CYPHERPUNK HOLDINGS INC.
(Formerly Khan Resources Inc.)

Management Discussion and Analysis

For the nine months ended June 30, 2019 and 2018
As at August 28, 2019

This Management Discussion and Analysis ("MD&A") has been approved in accordance with a resolution of the board of directors dated August 28, 2019. It should be read in conjunction with the interim condensed consolidated financial statements of the Company as at and for the nine months ended June 30, 2019 and 2018.

Significant Events

Name Change and New Strategic Direction

At the annual Shareholders Meeting on August 14, 2018, the shareholders passed a special resolution to the articles of the Company to change the name of the Company to **"Cypherpunk Holdings Inc.".** On February 4, 2019, the Company's common shares commenced trading on the Canadian Securities Exchange under the trading symbol "HODL". No action will be required by existing shareholders with respect to the name change. Certificates representing common shares of Khan will not be affected by the name change and will not need to be exchanged.

This name change reflects the Company's new business direction which is to be a Canadian-based holding vehicle set up to invest in digital currencies, in technologies and protocols, which enhance or protect privacy, as well as freedom and trust. Its strategy is to make targeted investments in and acquisitions of businesses and assets with strong privacy, often within the blockchain ecosystem, including select cryptocurrencies. The Company believes privacy will be an increasingly strong narrative across the technology sector going forward.

The stated mission of Cypherpunk Holdings is "to become the world's leading privacy-focused investment vehicle." More details, and the latest company presentation, can be found at the company website: https://cypherpunkholdings.com/

In the current fiscal period, the Company has invested in three blockchain technology entities and has completed transactions in both Bitcoin "BTC" and Monero "XMR" digital currencies.

Strategic Investments

Hydro66 Holdings Corp. – In March 2018, the Company made a $2.5 million investment in convertible debentures of Arctic Blockchain Ltd., which in June 2018, became Hydro66 Holdings Corp., through a reverse takeover, and resulted in a listing on the CSE under the trading symbol "SIX". The convertible debentures were converted into 5 million shares and 5 million warrants of Hydro66. Hydro66 offers enterprise co-location services as well as mining cryptocurrency for its own account and its customers.

Chia Network Inc. - On July 9, 2018, the Company invested US$300,000 (CAD$400,890) into Chia Network Inc. ("Chia"), which is building a blockchain based on proofs of space and time to make a cryptocurrency that is less wasteful, more decentralized.

Katana Cryptographic Ltd. - On May 30, 2019, the Company invested $126,516 in Katana Cryptographic Ltd., a company that has developed an advanced and secure mobile bitcoin wallet.

Cryptocurrencies - As at June 30, 2019, the Company's cryptocurrency inventory consists of 130 Bitcoins and 1,350 Moneros with a market value of $1.8 million and $0.2 million, respectively.

Change of Director and Appointment of Officers, Directors and Chief Economist

On June 11, 2018, the Company announced it appointed Mohammed Adham as Chief Investment Officer "CIO" and on August 14, 2018, at the last Annual Shareholders Meeting, also elected Mr. Adham to the Board of Directors.

On June 6, 2018, the Company added Dominic Frisby to the Board of Directors. Mr. Frisby is considered by the British media an authoritative figure on the world of cryptocurrencies.

On August 27, 2018, Dennis Gibson was appointed Chief Financial Officer and Michael Sadhra resigned as Interim Chief Financial Officer.

On February 13, 2019, the Company announced that Jon Matonis had joined the Company as Chief Economist. Mr. Matonis is a monetary economist with a particular focus on non-political digital currencies and privacy technologies.

Appointment of Auditors

On July 10, 2019, the Company appointed Davidson & Company LLP as the auditors for the Company, replacing RSM Canada LLP the former auditors.

Granting of Stock Options

On June 1, 2018, the Company granted a total of 5,000,000 options to certain directors, officers and consultants of Cypherpunk, to buy common shares at an exercise price of $0.10 each and expire on June 1, 2023. On February 13, 2019, the Company granted 900,000 stock options to a consultant of the Company. These stock options are exercisable at $0.07 and expire on June 1, 2023.

Overall Performance

Investment Details

Hydro66 Holdings Corp.

In March 2018, the Company made an investment in Arctic Blockchain Ltd. ("Arctic"), subsequently renamed Hydro66 Holdings Corp., a privately held British Columbia corporation that operates a data centre business in northern Sweden, offering enterprise co-location services as well as mining cryptocurrency for its own account and its customers.

Under the terms of the investment, the Company purchased CAD$2.5 million of convertible non-interest bearing debentures (the "Debentures") of Arctic as the lead investor in Arctic's private placement offering of Debentures in the aggregate principal amount of CAD$10 million. In addition, the Company and Arctic entered into an agreement pursuant to which the Company has the right to participate in equity financings of Arctic in order to maintain its pro rata ownership at the time of any such financing. Such agreement will terminate on the earliest of the second anniversary of the agreement, the date that the Company holds in the aggregate less than 3% of the issued common shares of Arctic, or a "Liquidity Event" (as defined in the agreement and includes the listing of Arctic's shares on a recognized stock exchange).

The terms of the Debentures are a maturity of February 27, 2023 (the "Maturity Date"), unless prepaid or converted earlier in accordance with the provisions thereof. Prior to the Maturity Date, the principal amount of the Debentures can be converted into units (the "Units") of Arctic, at the option of the holder, at the conversion price of CAD$0.50 per Unit, and will be automatically converted into Units at such conversion price prior to a Liquidity Event. Each Unit will be comprised of one common share of Arctic and one share purchase warrant, with each warrant entitling the holder thereof to acquire one common share of Arctic Blockchain at a price of CAD$0.75 per share for a period of two years from the Liquidity Event.

On March 12, 2018, the Liquidity Event occurred as Arctic announced a reverse takeover transaction ("RTO") with a Canadian Securities Exchange listed shell company called Caza Gold Corp., pursuant to which Arctic would become a listed technology issuer on the CSE at the conclusion of the RTO.

Effective June 13, 2018, upon the completion of the Arctic takeover transaction and after becoming a listed technology issuer on the Canadian Securities Exchange as Hydro66 Holdings Corp., the Debentures owned by Cypherpunk were converted into 5 million shares and 5 million warrants of Hydro66 Holdings Corp., listed under the trading symbol "SIX".

In the period ended June 30, 2019, the Company sold 400,000 shares of Hydro66 Holdings Corp. originating a realized gain of $119,118. As at June 30, 2019, the Hydro66 Holdings Corp. shares and warrants had a total market value of $2.6 million, and $1.1 million at the date of this report. The valuation of investments is subject to value fluctuations and the Company will continue to review the status of this investment.

Chia Network Inc.

On July 9, 2018, the Company invested US$300,000 (CAD $400,890) in Chia Network Inc. ("Chia"), a private company based in San Francisco, by way of a Simple Agreement for Future Equity ("SAFE") entitling the Company to participate at a discount in any future equity financing of Chia. Chia is building a blockchain based on proofs of space and time to make a cryptocurrency that is less wasteful, more decentralized, and more secure. Chia is headed up by Bram Cohen, who is best known as the creator of the file-sharing network, BitTorrent.

In its innovative technology model, Chia ditches proof of work and makes use of free storage that a user's computer possesses. Adding to this is the company's proof-of-time layer that efficiently minimizes a coordinated attack against its proof-of-space system. To prevent the formation of mining pools, which can result in abuse of the network, Chia is introducing a "non-outsource ability." Simply put, Chia enables any mining participant to leave the system without a trace and with the rewards. Due to these features, Cohen believes that his company capitalizes on Bitcoin's issues and solves both the electricity waste and centralization.

The SAFE agreement provides that Cypherpunk can, throughout the term of the agreement, participate up to US$300,000 at a 10% discount in any future Equity Financings and Registered offerings of Chia. Equity Financings are in Preferred Stocks and Registered Offerings are in non-voting common shares. In the event that Chia has a liquidity event, the Company will be paid out at least the value of its investment or receive a number of shares of common stock equal to the invested amount divided by the liquidity price. Thereafter, this instrument expires and terminates.

Chia announced that it had filed a Reg A+ in November 2018 and received a comment letter from the Securities Exchange Commission, "SEC" in February 2019 and plans an IPO.

Katana Cryptographic Ltd.

On May 30, 2019, the Company invested $126,516 in Katana Cryptographic Ltd., a private limited company located in the United Kingdom, through the subscription and payment of 1,429 shares representing 1.43% ownership of that company. Katana Cryptographic Ltd.'s main product is Samourai Wallet, which is an advanced and secure mobile bitcoin wallet.

Cryptocurrencies

In the current fiscal period, the Company started to invest in cryptocurrencies, mainly in Bitcoins. As at June 30, 2019, the Company holds 130 Bitcoins and 1,350 Moneros with a market value of $1.8 million and $0.2 million, respectively. The total market value of these cryptocurrencies at the date of this report is $1.8 million.

At June 30, 2019, the inventory of Bitcoins and Moneros had a weighted average acquisition cost of USD$6,559.61 ($8,580.03) and USD$109.76 ($143.56) per unit, respectively. The cryptocurrencies have been marked to market at June 30, 2019, based on a bitcoin fair value of USD$10,817.16 ($14,156.42) and a Monero fair value of USD$87.53 ($114.55).

Subsequent to June 30, 2019, the Company continued to invest in cryptocurrencies and as at the date of this report owns 151 Bitcoins and 3,982 Monero, which have a total value today of $2.3 million.

Netherlands Preliminary Tax Assessment

On February 15, 2017, the Company received an income tax reassessment from the Netherlands Tax Authority reassessing the Company's subsidiary KRBV, for an amount payable of 3.3 million euros (CAD$5 million). This reassessment was pursuant to management challenging an earlier preliminary assessment for an amount payable by KRBV of 11.4 million euros. The preliminary tax assessment and the reassessment were both issued before KRBV had filed its 2016 tax return and, as such, are based on incomplete information. The 2016 tax return has since been filed. Based on tax professionals' advice, management is of the opinion that the assessed amount payable of 3.3 million euros (CAD$5 million) continues to be an over assessment. The Netherlands Tax Authority has again issued a preliminary assessment and the Company has filed a notice of objection to this assessment. Management believes that this issue will be resolved when the Netherlands tax authority has the opportunity to fully review all the facts. As a result, no provision has been made for this reassessment in these interim condensed consolidated financial statements.

Former Chief Executive Officer Claim

In October 2017, Mr. Grant Edey, the former Chief Executive Officer, filed a $775,000 Statement of Claim for severance and damages against the Company and the Company has filed a defense against the claim. The Company believes the severance is not appropriate and the amount claimed is not probable to be paid. No provision has been made for the claim in these interim condensed consolidated financial statements.

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Selected Quarterly Information

The below selected quarterly information summarizes the financial information for the last eight quarters.

	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
	Jun-19	**Mar-19**	**Dec-18**	**Sep-18**	**Jun-18**	**Mar-18**	**Dec-17**	**Sep-17**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Interest income	5,901	5,940	1,599	11,242	6,744	11,876	10,736	11,515
Gain on conversion of investment	-	-	-	1,883,932	-	-	-	-
Realized gain on cryptocurrency sales	119,208		-	-	-	-	-	-
Unrealized gain on cryptocurrency assets	683,316	903						
Gain on sale of investments	119,118							
Gain (Loss) on FVTPL investments	1,330,275	(429,250)	(1,996,580)	(532,918)	-	-	-	-
Foreign exchange loss (gain)	56,348	22,251	(58,644)	25,346	(20,795)	(34,191)	(6,372)	49,652
Legal expenses	40,470	22,580	12,074	8,942	14,213	8,850	5,000	3,901
Stock-based compensation	-	48,447	-	-	391,761	-	-	-
Other General expenses	151,469	128,849	122,397	197,363	71,306	79,985	70,614	105,913
Income tax expense (recovery)	-	-	-	-	-	(212,873)	-	(813,203)
Net gain (loss)	2,009,531	(644,534)	(2,070,808)	1,130,605	(449,741)	170,105	(58,506)	665,252
Net loss per share (basic and diluted)	0.02	(0.01)	(0.02)	0.01	0.00	0.00	0.00	0.00
Other comprehensive income (loss)	(322)	(2,067)	2,067	(1,381,963)	1,381,963	-	-	-
Total comprehensive income (loss)	2,009,209	(646,601)	(2,068,741)	(251,358)	932,222	170,105	(58,506)	665,252
Total current assets	4,497,581	3,807,046	4,040,637	4,100,729	4,707,344	4,722,243	7,033,927	7,077,011
Total current liabilities	96,623	82,811	159,713	126,939	126,820	85,764	69,578	56,181
Total assets	7,733,366	5,710,345	6,385,401	8,421,368	8,883,685	7,307,568	7,121,277	7,166,386

In the current period, the main income results from the adjustments to fair value of the cryptocurrencies and investment holdings which are classified as unrealized gains. The realized gains are originated by the sale or disposition of the cryptocurrencies, including their conversion to other cryptocurrencies and by the sale of investments. There is also interest earned on the bank accounts and the guaranteed investment certificates “GIC” which fluctuates over the quarters due to changes in the cash balances. Other income in Q4 2018 reflects the $1,883,932 gain on conversion of Arctic Blockchain Ltd. debentures to shares and warrants of Hydro66. There are losses from Q4 2018 to Q2 2019, for the fair value adjustment of Hydro 66 investments which are classified as FVTPL. Increased legal costs in Q3 2019 are mainly due to the claim of Mr. Grant Edey, former CEO of the Company.

The foreign exchange results fluctuate over the quarters mainly due to the variances in the foreign exchange rates, mainly of the US dollar, and for the variance of the cash balances denominated in such currency.

Other general expenses variances are mainly composed of technical consulting, corporate and administrative expenses.

The main component of total assets of the Company is cash, cryptocurrency assets and investments. Total assets variances from Q3 2018 to Q3 2019 are mainly due to the fair value adjustments of the Hydro66 Holdings Corp. shares and warrants received on conversion of the Arctic Blockchain Ltd. Debentures and the new cryptocurrency holdings.

Results of Operations

Comparison of the three-month periods ended June 30, 2019 and 2018

The net income for the period ended June 30, 2019 is $2,009,531 compared to a net loss of $449,741 for the same period of the year 2018. The variances are summarized as follows:

- In Q3 2019, there is a $1,330,275 unrealized gain on the fair value adjustment of the shares and warrants of Hydro66 ($nil in 2018). The investments are required to be marked-to-market each period-end and the adjustment is recorded in operations.
- In Q3 2019, there is $119,118 realized gain on the sale of 400,000 shares of Hydro66 Holdings Corp. versus $nil in 2018, as there were no sales of investments in Q3 of the previous year.
- In Q3 2019, there is a $683,316 unrealized gain on the fair value adjustment of the cryptocurrencies held by the Company versus $nil in 2018, as there were no such assets in Q3 of the previous fiscal year.
- In Q3 2019, there is $119,208 realized gain on the sales and dispositions of cryptocurrencies, including their conversion to other cryptocurrencies, versus $nil in 2018, as there were no such assets in Q3 of the previous fiscal year.
- In Q3 2019, general and administrative expenses of $106,558 is $47,163 higher than the $59,306 of Q3 2018, mainly due to an audit accrual adjustment. In addition, in Q3 2019 there are $4,342 of expenses regarding cryptocurrency purchases which were not applicable in the previous year.
- In Q3 2019, consulting fees expenses of $45,000 is $33,000 higher than the $12,000 of Q3 2018, mainly due to the inclusion of additional technical consulting fees not applicable in the previous year.
- In Q3 2019, the legal expenses of $40,470 is $26,257 higher than Q3 2018 resulting from fees in fiscal 2019, relating to the claim of the former CEO of the Company.
- In Q3 2019, stock-based compensation is $nil versus $391,761 of Q3 2018, which represents the fair value of the 5,000,000 options granted and vested in the previous year.
- In Q3 2019, there is $56,348 in foreign exchange loss versus $20,795 gain in Q3 2018 due to the effect of the variance of the US dollar on the net monetary assets balance in foreign currency.

Comparison of the nine-month periods ended June 30, 2019 and 2018

The net loss for the nine-month period ended June 30, 2019 is $705,811 compared to a net loss of $338,142 for the same period of the year 2018. The variances are summarized as follows:

- In 2019, there is a $1,095,555 unrealized loss on the fair value adjustment of the shares and warrants of Hydro66 ($nil in 2018).The investments are required to be marked-to-market each period end and the adjustment is recorded in operations.
- In 2019, there is $119,118 realized gain on the sale of 400,000 shares of Hydro66 Holdings Corp. versus $nil in 2018, as there were no sales of investments in the previous year.
- In 2019, there is $13,440 of interest income against $29,356 in 2018, due to the lower short-term investment balance in the current period.
- In 2019 there is a $684,219 unrealized gain on the fair value variance of the cryptocurrencies held by the Company versus $nil in 2018, as there were no such assets in the previous year.
- In 2019, there is $119,208 realized gain on the sales and dispositions of cryptocurrencies, including their conversion to other cryptocurrencies, versus $nil in 2018, as there were no such assets in the previous year.
- In 2019, general and administrative expenses are $50,211 higher than the expenses of the same period of 2018, mainly due to the inclusion of an accrual adjustment for audit fees. In addition, in 2019, there is $4,342 of expenses regarding the cryptocurrency purchases which were not applicable in the previous year.
- In 2019, consulting fees of $147,921 is $130,599 higher than the $17,322 of 2018 mainly due to the inclusion of technical consulting expenses, which were only partially applicable in the previous year.
- In 2019, the legal expenses of $75,124 is $47,061 higher than 2018 mainly due to legal fees related to the claim of the former CEO of the Company.
- In 2019, the stock-based compensation is $48,447 which represents the fair value of the 900,000 options granted and vested during the year; in 2018 the stock-based compensation charged was $391,761, which represents the fair value of the 5,000,000 options issued and vested in that year.
- In 2019, there is $19,955 of foreign exchange loss versus $61,358 gain in 2018 due to the effect of the variance of the US dollar on the net monetary assets balance in foreign currency.

Financial and Capital Management

Outstanding Share Data at June 30, 2019

Common shares outstanding:	90,166,482
Options to purchase common shares:	5,900,000

Cash Flow

For the nine month period ended June 30, 2019, the net cash outflow was $1,589,649 mainly due to the disbursements of $1,555,394 for cryptocurrency acquisitions and $126,516 investment made in Katana Cryptographic Ltd., in addition to the operating expenses. These disbursements were partially offset by $324,685 sale proceeds of cryptocurrencies and $233,118 sale proceeds of 400,000 shares of Hydro66 Holdings Corp. In 2018, there was a net inflow of $506,485 mainly due to the $614,931 of tax recovery reimbursed by the CRA, partially offset by the operating expenses.

Financial Instruments and Financial Risks

As at June 30, 2019, the Company's financial instruments consist of cash and cash equivalents, and current and non-current financial assets. The risk exposures related to these holdings are described in Note 15 to the June 30, 2019 interim condensed consolidated financial statements.

Cryptocurrencies have a limited history and their fair value historically has been very volatile. Historical performance of cryptocurrencies is not indicative of their future price performance.

The Company is exposed to cryptocurrency price variations on its cryptocurrency assets. Sensitivity to a plus or minus 20% change in the prices would affect the net comprehensive loss by $398,208 at June 30, 2019.

Accounting Policies

This MD&A should be read in conjunction with Cypherpunk's interim condensed consolidated financial statements and notes as at and for the period ended June 30, 2019 and 2018. For additional information on Cypherpunk's significant accounting policies and methods used in preparation of Cypherpunk's 2019 interim condensed consolidated financial statements and notes, please refer to Note 2 of the interim condensed consolidated financial statements as at June 30, 2019.

The interim condensed consolidated financial statements as at June 30, 2019 and 2018 are presented on a going concern basis.

The preparation of Cypherpunk's interim condensed financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements. Cypherpunk evaluates these estimates and assumptions on a regular basis, based on historical experience and other relevant factors. Actual amounts could differ materially from those estimates and assumptions. Cypherpunk's critical accounting estimates are discussed later in this MD&A.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Transactions with Related Parties

During the period there is a charge of $67,500 (2018 - $45,155) from Laramide Resources Ltd., a company having a director and officer, Marc Henderson, and an officer, Dennis Gibson, in common with Cypherpunk, for office space rent and other shared expenditures paid on behalf of the Company. In addition, Laramide Resources Ltd. paid $35,087 of certain expenses on behalf of the Company which were subsequently reimbursed to Laramide Resources Ltd. At June 30, 2019, there is $2,078 of accounts payable to Laramide Resources Ltd. (September 30, 2018 - $5,480).

During the period Treasury Metals Inc., a company having a director, Marc Henderson, and an officer, Dennis Gibson, in common with the Company, paid $2,010 (2018- $823) of certain expenses on behalf of the Company. At June 30, 2019, there is $1,635 (September 30, 2018 - $898) of accounts payable which was subsequently reimbursed to Treasury Metals Inc.

During the period there is a $4,300 charge for tax services provided by Sadhra & Chow LLP, in which Michael Sadhra, a director and former interim officer of the Company, is a tax partner (2018 - $6,210). At June 30, 2019, and September 30, 2018 there is $nil of accounts payable to Sadhra & Chow LLP.

During the period there is a $54,000 (2018 - $12,000) charge for consulting services provided by Mohammed Adham, a director and Chief Investment Officer of the Company. At June 30, 2019, there is $nil (September 30, 2018 - $13,560) of accounts payable to this related party.

During the period there is a $60,000 charge for consulting services provided by Dominic Frisby, a director of the Company. At June 30, 2019, and September 30, 2018 there is $nil of accounts payable to this related party.

During the period there is a $20,726 charge for legal services by a firm of which Eric Lowy, the corporate secretary of the Company, is a partner (2018 - $17,230). At June 30, 2019, there is $nil of accounts payable to this related party (September 30, 2018 - $13,311).

Critical Accounting Estimates

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and notes. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements is described in Note 3 to the interim condensed consolidated financial statements as at June 30, 2019.

Risks Factors

Risks which the Company is not aware of or which the Company currently deems to be immaterial may surface and have a material adverse impact on the Company's business income and financial condition.

Other Information

This discussion and analysis of the financial position and results of operation as at June 30, 2019 should be read in conjunction with the interim condensed consolidated financial statements for the periods ended June 30, 2019 and 2018. Additional information can be accessed through the Company's public filings at www.sedar.com.

Management's Responsibility for Financial Information

The Company's financial statements are the responsibility of the Company's management, and have been approved by the Board of Directors. The financial statements were prepared by the Company's management in accordance with IFRS. The financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

Disclosure controls and procedures

Management has designed and evaluated the effectiveness of our disclosure controls and procedures and the internal controls on financial reporting and have concluded that, based on our evaluation, they are sufficiently effective as of June 30, 2019, to provide reasonable assurance that material information relating to the Company is made known to management and disclosed in accordance with applicable securities regulations.

Management's Report on Internal Control over Financial Reporting

Management is responsible for certifying the design of the Company's internal control over financial reporting ("ICFR") as required by Multilateral Instrument 52-109 – "Certification of Disclosure in Issuers' Annual and Interim Filings" and CSA staff notice 52-316 – "Certification of Design of Internal Control over Financial Reporting".

Our Internal Control over Financial Reporting is intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable IFRS. Internal Control over Financial Reporting should include those policies and procedures that establish the following:

- maintenance of records in reasonable detail, that accurately and fairly reflect the transactions and dispositions of our assets;
- reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with applicable IFRS;
- receipts and expenditures are only being made in accordance with authorizations of management and the Board of Directors;
- reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management, including the Chief Financial Officer, has evaluated the design of the Company's internal controls over financial reporting as of June 30, 2019, pursuant to the requirements of Multilateral Instrument 52-109. The Company has designed appropriate internal controls over financial reporting for the nature and size of the Company's business, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS except as noted herein. There have been no changes in internal control over financial reporting during the period ended June 30, 2019 that have materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting.

Marc Henderson
Interim Chief Executive Officer
August 28, 2019

Forward-Looking Statements

Certain statements included or incorporated by reference in this MD&A, including information as to the future financial or operating performance of the Company, its subsidiaries and its projects, constitute forward-looking statements. The words “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “schedule” and similar expressions identify forward-looking statements. This MD&A includes, but is not limited to, forward-looking statements regarding: the Company’s ability to meet its working capital needs for the twelve-month year ending June 30, 2020 and statements regarding the Company’s critical accounting estimates. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company’s actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. Such factors include, among others, risks relating to additional funding requirements, political and foreign risk, uninsurable risks, competition, environmental regulation and liability, government regulation, currency fluctuations, recent losses and write-downs and dependence on key employees. See “Risk and Uncertainties” section of this MD&A. Due to risks and uncertainties, including the risks and uncertainties identified above, actual events may differ materially from current expectations. Investors are cautioned that forward-looking statements are not guarantees of future performance and, accordingly, investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein. Forward-looking statements are made as of the date of this MD&A and the Company disclaims any intent or obligation to update publicly such forward-looking statements, whether as a result of new information, future events or results or otherwise.