Globalive Technology Inc.

Management Discussion and Analysis

For the period from March 1, 2018 to December 31, 2018

Dated: April 11, 2019

This management discussion and analysis (the "MD&A") of the financial condition and results of operations of Globalive Technology Inc. ("GT" or the "Company") is for the period from March 1, 2018 to December 31, 2018 (the "Financial Period") and is provided as of April 11, 2019 (the "MD&A Date"). This MD&A should be read in conjunction with the Company's audited financial statements for the Financial Period (the "Financial Statements").

The Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts presented are stated in Canadian dollars, unless otherwise indicated.

PART I - FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking statements", including but not limited to statements about its business and strategic plans and those of its business ventures and consolidated subsidiaries; future expected revenues, investments, expenses and losses; payment of future dividends and distributions; existing and potential future business relationships that may be material to the business; expectations for future growth; the vesting and exercise of awards issued under its equity compensation plan; existing and potential future transactional opportunities, including the potential to acquire a control position in the Flexiti Group (as defined below); statements about the Company's conditional and discretionary call and first refusal rights with respect to the Flexiti Group; statements about the Company's conditional exercise of its call right with respect to the Flexiti Group; liabilities that may be incurred if a transaction to acquire a control position in the Flexiti Group is consummated and the Company's plans in respect of those liabilities; the availability of adequate financing for the Company and the Flexiti Group; the Company's relationship with the Flexiti Group and its other business venture partners; the integration of the Company and the Flexiti Group in the event a control position is acquired; existing and future software development projects, including the Company's business venture to develop a consolidated billing platform and its business venture to develop a technology stack for a credit adjudication engine; customers in the pipeline for certain of the Company's business ventures; potential use cases for some of the Company's software development projects; pricing for the Company's products and services; expected future performance, revenues, expenses, losses and operations of the Company's business ventures; and statements about the Company's short and medium term working capital requirements. These statements relate to future events or the Company's future performance. All statements other than statements of historical fact, including those identified above, may be forward-looking statements.

Forward-looking statements are often, but not always, identified using words such as "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "aim", "seek", "estimate", "project", "predict", "to prototype", "subject to", "dependant on", "anticipate", "future", "potential", "later", "on certain terms and conditions", "conditional on", "faces", "possibility", "risk", "expects", "in the process of", "trends" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon by investors as actual results may vary. These statements speak as of the MD&A Date and are expressly qualified, in their entirely, by this cautionary statement. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of various risk factors, including but not limited to changes to the Company's business focus or strategic plan; changes in market and industry conditions; unexpected operating gains or losses; management's assessment of the viability of different businesses and business partners; a breakdown in the Company's relationship with its existing or potential future business venture partners; changes in the Company's management and employees; the availability of future transactional opportunities; the satisfaction of the conditions precedent to completing any existing business or transactional opportunities, including the availability of adequate financing and regulatory, shareholder and third-party approvals; other parties seeking to acquire an interest in the Flexiti Group; difficulties integrating the businesses and employees of the Flexiti Group and the Company; difficulties or delays in the development of new technologies; technologies not functioning as expected; third parties not using technologies and services as expected; economic conditions making certain technologies or services less attractive than anticipated; competitors in the industry; and other risks, including those set out in the Financial Statements. Except as may be required by Canadian securities law and the rules of the TSX Venture Exchange, the Company is under no obligation to update any forward-looking statements should material facts change due to new information, future events or other factors and does not undertake to do so.

PART II - INTRODUCTION

The Company

GT was formed on June 8, 2018, by the amalgamation of Globalive Technology Partners Inc. ("GTP") and Corporate Catalyst Acquisition Inc. ("CCA"). Its registered and records offices are located at East Tower, Bay Adelaide Centre, 22 Adelaide Street West, Suite 3400, Toronto, Ontario, M5H 4E3, and its head office is located at 48 Yonge Street, Suite 1200, Toronto, Ontario, M5E 1G6.

Corporate History

GTP was incorporated under the *Business Corporations Act* (Ontario) on December 7, 2017, with the goal of commercializing technologies, including those based on artificial intelligence, blockchain and the internet of things. This strategy involved entering into business ventures with third parties ("Collaborators") who had existing customers for these technologies and co-developing new software applications and technology platforms for use in the Collaborators' businesses and for licensing to third-parties. In appropriate cases, in furtherance of its core business, GTP would also provide capital support to its Collaborators and business ventures.

On June 8, 2018, GTP completed a reverse takeover transaction (the "RTO Transaction") with CCA, a capital pool company listed on the NEX Exchange, resulting in the formation of GT. On June 13, 2018, following the completion of the RTO Transaction, GT's common shares commenced trading on the TSX Venture Exchange ("TSX-V"). GT is the successor of GTP and carries on its business of building and commercializing software solutions using optimal technology stacks, but with a focus on the fintech sector, including retail consumer finance and billing solutions.

Share Capital

As at the MD&A Date, the Company's authorized capital consists of an unlimited number of common shares ("GT Shares") without par value and there are 137,569,545 such shares issued and outstanding. In addition, there are 4,750,000 options for GT Shares outstanding under the Company's Omnibus Equity Compensation Plan 2018 (the "Equity Plan"), each of which is exercisable for one GT Share upon payment of the applicable exercise price and subject to applicable vesting and other terms.

After the Financial Period, but prior to the MD&A Date, the Company issued 1,033,333 GT Shares to employees and directors of the Company in settlement of restricted share units that vested in the ordinary course on January 1, 2019 under the Equity Plan. Following such issuances, there are 3,650,000 restricted share units outstanding, each of which entitles the holder to receive one GT Share subject to applicable vesting and other terms.

The Company has not declared or paid any dividends or distributions on the GT Shares to date. The payments of dividends or distributions in the future are dependent on the Company's earnings, financial condition and such other factors as the board of directors considers appropriate. The Company currently does not anticipate paying any dividends in the foreseeable future.

Changes to Financial Year-End

The initial financial year-end of GTP was February 28, resulting in a first financial year that was approximately 3 months in length (from December 7, 2017 to February 28, 2018, the "Prior Period"). Upon completing the RTO Transaction, the year-end of GT was changed to December 31, resulting in the 10-month Financial Period covered by this MD&A. The different lengths of the financial years should be considered when attempting to compare the financial performance of the Company during the Financial Period against the Prior Period.

Non-IFRS Financial Measures

This MD&A makes use of a non-IFRS financial measure, "working capital", that does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Working capital consists of current assets minus current investments minus current liabilities plus promissory notes. Working capital excludes any digital assets and investments. For a more detailed explanation of management's approach to working capital and the risks and uncertainties of using this financial measure to evaluate the Company's performance, please see the Company's filing statement dated May 29, 2018.

PART III - OVERALL PERFORMANCE

The Company is in the start-up phase of its business and is focussed on research, development and transactional opportunities for growth. During the Financial Period, the Company raised $34,864,684 in public and private equity financings (compared to $5,052,001 in the Prior Period), entered into business venture relationships with three significant Collaborators, made $16,341,997 in investments in technology companies, including existing and potential future business partners (compared to $3,833,087 in the Prior Period), hired the majority of its employees, established policies and procedures to govern the conduct of the Company going forward and conducted other activities typical for a technology start-up company. In total, the Company experienced a net loss attributable to its shareholders of ($22,450,560) during the Financial Period, reflecting the significant investments, initial expenditures and the write-down of certain assets/investments the Company made to build out its products and services, secure business relationships and generate future growth.

During the Financial Period, the Company was unable to arrive at mutually-agreeable business terms in respect of its potential business venture with Coinsquare Inc. ("Coinsquare") to develop a multi-asset trading platform, experienced lower than anticipated revenues generated by its business ventures with HyperBlock Inc. ("HyperBlock") and Business Instincts Group Inc. ("BIG"), and experienced a loss of its investments in VIDL News Corp. ("VIDL") and Mantle Technology Inc. ("Mantle"). These events, together with a decline in the blockchain and cryptocurrency markets during the Financial Period,[1] have contributed to the Company's shift in focus towards the fintech sector and the Company does not anticipate that its blockchain and cryptocurrency investments and business ventures will form a significant part of its business plan in the foreseeable future.

PART IV - SELECTED ANNUAL INFORMATION

During the Financial Period, the Company had a net loss of ($23,697,952), with revenues of $673,767 and other income of $777,819 generated primarily from the Company's business venture with HyperBlock and interest on cash deposits and dividends received from investments, offset by expenses of ($11,889,768)[2], an equity pickup (loss) from investments in associates of ($116,975), an unrealized loss from investments held at fair value of ($10,598,541) and other losses of $(3,457,032).

The Company's expenses consisted primarily of employee and service provider fees and wages, including: employee salaries and wages ($2,758,895), non-cash employee equity compensation ($1,640,152), legal and accounting professional fees ($3,335,419), marketing fees ($1,712,814), non-cash listing fees relating to the RTO Transaction ($602,423) and office, general and administrative expenses ($624,725) relating to rent, insurance and other miscellaneous expenses. The Company's cost of sales ($634,515) was small compared to its other expenses and was mostly incurred in connection with the Company's business venture with HyperBlock. The distribution of the foregoing expenses offsetting relatively minor revenues is reflective of the Company's status as an early-stage technology start-up with a focus on research, development and cultivating business partners and potential transactional opportunities for later growth.

The unrealized loss from investments held at fair value of ($10,598,541) during the Financial Period more than offset a previously recorded unrealized gain of investments held at fair value in the Prior Period of $6,888,890. The significant fluctuation in these amounts between the two financial periods was largely driven by changes in the valuation of the Company's investment in HyperBlock, which was valued in the Prior Period based on valuations from a recent private placement equity financing (valued at $8,375,001 with a cost of $1,525,000) and in the Financial Period based on market prices after HyperBlock had completed a transaction to have its shares publicly listed on the Canadian Securities Exchange (valued at $160,714 with a cost of $2,525,000). Other contributing factors to the unrealized loss from investments held at fair value included adjustments to the valuation of the Company's investments in VIDL ($1,007,840), which is in the process of winding-up, and adjustments to the valuations of CryptoStar Inc. ($291,000) and FastFoward Innovations Ltd. ($32,342) following their going-public transactions during the Financial Period.

The other losses of ($3,457,032) included write-downs of business ventures and investments in the blockchain and cryptocurrency space, including the cryptocurrency mining servers purchased by the Company in connection with its business venture with HyperBlock ($1,058,876), the intangible assets associated with the Company's investment in its business venture with BIG ($1,200,931), the Company's investments in Mantle ($883,025), which is reducing its operations and employees, and the Company's holdings in KODAKCoin ($314,200).

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[1] From March 1, 2018 to December 31, 2018, the market price of benchmark cryptocurrencies declined significantly, including a drop in the value of Bitcoin from USD $10,989.50 to USD $3,824.54, and Ethereum from USD $873.38 to USD $136.63.

[2] Before deferred tax recoveries of $912,778.

During the Prior Period, the Company had a net income and comprehensive income of $5,519,084, driven by the valuation of HyperBlock prior to its going-public transaction of $6,888,890, offset by expenses of ($457,028) consisting primarily of salaries, wages and professional fees. The Company did not generate any revenue in the Prior Period, being in the very early stages of its organization and operations.

The following is a summary of selected financial information for the Company's current Financial Period and for the period from December 7, 2017 (commencement of operations) to February 28, 2018:

	December 31, 2018	**February 28, 2018**
Total Revenue and other income (loss)		
Revenue	$673,767	Nil.
Other Income	$777,819	Nil.
Equity pickup from investments in associates	$(116,975)	Nil.
Other Losses	$(3,457,032)	Nil.
Change in unrealized gain (loss) from investments held at FVTPL.	$(10,598,541)	$6,888,890
Profit / Loss from Cont. Ops. Attributable to Owners of the Parent		
Per Share		
Per Diluted Share	$(0.195)	$0.146
	$(0.195)	$0.133
Profit / Loss Attributable to Owners of the Parent		
Per Share		
Per Diluted Share	$(0.195)	$0.146
	$(0.195)	$0.133
Total Assets	$38,311,011	$12,479,875
Total Liabilities	$1,046,332	$1,908,790
Current Liabilities	$1,046,332	$996,012
Non-Current Liabilities	Nil.	$912,778
Distributions / Cash Dividends		
Common Shares	Nil.	Nil.

Performance during the Prior Period and the Financial Period are not directly comparable, due to the different lengths of each period and the Company's stage of growth.

PART V - REVIEW OF OPERATIONS

The core of the Company's business is building and commercializing software solutions using optimal technology stacks with a focus on the fintech sector, including retail consumer finance and billing solutions.

Operations during the Financial Period

Key operating milestones and developments during the Financial Period were as follows:

- ***Interest in the Flexiti Group:*** The most significant activity engaged in by the Company during the Financial Period and up to the MD&A Date relates to its interest in Flexiti Financial Inc. ("Flexiti"), a Canadian point-of-sale retail lender and Collaborator. The Company has taken several steps during the Financial Period to position itself to potentially acquire control of Flexiti and its parent company, FLX Holding Corp. ("FLX" and together with Flexiti and their subsidiaries, the "Flexiti Group"), in a cost-efficient manner, including (i) the negotiation of a right of first refusal over 2629331 Ontario Inc. ("262 Ontario"), the controlling shareholder of the Flexiti Group and a related party to the Company, (ii) negotiating put and call rights to acquire 262 Ontario, (iii) acquiring $7.5 million senior secured convertible debentures of 262 Ontario, and (iv) working with the management of Flexiti Group to understand if and how the Company and the Flexiti Group can work together in the event an acquisition is consummated. The following is a more detailed summary of the steps taken during the Financial Period and up to the MD&A Date:

    - On May 24, 2018, the Company entered into an agreement with 262 Ontario in which it obtained a right of first refusal over any acquisition of 262 Ontario and granted the owners of 262 Ontario (currently Globalive Capital Inc. ("**GCI**"), a related party to the Company) the right to put that entity to the Company on certain terms and conditions.

    - On June 7, 2018, 262 Ontario acquired a 41.4% equity interest in, and 51% voting control over, FLX. At the same time, the Company began working directly with Flexiti under a technology stack agreement to prototype a credit lending adjudication engine which may be used to offer services in conjunction with Flexiti's approximately 3500 merchant locations and one million past and current customers.

    - On June 21, 2018, the Company and 262 Ontario amended and restated their previously-disclosed agreement (the "Put/Call Agreement") with the result that (i) the Company has a right of first refusal to acquire 262 Ontario in the event of a proposed sale to a third party; (ii) the Company has a call right that it can exercise to acquire 262 Ontario for a purchase price payable by the issuance of 13,333,333 GT Shares; and the Company has given the owners of 262 Ontario a put right to compel the Company to acquire it for a purchase price payable by the issuance of 5,000,000 GT Shares. The exercise of these rights are subject to certain terms and conditions, including TSX Venture Exchange approval.

    - On October 10, 2018 and November 9, 2018, the Company acquired senior secured convertible debentures of 262 Ontario in the aggregate principal amount of $7,500,000 for a purchase price of $8,250,000 (which included payment for interest accrued on the acquired debentures). These debentures would, on the completion of a put or call right transaction under the Put/Call Agreement, have become liabilities of the Company, along with a substantial make-whole payment (representing all fees and interest due on the senior debentures through to their maturity). Having acquired these debentures for itself, the Company will now be in a position to simply cancel the debentures on completion of a put or call right transaction without incurring these significant fees.

    - After the Financial Period but prior to the MD&A Date, there were a number of other significant developments relating to the Company's interest in the Flexiti Group including:

        - On January 1, 2019, the Company and Flexiti entered into a services agreement which provided that the Company's Chief Technology Officer and Chief People Officer would dedicate a portion of their working time to delivering management services to Flexiti.

        - On January 9, 2019 and February 20, 2019, the Company announced it is exercising the call right to acquire 262 Ontario under the Put/Call Agreement, subject to certain conditions precedent, including the Company's satisfaction that adequate financing can be obtained to fund the Flexiti Group. The Company continues to work with the Flexiti Group to see if these conditions can be satisfied.

        - On February 22, 2019, FLX completed a rights offering for Series 2 Class B Preferred Shares of FLX, convertible into common shares of FLX, which was made available to FLX shareholders *pro rata* according to their existing interests in the company. The Company participated in the FLX rights offering directly for its *pro rata* share of 1.5% ($225,000) and advanced a $3,000,000 loan to 262 Ontario to allow it to participate for its *pro rata* share of 41.4% of the rights offering ($2,635,000).

There can be no assurance at this time that the conditions necessary to complete the transactions associated with the exercise of the call right will be satisfied. More generally, the Company faces risks relating to its interest in the Flexiti Group, including the risk that adequate financing cannot be secured to support the operations and growth of the Flexiti Group, the possibility of a breakdown in the Company's relationship with the Flexiti Group, the risk that a transaction to acquire control of the Flexiti Group cannot be consummated, or cannot be consummated on terms as favourable as anticipated, including because of a lack of necessary third-party approvals, and the risk that the Company cannot combine its business with that of the Flexiti Group.

The Company expects it will continue to spend capital on its interest in Flexiti in the ordinary course. As previously disclosed, if a transaction is consummated under the Put/Call Agreement the Company will also be required to spend material amounts of additional capital and incur material debt in order to fulfill its obligations in respect of that transaction.

- ***Consolidated Billing Platform (Sponsor):*** The Company has also been engaged in developing the billing platform for Neighbor Billing Inc. ("Neighbor"), its business venture with Sponsor Energy Inc. ("Sponsor"). On September 17, 2018, the Company completed the initial organization and set-up of Neighbor, which is a special purpose vehicle owned equally by Sponsor and the Company but controlled by the Company. Neighbor has been developing a utility commerce management platform that bundles the billing for utility services and other similar household bills into a single consolidated invoicing and payment regime. Neighbor would own the intellectual property associated with the platform and would have the right to commercialize its use in utilities and related markets. The Company has been granted an exclusive, royalty-free license by Neighbor to commercialize the intellectual property in other markets.

  Following the end of the Financial Period, but prior to the MD&A Date, Neighbor is in the process of scaling up the platform while developing and implementing a sales strategy, while concurrently assessing the viability of the business as a whole.

  There were no balance sheet items associated with Neighbor as of the end of the Financial Period.

  The Company faces a number of risks relating to Neighbor, being in the early stages of its business, including risks relating to its ability to successfully implement the platform, to maintain the platform and add new functionality, to successfully market and sell the platform, to secure existing and potential customers, and to develop appropriate pricing models in different markets, as well as risks and uncertainties maintaining the Company's relationship with Sponsor.

  The Company is conducting an ongoing assessment of the viability of the business of Neighbor The Company's current assessment of the projected opportunity presented by Neighbor, and associated costs, is such that all options are being actively considered, including terminating the business venture and associated activities.

- ***Blockchain and Cryptocurrency Business ventures:*** During the Financial Period the Company pursued and formed a number of business ventures with partners in the blockchain and cryptocurrency space, including: (i) a business venture with HyperBlock formed on June 11, 2018, to provide digital currency mining-as-a-service to retail customers, (ii) a business venture with BIG formed on May 24, 2018, to form an agile development and continuous delivery software development firm dedicated to launching innovative solutions in the blockchain space, and (iii) a business venture with Coinsquare to develop a multi-asset trading platform that was pursued but ultimately not formed. The blockchain and cryptocurrency markets declined significantly during the Financial Period and these business ventures have not performed to the Company's expectations.

  The HyperBlock business venture generated gross revenues of $673,767 during the Financial Period by self-mining cryptocurrency but as at the MD&A Date the price of cryptocurrency has declined to a point where the business venture is not generating any material revenue. The BIG business venture did not generate revenue during the Financial Period, has struggled to secure customers and is not anticipated to generate material revenue for the Company, and has accordingly been written down. Other investments or partnerships the Company has made in this space have also not performed to expectations, such as its $1,007,840 investment in VIDL, which began the process of winding-up during the Financial

Period, and its $1,000,000 investment in and channel partnership arrangement with Mantle Technology Inc., which is significantly reducing its employees and operations.

The Company is not actively pursuing additional business partners or opportunities in the blockchain or cryptocurrency space and does not anticipate that its existing business ventures will form a significant component of its business in the foreseeable future. The Company has a $250,000 USD commitment to the Blockchain and Artificial Intelligence Fund established by Creative Destruction Labs at the University of Toronto (the "CDL Bc-AI Fund") but is otherwise not expecting to allocate significant additional expenditures to projects in this space.

- ***Investments:*** The Company has made and continues to make strategic investments in existing and potential future Collaborators and other strategic partners. During the Financial Period:
  - On June 7, 2018, the Company acquired certain strategic assets from related parties (Globalive Capital Inc. and 2330573 Ontario Inc.) consisting of securities in technology companies, some of which are or may become Collaborators or are viewed by management as offering products or services that are complementary or otherwise of interest to the Company (the "Vend-in Transaction"). The companies whose securities were acquired consist of: Timeplay Inc., FLX, Flexiti, Eigen Innovations Inc., Civic Resource Group International Inc., Civic Resource Group Exchange, Inc., TouchBistro Inc. and Pitchpoint Solutions Inc.
  - During the Financial Period, the Company allocated additional capital into FutureVault Inc., HyperBlock, Eigen Innovations Inc., Civic Resource Group International Inc., ACORN Biolabs Inc., XBL Investments Inc., FastForward Innovations Ltd. and the CDL Bc-AI Fund.

  The details of these investments and their valuation are described in the Financial Statements.

Operations during the Fourth Quarter

The most significant developments for the Company during the quarter ended December 31, 2018 included (i) the acquisition of $7,500,000 senior secured convertible debentures of 262 Ontario for a purchase price of $8,250,000 and professional fees incurred in connection with that transaction; (ii) the development of the Neighbor billing platform, deliberations over the possible exercise of the Company's call right over 262 Ontario, and other matters pertaining to the Company's business ventures; and (iii) the replacement of the interim CFO with Mr. Brice Scheschuk, who had previously been the Company's Chief Mergers & Acquisitions Officer, and the departure of Mr. Eric So from his role as Chief Strategy Officer.

PART VI - SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's financial information for the quarter ended December 31, 2018, and for each preceding quarter since the RTO Transaction.

	Dec 31, 2018	Sept 30, 2018	June 30, 2018
Total Revenue	$240,850	$376,938	$55,979
Profit (Loss) from Cont. Ops. Attributable to Owners of the Parent			
Per Share	$(0.052)	$(0.033)	$(0.11)
Per Diluted Share	$(0.052)	$(0.033)	$(0.11)
Profit / Loss Attributable to Owners of the Parent			
Per Share	$(0.052)	$(0.033)	$(0.11)
Per Diluted Share			

	$(0.052)	$(0.033)	$(0.11)

As the Company is in an early start-up phase and did not have a meaningful operating business during the Financial Period or the Prior Period, management does not believe the quarter-by-quarter performance of the Company reflects any significant trends. Expenses, revenues, profits, losses, assets, liabilities and cash flow in each of the recent quarters have been determined primarily by one-time investments and one-time transactions completed by the Company and are not likely to be indicative of future performance.

PART VII - LIQUIDITY AND CAPITAL RESOURCES

Cash Balance and Working Capital

As at the end of the Financial Period, the Company had a cash balance of $13,436,845 and working capital of $13,546,228 available to fund the Company's operations. Working capital is reconciled to the amounts in the Statements of Financial Position as at December 31, September 30, June 30 and February 28, 2018 as follows:

	December 31, 2018	September 30, 2018	June 30, 2018	February 28, 2018
Current Assets	29,170,674	40,966,871	44,547,540	10,118,699
Less: Investments	(14,578,112)	(15,217,037)	(15,463,695)	(8,675,001)
	14,592,562	25,749,834	29,066,712	1,443,698
Less: Current liabilities	(1,046,334)	(381,077)	(248,492)	(996,012)
Plus: Promissory Note	-	-	-	750,000
	(1,046,334)	(381,077)	(248,492)	(246,012)
Working Capital	13,546,228	25,368,757	28,834,853	1,197,686

Being in its inception phase, the Company currently generates cash by raising equity capital, with non-material revenue generated by some of its initial business ventures. Management believes that this will provide enough liquidity to support the Company's existing operations and normal working capital needs for the 12 months following the end of the Financial Period. However, if the call right is successfully exercised and the Company acquires a control position over the Flexiti Group, additional financing through the issuance of debt or equity securities will likely be required in order to achieve the Company's business objectives with the Flexiti Group. Management is currently investigating opportunities for suitable financing, and the completion of the call right transaction is conditional on management being satisfied that satisfactory financing is available.

PART VIII - COMMITMENTS AND CONTINGENCIES

During the Financial Period, the Company entered into an agreement to make a further investment of $250,000 USD into the CDL Bc-AI Fund, which is expected to be funded in Q2 of 2019. The investment will be made out of the Company's available working capital and the Company will receive debt or equity securities from companies that receive financing through the CDL Bc-AI Fund.

The Company also entered into a lease agreement to lease office space in Toronto, Ontario for an 18-month term starting on February 25, 2019, at a cost of $17,550 per month plus applicable taxes, and leases an office space in New York, New York at a cost of $5,000 USD per month plus applicable taxes.

PART IX - OFF BALANCE SHEET ARRANGEMENTS

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

PART X - CHANGES IN ACCOUNTING POLICIES

New and amended standards

The following are new and amended accounting standards applied by the Company effective March 1, 2018.

- ***IFRS 9 "Financial Instruments":*** The Company has applied IFRS 9 effective March 1, 2018. IFRS 9 introduces a model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially reformed approach to hedge accounting. Financial instruments are measured at fair value on initial recognition of the instrument. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. Measurement in subsequent periods depends on whether the financial instrument has been classified as: (i) financial asset at fair value through profit or loss, (ii) financial assets at fair value through other comprehensive income, (iii) financial assets at amortized cost, (iv) financial liabilities at fair value through profit or loss, or (v) financial liabilities at amortized cost.

  Management has determined that this standard has no material impact on the consolidated financial statements.

- ***IFRS 15 – "Revenue from Contracts with Customers":*** This standard specifies how and when revenue should be recognized to all contracts with customers based on a five-step model. The Company's only source of revenue during this period came from its mining-as-a-service business venture with HyperBlock as described in note 5. The Company did not sell any hashrates and therefore realized revenues directly from the mining of digital currencies which were settled in United States Dollars on a monthly basis.

  As a result of the adoption of IFRS 15 there was no impact on the Company's financial statements.

New and amended standards issued but not yet effective

The following new standards and amendments have been issued by the IASB and were not yet effective for the fiscal year beginning March 1, 2018. The company does not expect to adopt any of them in advance of their respective effective dates.

- ***IFRIC Interpretation 23 Uncertainty over Income Tax Treatments (''IFRIC 23'')**:* In June 2017 the IASB issued IFRIC 23 to clarify how the requirements of IAS 12 Income Taxes should be applied when there is uncertainty over income tax treatments. The interpretation is effective for annual periods beginning on or after January 1, 2019, with modified retrospective or retrospective application. Adoption of IFRIC 23 is not expected to have a significant impact on the Company's consolidated financial statements.

- ***IFRS Annual Improvements 2015-2017**:* In December 2017 the IASB issued amendments to clarify the requirements of four IFRS standards. The amendments are effective for annual periods beginning on or after January 1, 2019, primarily with prospective application. Adoption of the amendments is not expected to have a significant impact on the Company's consolidated financial statements.

- ***Conceptual Framework for Financial Reporting (''Conceptual Framework'')**:* On March 29, 2018, the IASB published a revised Conceptual Framework that includes revised definitions of an asset and a liability as well as new guidance on measurement, derecognition, presentation and disclosure. The revised Conceptual Framework does not constitute an accounting pronouncement and will not result in any immediate change to IFRS, but the IASB and IFRS Interpretations Committee will use it in setting future standards. The revised Conceptual Framework is effective for the Company beginning on January 1, 2020 and will apply when developing an accounting policy for an issue not addressed by IFRS.

- ***Definition of Material (Amendments to IAS 1 and IAS 8):*** On October 31, 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to clarify the definition of ''material''. The amendments are applied prospectively on or after January 1, 2020 and are not expected to have a significant impact on the Company's consolidated financial statements.

- ***Definition of a Business (Amendments to IFRS 3):*** On October 22, 2018, the IASB issued amendments to IFRS 3 Business Combinations to narrow the definition of a business and clarify the distinction between a business combination and an asset acquisition. The amendments are applied prospectively to all business combinations and asset acquisitions on or after January 1, 2020 and are not expected to have a significant impact on the Company's consolidated financial statements.

- ***IFRS 16 "Leases":*** In January 2016, the IASB issued IFRS 16, "Leases", which requires entities to recognize lease assets and lease obligations on the balance sheet. For lessees, IFRS 16 removes the classification of leases as either operating leases or finance leases, effectively treating all leases as finance leases. Certain short-term leases (less than 12 months) and leases of low-value assets are exempt from the requirements and may continue to be treated as operating leases.

  Lessors will continue with a dual lease classification model. Classification will determine how and when a lessor will recognize lease revenue, and what assets would be recorded. IFRS 16 is effective for years beginning on or after January 1, 2019, with early adoption permitted if IFRS 15 "Revenue from Contracts with Customers" has been adopted. The standard may be applied retrospectively or using a modified retrospective approach. Given its current leasing arrangements, the Company believes the impact of adopting IFRS 16 is going to be immaterial but will keep reassessing the impact of adopting IFRS 16 on its financial statements.

PART XI - FINANCIAL RISKS

The Company's activities expose it to a variety of financial risks that arise as a result of its operating, investing, and financing activities including:

- Credit risk;
- Liquidity risk;
- Market risk; and
- Price risk.

For more information regarding these financial risks, please refer to the Company's annual report dated December 31, 2018.

PART XII - RELATED PARTY TRANSACTIONS

The Company completed several related party transactions during the Financial Period and prior to the MD&A Date, which have been described in greater detail above. In summary, related party transactions during the Financial Period and prior to the MD&A Date included:

- ***Put/Call Agreement:*** The negotiation of the Put/Call Agreement with 262 Ontario and its parent company, Globalive Capital Inc. ("**GCI**"), two parties that are related to the Company by virtue of the ownership and/or control of approximately 71.9% of the issued and outstanding GT Shares by GCI and Anthony Lacavera, and Anthony Lacavera's role as director and beneficial owner of the Company, 262 Ontario and GCI.

- ***Senior Secured Debentures of 262 Ontario):*** The acquisition of $7,500,000 senior secured convertible debentures of 262 Ontario was completed through a series of arm's length transactions, however, the result is that the Company now holds debentures of 262 Ontario, a related party which is controlled by GCI.

- ***Loan to 262 Ontario:*** After the Financial Period but prior to the MD&A Date, the Company made a loan of $3,000,000 to 262 Ontario, a related party which is controlled by GCI, to allow 262 Ontario to participate for its *pro rata* share ($2,635,000) of the Series 2 Class B Preferred Shares of FLX. The loan is secured by a first ranking charge over the shares acquired using the loan proceeds.

- ***Payments to Globalive Media Inc. / Globalive Capital Inc./ VRG Capital Corp*.:** On January 1, 2018, March 31, 2018 and April 1, 2018, respectively, GCI, Globalive Media Inc. and VRG Capital Corp. entered into service agreements with the Company to provide the Company with certain functions and supporting roles, resulting in payments of $40,000 to GCI, $184,000 to Globalive Media Inc. and $48,000 to VRG Capital Corp during the Financial Period. The service agreements with GCI and Globalive Media Inc. ongoing commitments and will remain in effect for the foreseeable future. Anthony Lacavera, the Company's Chief Executive Officer and one of its Directors, controls Globalive Media Corp. and Globalive

Capital Inc., while J.R. Kingsley Ward, the Company's Chairman and one of its Directors, is a Managing Partner of VRG Capital Corp.

PART XIII - PROPOSED TRANSACTIONS

As at the MD&A Date, the Company's only significant proposed transaction is the exercise of the call right to acquire a controlling interest in the Flexiti Group, as described in greater detail above. The transaction is subject to a number of conditions, including management being satisfied that adequate financing is available to fund the Flexiti Group's needs, the approval of the TSX Venture Exchange and the approval of disinterested shareholders of the Company. At this time there can be no assurance that the transaction will be completed.

PART XIV - ADDITIONAL INFORMATION:

Additional information relating to the Company, including its annual information form, is available on SEDAR at www.sedar.com.