MANAGEMENT DISCUSSION AND ANALYSIS

RewardStream Solutions Inc. ("RewardStream" or the "Company")

Year ended September 30, 2016

Dated – January 27, 2016

This management's discussion and analysis (MD&A) was prepared in accordance with National Instrument 51-102, Continuous Disclosure Obligations, and should be read in conjunction with the audited financial statements and accompanying notes for the year ended September 30, 2016. These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and are reported in Canadian dollars.

Certain information included in this MD&A contains forward-looking statements or forward-looking information within the meaning of applicable Canadian securities laws, including, without limitation, in respect of the Company's priorities, plans and strategies and the Company's anticipated financial and operating performance and prospects. All statements and information, other than statements of historical fact, included in or incorporated by reference into this MD&A are forward-looking statements and forward-looking information, including, without limitation, statements regarding activities, events or developments that we expect or anticipate may occur in the future. Such forward-looking statements and information can be identified by the use of forward-looking words such as "will", "expect", "intend", "plan", "estimate", "anticipate", "believe" or "continue" or similar words and expressions or the negative thereof. There can be no assurance that the plans, intentions or expectations upon which such forward-looking statements and information are based will occur or, even if they do occur, will result in the performance, events or results expected.

We caution readers of this MD&A not to place undue reliance on forward-looking statements and information contained herein, which are not a guarantee of performance, events or results and are subject to a number of risks, uncertainties and other factors that could cause actual performance, events or results to differ materially from those expressed or implied by such forward-looking statements and information. These factors include: the Company's ability to raise additional financing through debt, equity or other form of financing; the ability to retain or add customers, complete product development plans, retain key staff; changes in priorities, plans, strategies and prospects; general economic, industry, business and market conditions; changes in law; the ability to implement business plans and strategies, and to pursue business opportunities; rulings by courts or arbitrators, proceedings and investigations; disruptions or changes in the credit or securities markets; inflationary pressures; challenges such as lawsuits, to the intellectual property of the Company; and various other events, conditions or circumstances that could disrupt RewardStream's priorities, plans, strategies and prospects. Readers are cautioned that all forward-looking statements and information involve risks and uncertainties. RewardStream undertakes no obligation to publicly release the results of any revisions to forward-looking statements and information that may be made to reflect events or circumstances after the above-stated date or to reflect the occurrence of unanticipated events.

OVERVIEW

RewardStream is a provider of Software as a Service ("SaaS") marketing technology through its Spark System (the "Spark System") product to operate marketing programs that acquire, engage, optimize, and retain customers and sales channels. The Spark System lets marketers weave all types of referrals, whether email, mobile, social or word-of-mouth, into customer acquisition strategies with a powerful mix of software, promotion, and management tools. The Spark System makes it fast and easy for companies to engage and convert customers, activate employees, and mobilize brand influencers to spread the word about offers to friends and family.

The Company was incorporated under the laws of British Columbia on March 23, 1999 and continued under the Canada Business Corporations Act on December 22, 1999. RewardStream continued to a British Columbia Corporation under the Business Corporations Act (British Columbia) and changed its name to RewardStream Solutions Inc. on October 22, 2015.

On July 28, 2016, the Company completed an amalgamation with Musgrove Minerals Corp. ("Musgrove") a publicly traded company on the TSX Venture Exchange (the "Exchange"), to form a single amalgamated company (the "Amalgamation"). Concurrent with the Amalgamation, was the closing of a Private Placement, in two tranches, for gross proceeds of $2.028 million. Per the terms of the Amalgamation, the shareholders of RewardStream received 20,000,004 common shares of Solutions in exchange for the 12,813,235 outstanding common shares of RewardStream and the shareholders of Musgrove received 15,151,659 shares of Solutions for the 30,303,365 outstanding common shares of Musgrove. The warrant holders of RewardStream received 233,555 warrants of Solutions in exchange for the 149,715 outstanding warrants of RewardStream and the warrant holders of Musgrove received 4,427,370 warrants of Solutions for the 8,854,740 outstanding warrants of Musgrove. RewardStream cancelled all outstanding stock options on Amalgamation and Musgrove had no options outstanding immediately prior to the Amalgamation. On August 4, 2016, Solutions commenced trading on the Exchange under the symbol REW.

NEW DIRECTION

Over the past 12 months, RewardStream has shifted its business model from primarily a one-time sale – the Source Code business segment - and professional services model - Loyalty business segment - to a higher margin, scalable, recurring, SaaS model – Referral business segment. The Company believes that the SaaS business model is more sustainable and has greater potential for growth and profitability. Unlike one-time sale or professional services models, a SaaS business model allows more predictable revenue while having the ability to increase customers and revenue while having a lower relative fixed cost allowing for higher margins. Salesforce.com (NYSE: CRM), Hubspot (NYSE: HUBS), and Marketo (NASDAQ: MKTO) are all examples of SaaS businesses in the sales and marketing industries. In the past year, the Referral business segment has seen 26% growth in revenue compared to the same period in the prior year. See figure 1 below.

RewardStream management believes that significant growth can come through ongoing product integration with existing e-Commerce, marketing automation, and membership management systems.

Today these systems serve millions of existing customers where these customers can benefit by having RewardStream's platform available to them as an add-on to their current platform. RewardStream intends to pursue these types of integrations and benefit from the distribution channels that are available on these platforms. For example, the largest 5 e-Commerce platforms provide the online store solutions for well over 2 million businesses around the world, and integrations with these platforms can make the RewardStream system available to these businesses. The Company has completed integrations into 3 e- commerce platforms - Magento, Woo Commerce, and Shopify and has signed e-commerce customers, iPromo, Messy Maids and Double Your Dating.

Part of the use of proceeds from the Amalgamation is to expand marketing and sales efforts, scale product and support functions with the intention of increasing revenues and becoming profitable. The SaaS approach coupled with the expansion into new markets, such as e-commerce, is expected to shorten the sales cycle, lower the costs of customer acquisition, increase recurring revenue and margins.

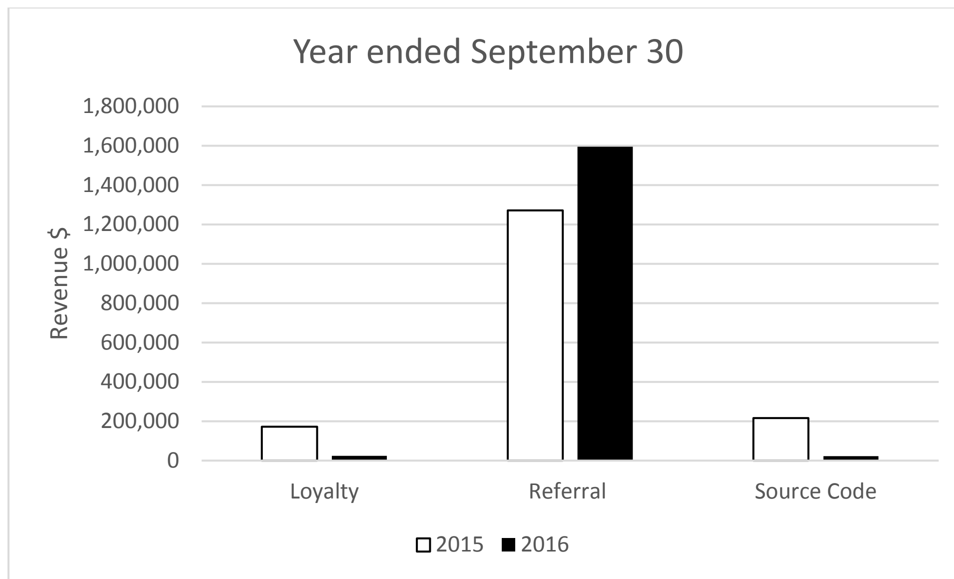

Figure 1. Revenue change by segment – year ended September 30

COMPANY HIGHLIGHTS

In the past 12 months, the Company has completed the following objectives:

- Launched its e-commerce app in three e-commerce platforms, Magento, Shopify and Woo Commerce
- Transitioned from one-time fee based product offerings to a recurring revenue SaaS model
- Increased number of Referral customers by over 50%
- The Company went public on the Exchange and raised $2.028 million to be used to fund the development of its product, sales and marketing and general working capital
- The Company has assembled a team of senior managers each with more than 10 years of experience in high growth SaaS businesses. Management has extensive expertise in sales,

marketing, product development, finance and operations to ensure the successful execution of the Company's business plan.

MAIN PERFORMANCE INDICATORS

Management considers that the main indicators of the Company's performance are the following: revenue, gross profit, net and comprehensive income/loss, EBITDA and adjusted EBITDA. EBITDA and Adjusted EBITDA are provided as a supplementary earnings measure to assist readers in determining the ability of the Company to generate cash from operations and to cover financial charges. They are also widely used for business valuation purposes. These measures do not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. EBITDA is defined as earnings before interest, income taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA to which the Company adds share-based compensation and other one-time items that do not result in any use of operating cash flows by the Company. The Company believes that EBITDA and adjusted EBITDA are a means to better communicate the results of operations that are more reflective of cash flows. For example, adjusted EBITDA removes share-based compensation and other one-time items that do not impact cash-flow.

OVERALL PERFORMANCE

The Referral business segment revenues increased by $324,000 or 26% compared to 2015. This increase was the result of the focus of the Company to the more profitable SaaS model. Due to this shift in focus to the SaaS model and the phase out of the Company's other revenue streams, revenue decreased by 1% or by $16,491 for the year ended September 30, 2016 compared to the prior year. Due to the Company's efforts to reduce costs with respect to the revenue streams, the Company was able to decrease cost of sales by 6% or $39,669 for the year ended September 30, 2016 compared to the year ended 2015. As a result, the Company increased gross margin by over $23,000 for the year ended 2016 compared to 2015.

Due, mainly, to one-time share-based expenses from 2015, operating expenses decreased by $437,423 or by 11% for the year ended September 30, 2016 compared to 2015.

Mainly as a result of the stock exchange listing expense related to the Amalgamation, net and comprehensive loss increased by $1,874,934 or 66%. The stock exchange listing expense of over $2,000,000 in the financial statements is non-recurring and does not relate to the operating activities of RewardStream's business. The amount is recorded as such to comply with IFRS and was part of the Amalgamation. TEBITDA decreased by 66% or $1,834,158. This change, again, was almost entirely due to the stock exchange listing expense. Adjusted EBITDA decreased by $300,757 or 33% for the year ended 2016 compared to 2015. This decrease in adjusted EBITDA is mainly due to higher general and administrative expenses due to the Amalgamation and higher net research and development expenses. The higher net research and development expenses were due to an increase in research and development spending and due to a lower amount of investment tax credits claimable in 2016. The investment tax credits claimable was less in 2016 because the Company was only able to claim this

amount and type of tax credit until the date of the Amalgamation, as opposed to the entire fiscal year as was the case in 2015.

Total assets increased by $605,774 and working capital increased by $840,154 for the year ended September 30, 2016.

	For the twelve months ended:		
	September 30, 2016 (audited)	September 30, 2015 (audited)	September 30, 2014 (audited)
Revenue	1,641,960	1,658,451	1,859,690
Gross profit	973,370	950,192	800,897
Net loss and comprehensive loss	(4,718,683)	(2,843,729)	(995,536)
EBITDA	(4,627,310)	(2,793,132)	(970,158)
Adjusted EBITDA	(1,199,215)	(898,458)	(937,673)
Basic and diluted loss per share	(0.29)	(0.34)	(0.12)
Total assets	1,465,751	859,977	1,396,894
Long term financial liabilities	86,430	5,651	1,282
Dividends distributed	-	-	-

Reconciliation of EBITDA and adjusted EBITDA

	For the twelve months ended:		
	September 30, 2016	September 30, 2015	September 30, 2014
Net and comprehensive loss	(4,718,683)	(2,843,729)	(995,536)
Interest	82,081	38,090	5,484
Depreciation	9,292	12,507	19,894
EBITDA	(4,627,310)	(2,793,132)	(970,158)
Foreign exchange	(4,516)	(128,566)	(28,013)
Write-down of equipment	-	3,945	-
Share-based compensation	1,261,153	2,019,295	60,498
Loss on convertible debt conversion	121,055	-	-
Stock exchange listing expense	2,050,403	-	-
Adjusted EBITDA	(1,199,215)	(898,458)	(937,673)

Revenues

The Referral segment of the business grew by over $324,000 for the year ended September 30, 2016, respectively, compared to the prior year. Revenue from Source Code and Loyalty declined by over $194,000 and $47,000, respectively, for the year ended September 30, 2016 compared to the prior year.

As a result of these changes in the business segments, overall revenue decreased by 1% or by $16,491 in for the year ended September 30, 2016 compared to the prior year.

The Company derived its revenue entirely from the referral segment for the last 6 months of 2016, indicating the end of the Source Code and Loyalty segments business segments for the foreseeable future.

Gross profit and cost of sales

As a result of the shift to Referral segment, the Company's cost of sales decreased by 6% or $39,669 and its gross profit increased by $23,178 for the year ended September 30, 2016 compared to the year ended 2015.

Operating expenses

Operating costs for 2016 decreased by $437,423 compared to the prior year. The main reason for the overall decrease is the decline in share-based compensation expense in 2016 compared to the prior year. Specifically, in fiscal year 2016, the Company exchanged 2,154,500 options for 767,286 common shares which resulted in share-based expense of $564,953. In addition, the Company issued 1,085,123 warrants exercisable for common shares of the Company at $0.01 per common share and incurred share-based expense of $395,422. In fiscal year 2015, the Company issued incentive shares to the management team that resulted in share-based expense of $1,840,801. General and administrative expenses increased by $70,486 in 2016 compared to 2015. This increase was mainly due to costs related to the Amalgamation. Expenses on Research and Development ("R&D") are net of projected tax credits. This accounts for the appearance of relatively low R&D expenses compared to other expense categories. R&D expenditures, without considering the effect of the tax credits, were $586,305 and $448,772 for the years ended 2016 and 2015, respectively. The increase reflects expenditures related to improving the Spark product. The projected tax credits are accrued during the year based on management's estimates of amounts that that are expected to be received. Management adjusts these estimates throughout the year. The Company can only claim this type and amount of tax credit as a private company. Due to the Amalgamation, the Company could only claim this type of tax credit until the date of the Amalgamation and thus was less than the prior year.

Net loss and comprehensive loss

The main cause of the higher net and comprehensive loss is the stock exchange listing expense as described above. This expense reflects the accounting treatment of the Amalgamation, which has been determined as the difference in the net assets acquired from Musgrove, and the fair value of the shares issued to the shareholders of Musgrove. Other contributors to the net and comprehensive loss was the loss on conversion of promissory notes to shares of the Company (see below – Liquidity). The higher foreign exchange gain in 2015 is explained by a higher overall exchange rate for Canadian dollars for US dollars and recognition a large foreign exchange gain on the settlement of an outstanding receivable in US dollars in 2015.

EBITDA

EBITDA decreased by $1,834,178 in 2016, compared to the same periods in the prior year. The main source of this decrease is the stock exchange listing expense described above.

Adjusted EBITDA

Adjusted EBITDA declined by $300,757 in 2016 compared to the prior year. The main reasons for this decline is the increase in general and administrative and net research and development expenses in 2016 compared to 2015 as described above.

Assets

The Company's assets increased by $605,774 for the year ended September 30, 2016. The increase in assets reflects the Amalgamation and the receipt of the net proceeds of the financing related to the Amalgamation. Accounts receivable has increased by $130,659. This increase is mostly attributable to a leasehold improvement amount owing from the landlord of the premises that the Company will occupy in the coming fiscal year. This amount was received after the year end. The increase in prepaids for 2016 compared to 2015, reflects deposits made on newly leased premises and upfront payments related to public relations campaigns.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of results for the eight most recent quarterly periods.

For the quarter ended:	**September 30, 2016**	**June 30, 2016**	**March 31, 2016**	**December 31, 2015**
Revenue	375,493	424,498	405,660	436,309
Gross profit	234,206	260,409	215,813	262,942
Net and comprehensive loss	(2,837,414)	(830,598)	(288,348)	(762,323)
Loss per share - basic and diluted	(0.09)	(0.07)	(0.03)	(0.07)
Weighted average number of shares - basic and diluted	30,678,082	12,107,100	11,479,863	10,820,683

For the quarter ended:	**September 30, 2015**	**June 30, 2015**	**March 31, 2015**	**December 31, 2014**
Revenue	370,236	427,542	470,356	390,317
Gross profit	212,875	239,045	288,408	209,864
Net and comprehensive loss	(2,103,484)	(228,875)	(288,588)	(222,782)
Loss per share - basic and diluted	(0.23)	(0.03)	(0.04)	(0.03)
Weighted average number of shares - basic and diluted	8,952,794	8,137,577	8,137,577	8,137,577

FOURTH QUARTER

Revenues

Revenue for the fourth quarter of 2016 increased by $5,258 compared to the prior year. The revenue in the fourth quarter of 2016 was derived entirely from the referral segment. The referral segment had an increase in revenue of just under $40,000 or 12% for fourth quarter ended 2016 compared to the same period in 2015.

Gross profit and cost of sales

Cost of sales for the fourth quarter of 2016 declined by $16,074 or 10% compared to the same period in the prior year and gross profit increased by over $21,000 or 10% for the same comparative periods. This increase in gross profit and decline in cost of sales reflects the shift to the referral segment of the business.

Operating expenses

Operating expenses for the fourth quarter of 2016, declined by over $1.5 million compared to the same period in 2015. However, the share-based compensation expense was over $1.6 million lower in 2016 compared to 2015 for the fourth quarter. The larger share-based compensation expense in the fourth quarter of 2015 reflects the issuance of shares to management in this period. Sales and marketing expenses in the fourth quarter increased by over $53,000 in 2016 compared to 2015. This increase reflects the increased spend the Company has undertaken to grow sales and increase awareness of the Company and its products. Net research and development expenses have increased by approximately $140,000. As mentioned above, net research and development expenses are research and development expenses net of projected tax credits. In the fourth quarter, due to the Amalgamation, the Company was only able to claim a small part of the tax credits as these tax credits are not available to publicly traded companies. The tax credits claimable for the fourth quarter declined by over $120,000 in the fourth quarter of 2016 compared to the same period in 2015. Research and development expenses without the tax credit increased by $20,000 in the fourth quarter of 2016 compared to the same period in the prior year. This increase reflects the added spend that the Company has undertaken to enhance its product offerings, specifically, development costs associated with launching its e-commerce app in the Magento and Woo Commerce sites. General and administrative expenses for the fourth quarter increased by over $33,000 in the fourth quarter of 2016 compared to the same period in the prior year. A portion of this increase was due to costs relate to the company’s public company transaction such as fees to the Exchange and other professional fees.

Net and comprehensive loss

Net and comprehensive loss increased by $733,930 in the fourth quarter of 2016 compared to the same period in 2015. The stock exchange listing expense, as described above, of $2,050,403 occurred in the fourth quarter of 2016 accounts for the main reason for the increase.

EBITDA

EBITDA has decreased by $727,193 in the fourth quarter of 2016 compared to the same period in the prior year. This increases is due to the reasons described above.

Adjusted EBITDA

Adjusted EBITDA for the fourth quarter of 2016 has decreased by $218,451. This increase is due to the increase in sales and marketing, net research and development and general and administrative expenses.

LIQUIDITY

Liquidity is the risk of the Company not being able to meet its financial obligations as they become due. The Company manages its liquidity risk through budgeting, ongoing management and forecasting of operating cash flows, reviews of accounts receivable, management of cash, and use of equity and debt financings when appropriate.

The Company is primarily reliant on payment from customers to meet its financial obligations. The Company extends credit to its customers by allowing payment terms of 30 days on issuance of an invoice. There are risks that a customer will not pay within these terms or at all. Delayed or default of payment by customers may make it difficult for the Company to meet financial obligations. One of the methods the Company uses to mitigate this risk, is to negotiate similar payment terms with its suppliers. The Company also sells its services to customers in US dollars, but the majority of the Company's expenses are in Canadian dollars. Thus, the Company is subject to the risks associate with the changes of the value of the Canadian dollar relative to the US dollar.

To manage liquidity, the Company has issued equity. For example, on May 19, 2016, the Company issued 256,410 common shares at a price of $0.39 per common share to a related party for gross proceeds of $100,000. In addition, one of the reasons that the Company undertook and completed the Amalgamation was to raise additional capital so that it could fund its operations and grow its business. The Company believes that it will have better access to equity financing as a public company. The Company anticipates that in order to achieve its business objectives, it will very likely have to raise funds through the issuance of additional equity.

To further manage liquidity, the Company has engaged in short-term borrowing. For example, on September 25, and November 13, 2015, pursuant to a proposed amalgamation with Manado Gold Corp. ("Manado"), the Company received $200,000 ("Note #1") and $300,000 ("Note #2") loans from Manado. The loans were unsecured, had an interest at a rate of 10% per annum, and were due six months from issuance. On April 8, 2016, the Company terminated the proposed amalgamation with Manado. On April 18, 2016, Manado, the Company, and a third party (the "Third Party") entered into a Loan Debt Assignment and Extension Agreement for Note #1 and Note #2. Under the terms of this agreement, the Third Party purchased Note #2 for $150,000 cash paid to Manado and also received an option to purchase Note #1 for 400,000 shares of the Company following the Amalgamation. On July 14, 2016, the Company executed an agreement with the Third Party to convert Note #1 and Note #common shares of

the Company. On July 28, 2016, the $300,000 loan and accrued interest of $21,363 was converted to 1,285,452 common shares of the Company. On July 28, 2016, RewardStream issued 400,000 shares to Manado to allow the Third Party to exercise the option on the $200,000 loan. On August 9, 2016, the $200,000 loan and accrued interest of $17,489 was converted to 869,954 common shares of the Company.

The Company currently has an outstanding loan with a related party. During the period, the Company was not able to complete the proposed amalgamation with Manado. This resulted in the Company being in default with one of its lenders – Code Consulting Ltd. To address this, the Company entered into a loan agreement with a related party so that it could repay the loan to Code Consulting Ltd. The terms of these loans are disclosed more fully in the Company's financial statements.

On April 26, 2016, the Company entered into a loan agreement with Musgrove. Under the terms of the agreement, Musgrove loaned $100,000 to the Company. The loan had an annual interest rate of 10%, compounded monthly, and is payable on November 30, 2016. The loan was secured by the assets of the Company. On June 20, and July 26, 2016, Musgrove advanced an additional $150,000 on each date under the same terms. On completion of the Amalgamation, these loans were cancelled.

As at September 30, 2016, the Company had cash of $645,058 and accounts receivable of $245,804 as compared to a cash balance of $273,472 and accounts receivable of $115,145 at September 30, 2015. At September 30, 2016, the Company's working capital was $819,035 and it had a working capital ratio of 2.65 compared to September 30, 2015, where the Company's working capital deficit was $(21,119) and it had a working capital deficit ratio of (0.97). The increase in working capital is primarily related to the net proceeds received related to the private placement and Amalgamation. The Company is continuing to focus on growth and, in the near term, this will cause expenses to exceed gross profit and result in a decline in working capital until the Company is able to achieve sufficient revenue and gross profit growth to reach positive cash flow. Therefore, the Company will be dependent on outside financing to continue operations until it is able to achieve positive cash flow. The Company has historically been able to secure financing from outside parties (see above). However, there is no guarantee that cash generated from external financing or operations will be sufficient to sustain the Company's operations for the foreseeable future. In order to maintain sufficient liquidity, the Company may be required to issue additional shares, incur more debt or reduce operating costs.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

COMMITMENTS

The Company leases its premises and certain equipment under long-term leases. During the period, the Company entered into a lease for premises starting November 1, 2016 and ending October 31, 2021. Leases for the Company expire between 2016 and 2021. The minimum annual lease commitments during the next five years are:

2017	$241,491
2018	238,837
2019	244,062
2020	244,062
2021	252,252
	$1,220,704

RELATED PARTY TRANSACTIONS

For the year ended September 30, 2016 and the comparative period in 2015, the Company was charged the following by officers and directors of the Company:

	2016	2015
Wages and benefits	$ 848,461	$ 657,725
Share-based compensation	226,724	57,056
	$ 1,075,185	$ 714,781

Compensation to management increased in 2016, mainly because the Company recognized a full year of compensation related to the addition of a Chief Financial Officer, a Vice President of Product and Marketing. Share-based compensation increased due to the issuance of options in the 2016 fiscal year.

FINANCIAL INSTRUMENTS

The type and nature of financial instruments are disclosed in the condensed interim financial statements of the Company. All of these financial instruments are currently reported at their carrying value as the Company believes that this approximates their fair value due to their short-term nature. As discussed in the condensed interim financial statements, the Company is exposed to certain risks associate with these financial instruments. These include credit, liquidity and market risk. The Company does not anticipate any significant credit risk with its customers as it has not had any default on payment from any of its customers. Therefore, it has not recorded any allowance for bad debt. Liquidity risk and its management has been previously discussed above (see Liquidity). Market risk includes interest rate and foreign currency risk. Due to the short-term nature of its borrowing, the Company does not believe that it is exposed to significant interest rate risk and has therefore, not undertaken any action to mitigate this risk. As mentioned above, the Company is exposed to foreign currency risk as it relates to the US and Canadian dollar. To mitigate this risk, the Company actively monitors the exchange rate of these two currencies and consults with experts in foreign currency. The Company has not historically used foreign currency contracts to mitigate this risk. However, should the need arise, the Company will consider the

use of such contracts. The changes in foreign currency with respects to the financial instruments are recorded in the Company's condensed interim statement of comprehensive loss under foreign exchange gain.

DISCLOSURE OF OUTSTANDING SHARE DATA

At the year ended September 30, 2016, the Company had 38,657,069 common shares, 4,660,925 warrants and 3,588,333 stock options. Conversion of these warrants and stock options would result in 46,906,327 outstanding common shares.