of the Company and history of losses; the Company's ability to continue as a going concern; the Company's ability to generate sufficient revenue to be profitable; the Company's ability to raise the capital necessary for it to execute its strategy; increased competition in the cannabis markets in Canada and internationally; rising energy costs; the Company's reliance on key persons; the Company's compliance with environmental, health and safety laws and regulations; insurance risks; interruptions in the supply chain for key inputs; demand for skilled labour, specialized knowledge, equipment, parts and components; reliance on the operations of the Company's partners; results of litigation; conflicts of interest between the Company and its directors and officers; payment of dividends; the partial dependence of the Company's operations on the maintenance and protection of its information technology systems; unforeseen tax and accounting requirements; regulatory risks relating to compliance with the Cannabis Act and Cannabis Regulations; changes in laws; changes to the market price of cannabis; the ability of the Company to produce and sell cannabis *supply with collaboration agreements; failure to execute definitive agreements with entities in which the Company has entered into letters of intent or memoranda of understanding; changes in government; changes in government policy; failure of counterparties to perform contractual obligations; the Company's ability to successfully develop new products or find a market for their sale; lack of certainty regarding the expansion of the cannabis market; ability of key employees of the Company to obtain or renew security clearances in the future; reputational risks to third parties with whom the Company does business; failure to comply with laws and regulations; the Company's reliance on its own market research and forecasts; competition from synthetic production and new technologies; the existence and growth of the cannabis industry; misconduct or other improper activities by employees, independent contractors, consults, commercial partners and vendors; failure to comply with health and data protection laws; inability to obtain or maintain sufficient intellectual property protection for the Company's products; third-party claims of intellectual property infringement; patent terms being insufficient to protect competitive position on product candidates; inability to obtain patent term extensions or non-patent exclusivity; inability to protect the confidentiality of trade secrets; inability to protect trademarks and trade names; and other factors beyond the Company's control.*

The Company cautions that the foregoing list of important factors is not exhaustive. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

The forward-looking statements contained or incorporated by reference in this MD&A are made as of the date of this MD&A or as otherwise specified. Except as required by applicable securities laws, we undertake no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors affecting those statements, whether as a result of new information, future events or otherwise or the foregoing lists of factors affecting this information.

All of the forward-looking information contained in this MD&A is expressly qualified by the foregoing cautionary statements.

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

OVERVIEW

The Hash Corporation (formerly, Senternet Phi Gamma Inc.) (the "Company", "HashCo") was incorporated under the Business Corporations Act (Ontario) on March 28, 1967 as Northville Explorations Ltd. On January 22, 2014, the Company changed its name to Senternet Phi Gamma Inc. and on July 8, 2019 the Company changed its name to its present name. The head office of the Company's is located at 1 Adelaide Street East, Suite 801, Toronto, Ontario, M5C 2V9.

The Company is positioning itself to focus on the production and sale of cannabis-based hashish and other cannabis products. HashCo intends to apply its separation and curing techniques to produce a suite of high-quality cannabis resin products, which are all-natural and free of additive and carcinogenic solvents. At present, the Company does not possess the licences required to carry on its business in producing and selling cannabis-based hashish and other cannabis concentrates. In particular, the Company does not have a Standard Processing Licence and a Cannabis Licence under the Cannabis Act. The Company does not intend to apply for both these licences and instead relies on the Collaboration Agreement with Medz Cannabis Incorporated, an Ontario-based, privately-owned company, licensed for the cultivation, processing and sale of medical cannabis under the Cannabis Act.

On April 20, 2020, the Company has entered into five-year collaboration agreement with Medz Cannabis. ("Medz") to produce and sell cannabis-based hashish and other cannabis concentrates. Per the agreement Medz will provide the Company with licensed processing space at Medz licensed facility for the purposes of manufacturing, packing and selling products. The Company is responsible for all costs incurred related to the production and will grant Medz certain profit-sharing rights in connection with the sale of products produced within the Medz facility. The Company will pay Medz a 3.5% royalty on all revenues generated from sale of the products produced in the Medz facility, and a 5% royalty on any tolling or service revenue earned by the Company on certain service contracts.

As part of the agreement, the Company has entered into a short-term lease for approximately 500 square feet of licensed production space in Medz facility with a term of six months starting May 1, 2020 and a long term lease for approximately 1,500 square feet of production space and 203 square feet of office space as well as access of common space and material storage for the term of two year to begin once the short-term lease ends. The Company has the option to renew the lease for additional terms.

IMPACT OF COVID-19

During the nine months ended September 30, 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19," has resulted in governments worldwide enacting emergency measures to combat the spread of COVID-19. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The extent to which COVID-19 and any other pandemic or public health crisis impacts the Company's business, affairs, operations, financial condition, liquidity, availability of credit and results of operations will depend on future developments that are highly uncertain and cannot be predicted with any meaningful precision, including new information which may emerge concerning the severity of COVID-19 and the actions required to contain COVID-19 or remedy its impact, among others. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions and measures recommended by public health authorities. It is not possible to reliably estimate the length and severity of these developments and any resulting impact on the financial results and condition of the Company and its operating subsidiaries in future periods.

SELECTED FINANCIAL HIGHLIGHTS

	As at June 30, 2020	As at December 31, 2019	Change	
	$	$	$	%
Cash	2,350,748	2,672,404	(321,656)	-12%
Total assets	2,506,155	2,695,207	(189,052)	-7%
Total liabilities	174,820	252,391	(77,571)	-31%

Cash as at September 30, 2020 was $2,350,748 compared to cash of $2,672,404 as at December 31, 2019. The decrease of $321,656 or 12% is primarily due to cash used in operating activities and purchases of equipment.

Total assets as at September 30, 2020 were $2,506,155 resulting in a decrease of $189,052 or 7% compared to December 31, 2019. The decrease is primarily attributable to the reduction in cash, offset by an increase in equipment and sales tax receivable as a result of purchases and expenses incurred.

Total liabilities as at September 30, 2020 were $174,820 resulting in a decrease of $77,571 or 31% compared to December 31, 2019. The decrease is due to the decline in trade and other payables which consisted of shares to be issued at year end. These were issued during the nine months ended September 30, 2020.

RESULTS OF OPERATIONS

The following table outlines our statements of loss and comprehensive loss for the three and nine months ended September 30, 2020 and 2019:

	Three months ended September 30,				Nine months ended September 30,			
	2020	2019	Change		**2020**	2019	Change	
	$	$	$	%	**$**	$	$	%
Expenses								
Share-based payments	**1,168,289**	1,519,600	(351,311)	-23%	**1,168,289**	1,519,600	(351,311)	-23%
Salaries and wages	**130,964**	177,650	(46,686)	-26%	**402,576**	177,650	224,926	127%
Rent, general office and travel	**38,987**	15,048	23,939	159%	**93,478**	22,999	70,479	306%
Professional fees	**27,602**	36,764	(9,162)	-25%	**50,675**	90,359	(39,684)	-44%
Depreciation	**7,877**	—	7,877	100%	**10,503**	—	10,503	100%
Total operating expenses	**1,373,719**	1,749,062	(375,343)	-21%	**1,725,521**	1,810,608	(85,087)	-5%
Net loss and comprehensive loss	**(1,373,719)**	(1,749,062)	375,343	-21%	**(1,725,521)**	(1,810,608)	85,087	-5%

REVIEW OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

Share-based payments

Share-based payments for the three months and nine months ended September 30, 2020 were $1,168,289 and $1,168,289, compared to $1,519,600 and $1,519,600 for the three and nine months ended September 30, 2019, respectively. The full expense for the three and nine months ended September 30, 2020 is related to the 37,850,000 warrants that were due to expire on July 8, 2020 and were extended on July 8, 2020 with an exercise price set at $0.02 to a later date. The incremental fair value of the warrants was calculated using the Black Scholes model and recognized as share-based payment.

Salaries and wages

Salaries and wages decreased from $177,650 and $130,964 for the three months ended September 30, 2020, compared to the three months ended September 30, 2019 and increased from $177,650 to $402,576 or 127% for the nine months ended September 30, 2020 compared to the nine months ended September 30, 2019, respectively. The decrease of $46,686 or 26% for the three ended September 30, 2020 compared to the three months ended September 30, 2019 is due to signing bonuses provided to newly hired management in the three months ended September 30, 2019. The increase for the nine months ended September 30, 2020 compared to the nine months ended September 30, 2019 is primarily related to key employees having been employed for the full nine months in 2020, relative to only three months in the nine months ended September 30, 2019.

Rent, general office and travel

Rent, general office and travel expenses are primarily comprised of rent for the facilities and equipment and other general office related expenses. Rent, general office and travel expenses increased from $15,048 to $38,987 or159% for the three months ended September 30, 2020, compared to the three months ended September 30, 2019 and increased from $22,999 to $93,478 or 306% for the nine months ended September 30, 2020 compared to the nine months ended September 30, 2019. The increase of $23,939 for the three months ended September 30, 2020 compared to the three months ended September 30, 2019 is primary due to rent and equipment expense. The increase of $70,479 for the nine months ended September 30, 2020 compared to the nine months ended September 30, 2019 is primarily due to commencement of operations in the second half of fiscal 2019 compared to the full nine months of operations in 2020. As the Company's operations grow, we expect our rent, general office and travel expenses to increase.

Professional fees

Professional fees decreased from $36,764 to 27,602 or 25% for the three months ended September 30, 2020, compared to the three months ended September 30, 2019 and decreased from $90,359 to $50,675 or 44% for the nine months ended September 30, 2020 compared to the nine months ended September 30, 2019. Professional fees include legal, accounting and consulting expenses that fluctuate from period to period based on the nature of the transactions the Company undertakes.

Depreciation

Depreciation expense increased from $nil to $7,877 or 100% and $nil to $10,503 or 100% for the three and nine months ended September 30, 2020, compared to the three and nine months ended September 30, 2019. The increase is related to depreciation on equipment purchased in the second quarter of 2020.

SELECTED QUARTERLY INFORMATION

The following table sets forth selected unaudited quarterly statements of operations data for each of the eight quarters commencing October 1, 2018 and ending September 30, 2020. This data should be read in conjunction with our audited annual financial statements for the year ended December 31, 2019 and the unaudited financial statements for the period ended September 30, 2020. These quarterly operating results are not necessarily indicative of our operating results for a full year or any future period.

	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
	$	$	$	$	$	$	$	$
Total operating expenses	1,373,719	191,804	159,998	230,488	1,749,062	33,220	28,326	100,493
Net loss	(1,373,719)	(191,804)	(159,998)	(230,488)	(1,749,062)	(33,220)	(28,326)	(100,493)
Net loss per share - basic and diluted	(0.006)	(0.001)	(0.001)	(0.002)	(0.028)	(0.001)	(0.001)	(0.004)

FINANCIAL POSITION

	As at September 30, 2020	As at December 31, 2019	Change $	Change %
ASSETS				
Current				
Cash	**2,350,748**	2,672,404	(321,656)	-12%
Sales tax receivable	**56,440**	22,802	33,638	148%
Prepaid and other assets	**14,946**	1	14,945	1494500%
Total current assets	**2,422,134**	2,695,207	(273,073)	-10%
Non-current				
Equipment, net	**84,021**	—	84,021	100%
Total non-current assets	**84,021**	—	84,021	100%
Total assets	**2,506,155**	2,695,207	(189,052)	-7%
LIABILITIES				
Current				
Trade and other payables	**174,820**	252,391	(77,571)	-31%
Total current liabilities	**174,820**	252,391	(77,571)	-31%
Total liabilities	**174,820**	252,391	(77,571)	-31%
SHAREHOLDERS' EQUITY				
Share capital	**8,020,096**	6,629,052	1,391,044	21%
Warrants	**1,999,596**	1,776,600	222,996	13%
Accumulated deficit	**(7,688,357)**	(5,962,836)	(1,725,521)	29%
Total shareholders' equity	**2,331,335**	2,442,816	(111,481)	-5%
Total liabilities and shareholders' equity	**2,506,155**	2,695,207	(189,052)	-7%

Assets

Current assets

Current assets decreased by $273,073 or 10%, primarily due decrease in cash used in operating activities and cash used to purchase equipment during the nine months ended September 30, 2020.

Non-current assets

Non-current assets increased by $84,021 or 100% due to the purchase of equipment during the nine months ended September 30, 2020 offset by related depreciation on the equipment.

Liabilities

Current liabilities

Trade and other payables decreased by $77,571 or 31%, primarily due to the decline in trade and other payables which consisted of shares to be issued at year end. These were issued during the nine months ended September 30, 2020.

Shareholders’ equity

Shareholders’ equity decreased by $111,481 or 5% compared to December 31, 2019 due to net loss of $1,725,521 for the nine-month period ended September 30, 2020 offset by increases in share capital due to share issuance, exercise of warrants and extension of warrants.

LIQUIDITY, CAPITAL RESOURCES AND FINANCING

The general objectives of our capital management strategy are to preserve our capacity to continue operating, provide benefits to our stakeholders and provide an adequate return on investment to our shareholders by continuing to invest in our future that is commensurate with the level of operating risk we assume. We determine the total amount of capital required consistent with risk levels. This capital structure is adjusted on a timely basis depending on changes in the economic environment and risks of the underlying assets. We are not subject to any externally imposed capital requirements.

The financial statements and this MD&A has been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The financial statements and this MD&A do not include any adjustments to the amounts and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

As at September 30, 2020, the Company has an accumulated deficit of $7.7 million, a net loss of $1.7 million and a working capital surplus of $2.2 million. Whether, and when, the Company can attain profitability and positive cash flows from operations is subject to material uncertainty. The application of the going concern assumption is dependent upon the Company's ability to generate future profitable operations and obtain necessary financing as needed.

As at September 30, 2020 the Company had cash of $2,350,748 representing a decrease of $321,656 from December 31, 2019. This decrease is primarily due to $497,832 cash used in operating activities, $94,524 cash used in investing activities, offset by $270,700 cash provided by financing activities.

Net cash provided by (used in) flows

	Nine months ended September 30,	
	2020	2019
	$	$
Cash		
Net cash provided by (used in):		
Cash used in operating activities	**(497,832)**	(38,831)
Cash used in investing activities	**(94,524)**	—
Cash provided by financing activities	**270,700**	2,525,864
Net change in cash during the period	**(321,656)**	2,487,033

Cash Used in Operating Activities

Cash used in operating activities for the nine months ended September 30, 2020 were $497,832 compared to cash used in operating activities of $38,831 for the nine months ended September 30, 2019. The increase in cash used in operating activities is primarily due to full nine months operations, compared to only three months in 2019.

Cash Flows Used in Investing Activities

Cash used in investing activities for the nine months ended September 30, 2020 were $94,524 compared $nil for the comparable period in 2019. The increase is primarily due to purchase of equipment during the nine months ended September 30, 2020.

Cash Flows Provided by Financing Activities

Cash provided by financing activities for the nine months ended September 30, 2020 were $270,700 compared $2,525,864 for the comparable period in 2019. The decrease is primarily due to the less financing raises in 2020 generating lower proceeds from the issuance of shares in the nine months ended September 30, 2020, compared to more proceeds in 2019 as the Company sought funds to commerce operations.

CONTRACTUAL OBLIGATIONS

We have no significant contractual arrangements other than those noted in our financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

We have no off-balance sheet arrangements other than those noted in our financial statements.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling activities of the entity, directly or indirectly.

Key management personnel compensation during the three and nine months ended September 30, 2020 and 2019 comprised of:

	Three months ending September 30,		Nine months ending September 30,	
	2020	2019	**2020**	2019
	$	$	**$**	$
Salaries, benefits, bonuses and management fees	**107,500**	135,833	**322,500**	135,833

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

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, and arises principally from deposits with banks and outstanding receivables. The Company trades only with recognized, creditworthy third parties. The Company does not currently have any material, outstanding trade receivables with customers.

The Company does not hold any collateral as security but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

Liquidity risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they come due. The Company mitigates liquidity risk by management of working capital, cash flows, the issuance of share capital and if desired, the issuance of debt. Our trade and other payables are all due within twelve months from the date of these financial statements.

If unanticipated events occur that impact the Company's ability to product and develop its products, the Company may need to take additional measures to increase its liquidity and capital resources, including issuing debt or equity financing or strategically altering the business forecast and plan. In this case, there is no guarantee that the Company will obtain satisfactory financing terms or adequate financing. Failure to obtain adequate financing on satisfactory terms could have a material adverse effect on the Company's results of operations or financial condition.

Market risk

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk.

- Foreign currency risk

Foreign currency risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company is not exposed to foreign currency risk as at September 30, 2020 as it does not hold any material financial instruments in foreign currency.

- Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as at September 30, 2020 as there are no borrowings outstanding.

- Other price risk

Other price risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to other price risk as at September 30, 2020.

Fair values

The carrying values of cash, sales tax receivables and trade and other payables approximate fair values due to the short-term nature of these items or being carried at fair value. The Company does not use derivative financial instruments to manage this risk.

Financial instruments recorded at fair value on the interim statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest-level input significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

- Level 1 – Unadjusted quoted prices as at the measurement date for identical assets or liabilities in active markets.
- Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Significant unobservable inputs that are supported by little or no market activity. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

During the three months and nine months ended September 30, 2020, there were no transfers of amounts between levels.

Refer to the annual MD&A for a full discussion on significant risk factors.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Refer to the audited financial statements for December 31, 2019 for a full discussion of our critical accounting policies and estimates.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares.

The Company's outstanding capital was as follows as at the date of this MD&A:

Common Shares	224,220,290
Share options	20,000,000
Warrants	73,804,573