Management's Discussion and Analysis

For The Three Months Ended 31 January 2018

Stated in Canadian Funds

Date: 31 March 2018

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NetCents Technology Inc.
For the Three Months Ended 31 January 2018

Canadian Funds

Report to Shareholders and Management Discussion and Analysis

To Our Shareholders

This management's discussion and analysis of the financial condition and results of operation ("MD&A") of NetCents Technology Inc. ("NetCents" or the "Company") should be read in conjunction with NetCents' condensed interim consolidated financial statements and notes thereto as at and for the three months period ended 31 January 2018 and the annual audited consolidated financial statements for the year ended 31 October 2017.

Except as otherwise indicated, all financial data in this MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The Company's functional and reporting currency is the Canadian dollar and all dollar amounts are in Canadian dollars, unless otherwise indicated.

Discussion of the Company, its operations and associated risks is further described in the Company's filings, available for viewing at www.sedar.com. A copy of this MD&A will be provided to any applicant upon request.

Forward Looking Statements

Certain statements contained in the following MD&A and elsewhere constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth in the Company's filings and herein. Additional information regarding the Company, including copies of the Company's continuous disclosure materials is available through the SEDAR website at www.sedar.com.

The table below sets forth the significant forward-looking information included in this MD&A:

Forward-Looking Information	Key Assumptions	Most Relevant Risk Factors
The ability to raise capital in the future to continue on-going operations	Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future.	The ability of the Company to continue as a going concern is dependent upon obtaining ongoing financing and there can be no assurance that the Company will be able to raise any capital through any type of offering or similar financial arrangement.

GENERAL

NetCents is an electronic digital Payment Service Provider. The Company's processing platform allows users and merchants to manage electronic payments through a variety of devices and currencies.

After reviewing the competitive landscape and operational results from Q2 and Q3 2017, the Company made the strategic decision to discontinue traditional credit card payment processing and focus exclusively on the processing of cryptocurrency. By making this decision, the company is able to operate without third party processors, substantially reducing the Company's operating overhead.

In order to execute on this pivot, the Company has dedicated significant resources over the past three quarters to research and development (R&D) for the cryptocurrency processing platform, continuing to add additional functionality on both the user and merchant portals. The Company holds intellectual property, consisting of copyright in the development of its technology, as well as trade secrets and marks. NetCents protects its intellectual property using confidentiality provisions in its agreements with employees and contractors, and the assignment of all work products created by the employees and contractors to the Company.

With this transition, NetCents has positioned itself to become the transactional hub for all cryptocurrency payments, both online and off. The NetCents platform has been designed for flexibility and the ability to grow and evolve as the industry evolves, keeping the Company at the forefront of the industry. The NetCents platform has been designed to be:

- Cryptocurrency agnostic, the Company is able to add any cryptocurrency, including proprietary currencies, to the platform at any time, allowing it to keep ahead of market trends
- Customizable for merchants and payment processors with the ability to add in requested feature sets
- White labelled to work with other traditional payment processors as an added benefit rather than a direct competitor, allowing the Company access to merchants via partnerships
- Accept payment from both NetCents user eWallets and external cryptocurrency wallets
- Seamlessly integrate into merchants' platforms, regardless of their technology, through the Company's universal plug and play API

As of this report, the company has:

- Signed payment processing contracts
- Deployed the merchant gateway technology to Poynt Smart Terminals, WooCommerce, Prestashop, Google Play Store, and the Apple App Store
- Developed the universal merchant cryptocurrency processing plug and play API
- Begun integration with the first round of merchants
- Launched a completely redesigned and reimagined website that integrates the user eWallet, NC Exchange, NetCents Coin, NC Exchange, and the front-end website to create a streamlined experience for merchants and users

With these elements in place, in the third quarter, the Company is ready to:

- Launch the first round of merchants and commence live transactions
- Execute the marketing strategy to drive brand awareness, education, and ramp up user onboarding
- Roll out the referral and loyalty rewards program
- Complete the back-end platform functionality necessary to unveil a NetCents coin

The NetCents Platform

All transactions occur within the NetCents environment, so users do not have to access other sites or platforms to complete their intended transaction. As the current platform is not credit card based, it is secure from fraud and ID theft resulting from credit card-based transactions.

The Company is integrated with multiple exchanges. This integration has allowed users to simultaneously view balances in both their cash (Fiat) and cryptocurrency accounts and be able to use cash to purchase additional cryptocurrencies or sell their cryptocurrencies and transfer the cash back to their accounts in real time. All cryptocurrency transactions are facilitated on the respective exchange's platforms.

The platform provides merchants and consumers a secure way to purchase, sell, transfer, and transact in stores, online or on mobile devices with a variety of currencies. Although the Company currently provides its products and services (its payment platform) to consumers and merchants, it does not have revenues as of the date of this analysis from processing cryptocurrency transactions.

To summarize, NetCents is introducing innovative payment technology and processes to the payment industry by combining an industry-leading digital asset management infrastructure that is, convenient, easy to use and secure.

The NetCents platform is divided into three interrelated components:

1. User portal
2. Merchant portal
3. NC Exchange

The user portal allows end users to load funds into their account using either traditional fiat, cryptocurrency and Flexepin vouchers. The merchant platform allows merchants to accept cryptocurrency payment on their e-commerce platform, through phone/email, on the road and in their store. The NetCents Exchange allows the company to offer near instant settlement with merchants and also allow users to purchase digital currency such as Bitcoin, Ethereum, NetCents Coin, and Litecoin.

As a digital payment processor, the Company's application software is currently able to facilitate the following types of transactions:

- Transfer funds from their bank account to their account
- Allows account holders to transfer funds to another account holder(s)
- Allows account holders to purchase goods and services online from merchants
- Transfer cash from their account to purchase cryptocurrencies
- Sell cryptocurrencies (Bitcoin, Ethereum, Litecoin, and NetCents Coin) on the NC Exchange and transfer the cash back in their account or bank account

- Integrate with existing merchant processing systems

The Company is currently developing further platform functionality including but not limited to:

Integration with a company enabling account holders to pay for products and service using either Loyalty/Rewards points or coupons.

NETCENTS COIN

In conjunction with its pivot to the cryptocurrency processing platform discussed above, in Q3 of 2017, the Company undertook an assessment of the then-available types of cryptocurrency, and their strengths and weaknesses as a means of a store and exchange of value. All available cryptocurrency at that time were found to have significant deficiencies, including slow transaction processing times, high transaction costs and wild price fluctuations. As the Company was not able to find a cryptocurrency in the marketplace with the desired attributes, it began the process of developing its own payment token, which it named the "NetCents Coin".

While early designs of the NetCents Coin modelled a token that with anticipated increases in value, the most current model for the NetCents coin, which was developed early in 2018, is for the NetCents coin to operate as a "stablecoin", in other words, a stable, transactional-based currency which is intended to provide merchants and users with the ability to transact using cryptocurrency without the highly volatile swings in pricing often experienced by other cryptocurrencies. It is planned that the NetCents coin will be backed on nearly a 1:1 basis with the US Dollar, which such fiat backing to be held in one or more reserve accounts. This asset backed reserve is to provide the backstop to any large swings of downward pressure on the NetCents Coin. While market-based fluctuations can and do occur, the NetCents Coin is not modelled, and will not be marketed, to increase in value.

To date the Company has spent approximately $150,000 in development of the NetCents Coin. The Company intends to continue development of the NetCents Coin until it is capable of being issued in a functional state. At that time, the Company intends to transfer ownership of the IP related to the NetCents Coin, together with control over the coin issuances, and possession, ownership and control of any token sale proceeds to an independent entity. It is intended that this transfer would occur at fair market value and would include the Company receiving the right to use the NetCents Coin as the principal payment mechanism on its exchange.

In Q4 of 2017, the Company managed a presale of the coin, and just under $3,000,000 was raised. Until the entity referenced above is created, the Company is holding these proceeds on behalf of this yet-to-be formed entity, and such funds are not available to the company for general operating purposes.

NetCents is working to complete development of the NetCents Coin, and the creation of the entity. The next release of coins will occur once the entity is established, and the coins are functional. NetCents is and will continue to interact with regulators to ensure that all coin sales are compliant. The cost to complete these steps are estimated to be $250,000, and the Company expects both to be complete by the middle of Q3 of 2018.

While this process is ongoing the Company is committed to holding the funds of the presale on behalf of the entity and will transfer all token presale proceeds to the entity once the same has been established.

NetCents System Control Fundamentals

The Company platform facilitates the movement of funds between parties, the storing of funds in a NetCents wallet and interaction with user and merchant bank accounts. To this end the Company has in place the following security protocols.

Security

- The Platform protects the account holders from fraud and ID Theft. When using the platform, the consumer's bank account number/credit card numbers or any personal information are not transmitted over the Internet.

- No Transmission of Personal Data **-** When a transaction occurs, there is no personal ID or account information attached to the transaction. This lack of personal information prevents online fraud and ID theft.
- All customer data (personal and/or account related) remains protected and secure behind multiple firewall and encryption. Mail fraud is also eliminated as no paper statements are issued.
- The Company platform logs all transaction activity and the system maintains a complete audit trail of all transactions, financial and otherwise.
- There is a daily reconciliation of all consumer and merchant activity is conducted at the close of each business day.
- The Company is also able to place thresholds on user's accounts so as to monitor transactions by type, location and volume so as to ensure compliance with, Know Your Customer (KYC) Anti-money Laundering (AML) and Anti-terrorism guidelines.
- Digital Authorization Required - Users are further protected as the Company cannot reach into a user's bank account without the user's authorization. The user's account is a separate and secure entity to which the user deposits funds for payment. Payments made to a merchant after completion of a transaction is authorized by the account holder for that amount and that amount only. Additional funds cannot be removed from the user's account without the account holder's digital authorization**.**
- Two-Factor Authentication (2FA). The Company has made 2FA available to users to add additional security to their account. This additional level of security ensures that only authorized users are able to access user accounts.
- Email notifications. The Company has made email notifications available to users to ensure the security of user accounts. Each time a user account is accessed, an email is sent to the email address that the user entered when they set up their account.
- IP whitelisting. This feature makes it so that user accounts can only be accessed from IP addresses that have been approved by the user.

The Company holds users and merchant funds in external exchanges and with a major Canadian Bank. The system and processes are required to safeguard these assets for both parties. To that end the Company has in place the following:

Holding of User and Merchant Assets

The Company holds both user and merchant cash and cryptocurrency balances. At this time the risk of any fluctuations in currency balances held for these parties is the sole risk of the user or merchant. The Company does not have a risk on the holding of these accounts for a currency risk fluctuation. The Company has the obligation of stewardship of both user and merchant accounts, and as such access to these accounts is restricted. All fiat funds reside within and behind the security protocols of a Schedule I Canadian Bank.

Risk Overview

The Company is aware of the risks associated with operating in the payment space and in particular the digital payment/currency space. Wherever possible, the Company has taken the prerequisite steps to implement the appropriate guidelines and processes to mitigate these risks. Some of the risks may include:

1. Operational Risks

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Resulting Issuer's business, operating results or financial condition.

2. Cryptocurrency Risks

The cryptocurrency market is unregulated and in its infancy. Accordingly, there are certain risks related to cryptocurrencies, including the risk of regulation reforms which may prohibit payment processing transactions related to the business of the Resulting Issuer. Additionally, financial institutions may impose restrictions on persons that engage in business that is based on cryptocurrency transactions. Risks related to the acceptance and use of crypto currencies will have a significant impact on the volume of crypto currency transactions. Such acceptance or lack thereof, and reforms in regulation could adversely affect the Company's assets, liabilities, business, financial condition, prospects and results of operations.

3. Regulatory Environment

From time-to-time, governments and regulatory bodies may review the legislation and regulations applied to the crypto currency financial services industry and the payment processing industry in which the Resulting Issuer operates. Such reviews could result in the enactment of new laws and/or the adoption of new regulations in Canada, the United States of America, Europe or elsewhere, which might adversely impact the business. The Company has mitigated much of this risk to the extent it is a fully reporting public company and reports to the Canadian Stock Exchange (CSE), British Columbia Securities exchange (BCSC), Alberta Securities Exchange (ASC), Ontario Securities Commission (OSC), as well as Fintrac.

4. AML/KYC

The Company has implemented internal proprietary AML/KYC protocols as well as utilizing third party identification authentication to meet current regulations regarding this matter. Though regulation is extensive and designed to protect consumers and the public, are complex and sometimes ambiguous, at this time the Company believes that at this time it is in compliance with all current laws and regulations. The Company continually upgrades and improves not only the KYC/AML procedures but all security protocols.

HIGHLIGHTS, SIGNIFICANT EVENTS AND TRANSACTIONS

1) Historical Development of the Business

NetCents was incorporated in 2006 and spent the first few years developing several beta versions of its transaction processing platform. In early 2010, a final version was developed that was robust enough to simultaneously handle multiple transactions from multiple merchants and be able to scale. Subsequent to this, an agreement with the Royal Bank of Canada was signed in April 2010. This agreement enables NetCents' transaction platform to integrate into and run on the Banking Platform. This integration provides NetCents with the market reach and transaction capabilities to work with every major Bank and Credit Union in Canada. The Company works to ensure it meets the standards of all compliance and regulatory bodies such as, but not limited to; the Canadian Payment Association ("the CPA"), NACHA as well as the rules and standards which govern "know-your-customer" requirements, anti-money laundering laws and anti-terrorism.

From 2010 until 2012, the Company began to integrate their software with a number of small local merchants and/or charities. From 2013 until the present, NetCents has continued to evolve and implement changes to its business model including a comprehensive redevelopment and upgrade of the Company platform which was completed in early 2015 to ensure that the platform was compliant with recently improved and updated protocols associated with the Banking Platform provider.

The Company had previously sought to enter into a transaction with On4 Communications Inc. ("On4"), however the transaction was never completed. The Company entered into a non-binding letter of intent with On4 on or about November 3, 2011. As a condition of the transaction, On4 was required to restructure their debt that On4 had accumulated in a manner and amount acceptable to NetCents and its shareholders. This restructuring could not be finalized, and the parties mutually agreed to terminate the binding letter of intent on or about November 11, 2014. A termination agreement was executed, which released the Company of any and all financial or legal obligations to On4. The Company and On4 no longer have any business relationship, and no transaction is contemplated.

On February 10, 2016, the Company completed an amalgamation between the NetCents Systems Ltd. (Privco), UWO Consulting Ltd. ("UWO"), 1018758 B.C. Ltd. ("Pubco") and 1887217 Alberta Ltd. ("SubCo"). SubCo is a wholly-owned subsidiary of Pubco and Pubco was a wholly-owned subsidiary of UWO. Pursuant to the amalgamation agreement, the following took place:

- Pubco applied to have its shares listed in the Canadian Securities Exchange ("CSE");
- Pubco and SubCo amalgamated to form an amalgamated corporate entity continuing on as NetCents Technology Inc. and continue as one corporation under the Business Corporations Act of Alberta;
- the issued and outstanding common shares and share purchase warrants of the Company was exchanged for common shares and warrants of PubCo on the basis of one share or warrant of the Company for 0.706 shares or warrants of PubCo; and
- NetCents Technology Inc. issued 1,010,549 common shares to UWO's shareholders.

2) Recent Developments

On 23 January 2018, the Company completed integration into Poynt Smart Terminals

On 9 January 2018, the Company announced the appointment of Michael Laitinen as Chief Financial Officer.

On 8 January 2018, the Company granted 500,000 stock options to the CFO as a signing bonus. Each option entitles the holder to purchase one common of the Company at $2.87 per share at any time before 19 December 2021.

On 19 December 2017, the Company granted 750,000 stock options to directors. Each option entitles the holder to purchase one common share of the Company at an exercise price of $3.20 per share until 19 December 2021.

On 19 December 2017, the Company closed the first tranche of its previously announced private placement for an aggregate of 1,116,071 units of the Company ("Units") for gross proceeds of $500,000. Each Unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire an additional common share of the Company at an exercise price of $0.70.

On 18 December 2018, the Company announced the first phase of integration with Aliant Payment Systems was completed

On 14 December 2018, the Company announced the development of a proprietary cryptocurrency platform

On 6 December 2017, the Company announced that the NC Exchange was live

On 5 December 2017, the Company announced the conversion of warrants realizing $2,100,000

On 30 November 2017 and 7 December 2017, the Company issued 180,000 and 1,003,470 common shares of the Company, respectively, as consideration for services. On 30 March 2018, the Company cancelled 703,470 of the common shares common shares which were originally issued as consideration for services on 7 December 2017.

On 29 November 2017, the Company announced that it accepts Interac e-Transfer

On 28 November 2017, the Company announced that Jean Marc Bougie was appointed to the Company's board of directors.

On 23 November 2017, the Company announced that it had signed a five-year exclusive cryptocurrency processing contract with Aliant Payment Systems

On 20 November 2017, the Company announced that Flexepin will accept the NetCents Coin in its network of 7,000 retail locations

On 17 November 2017, the Company granted 1,090,000 stock options to officers and consultants. Each option entitles the holder to purchase one common share at an exercise price of $0.82 per share until 21 November 2021.

On 16 November 2017, the Company announced the appointment of Mehdi Mehrtash to the position of Chief Technical Officer.

On 14 November 2017, the Company announced the conversion of warrants realizing $500,000

On 7 November 2017, the Company announced the appointment of Ms. Jennifer Lowther to the Board of Directors effective immediately.

31 October 2017, the Company has accepted the resignation of Mr. Robert Meister from the Board of Directors and his position with Capital Markets.

31 October 2017, the Company introduced its proprietary NetCents Cryptocurrency Exchange ("NC Exchange") for the "NetCents Coin".

On 27 October 2017, the Company entered into a non-binding agreement for a drawdown equity facility of up to $5 million with Alumina Partners (ONT) Ltd, a subsidiary of Alumina Partners LLC, a NY based private equity firm. The first tranche of the offering under the facility for $500,000 is for 1,116,071 units consisting of 1,116,071 common shares at $0.448 and 1,116,071 common share warrants at $0.70.

On 10 October 2017, the Company released its whitepaper for the NetCents Coin

On 26 July 2017 the company announced that it has released its plugin for Prestashop, one of the world's most popular eCommerce platforms.

On 5 July 2017 the company announced that it has released its "Phase 1" plugin for open source eCommerce leader, Magento®.

SIGNIFICANT EVENTS AND TRANSACTIONS SUBSEQUENT TO THE PERIOD

On 27 March 2018, the Company launched a new website bringing the eWallet, merchant portal, NC Exchange, NetCents Coin, and front-end design into one seamless user and merchant experience

On 21 March 2018, the Company added Guy Lepage to the Board of Advisors

On 13 March 2018, the company announced the upcoming launch of a referral and loyalty program

On 6 March 2018, the Company appointed Clarity PR its PR Agency of Record

On 1 February 2018, the Company added Litecoin to the NC Exchange

On 13 February 2018, the Company granted 60,000 stock options to employees. Each option entitles the holder to purchase one common share at $1.95 per share at any time before 13 February 2022.

Subsequent to 31 January 2018, the Company issued 62,360 common shares of the Company in connection with the exercise of warrants.

On 13 February 2018 the Company entered into a premises lease agreement for a period of seven years and four months commencing on February 1, 2018 and expiring on July 30, 2025. The annual base rent will be $254,880 per annum, plus the Company's proportionate share of property taxes and operating expenses, which are estimated to be $174,434 per annum for 2018.

On 21 February 2018, the Company announced the completion of integration with Aliant Payment Systems and the onboarding of merchants

On 1 March 2018, the Company hired Edison Investment Research Group

On 30 March 2018, the Company cancelled 703,470 of the common shares common shares which were originally issued as consideration for services on 7 December 2017.

RESULTS OF OPERATIONS

The comprehensive loss for the three months ended 31 January 2018 was $6,235,526 which compares to a comprehensive loss of $163,938, incurred in the comparative period. The main fluctuations in costs are as follows:

Revenue (Rounded '000)		**3 months** **2018**		3 months 2017
	$	**51,000**	$	32,000
Variance increase	**$**	**19,000**		

During the three months period ended 31 January 2018, the volume of merchant processing transactions exceeded that of the comparative quarter, resulting in an increase in revenue recognized during the period.

Share based payments (rounded to the nearest '000)		**3 months** **2018**		3 months 2017
	$	**3,602,000**	$	-
Variance increase	**$**	**3,602,000**		

Share based payments are comprised of options granted and shares issued to officers, directors, and consultants of the Company. Management assesses the fair value of stock options granted using the Black-Scholes option pricing model, which was created for use in estimating the fair value of freely tradable, fully transferable options. The Company's stock options have characteristics significantly different from those of traded options, and changes in the highly subjective input assumptions can materially affect the calculated values. The volatility of the share price is one of the input assumptions and with the volatility of the share price over the previous six months management feels that the fair value of stock options granted using Black-Scholes do not necessarily provide a reliable measure of the fair value of the Company's stock options awards. The measurement and recognition of share-based payments occurs during the period in which the Company grants, or issues share based awards. During the three-month period ended 31 January 2018, the Company granted 2,340,000 (2017 – nil) options to directors, officers, and consultants of the Company, and issued 200,000 (2017 – nil) common shares of the Company for services.

Loss on settlement of debt (rounded to the nearest '000)		**3 months** **2018**		3 months 2017
	$	**1,965,000**	$	-
Variance increase	**$**	**1,965,000**		

During the three-month period ended 31 January 2018, the Company issued an aggregate of 280,000 common shares and 300,000 warrants in connection with the settlement of debt and recognized a loss on settlement of debt in the amount of $1,965,000. Part of a settlement for debt was a predetermined number of shares and with volatility in the share price around time of settlement resulted in loss on settlement of debt.

Investor relations (rounded to the nearest '000)	**3 months** **2018**	3 months 2017
	$ 221,000	$ 27,000
Variance increase	**$ 194,000**	

During the three-month period ended 31 January 2018, the Company retained the services investor relations and marketing consultants to facilitate management's strategic decision to transition from traditional payment processing to developing and enhancing the processing platform.

Professional fees (rounded to the nearest '000)	**3 months** **2018**	3 months 2017
	$ 161,000	$ 38,000
Variance increase	**$ 123,000**	

During the three-month period ended 31 January 2018, the Company incurred increased legal and professional fees in connection with the settlement of debt and increased operations. In the comparative period, professional fees consist of audit accruals and legal fees for general corporate matters.

Consulting fees (rounded to the nearest '000)	**3 months** **2018**	3 months 2017
	$ 120,000	$ 68,000
Variance increase	**$ 52,000**	

During the three-month period ended 31 January 2018 compared to the three-month period ending 31 January 2017, the Company increased the number of programmers/developers/customer service consultants in the company to facilitate the anticipated growth of the business.

Travel (rounded to the nearest '000)	**3 months** **2018**	3 months 2017
	$ 97,000	$ -
Variance increase	**$ 97,000**	

During the three-month period ended 31 January 2018, travel costs were incurred in the general course of business, as the Company travelled to meet with prospective customers related to the new business channel of processing cryptocurrency payments.

Office (rounded to the nearest '000)		**3 months** **2018**		3 months 2017
	$	**30,000**	$	4,000
Variance increase	**$**	**26,000**		

During the three months period ended 31 January 2018, office costs were higher as the number of consultants in the office developing the platform were increased. Administration staff were also increased in that timeframe resulting in increased spend in the office expense category.

Website Costs (rounded to the nearest '000)		**3 months** **2018**		3 months 2017
	$	**8,000**	$	-
Variance increase	**$**	**8,000**		

During the three months period ended 31 January 2018, website costs were incurred as part of the transition from traditional to cryptocurrency payment processing. The latter requires the set up and maintenance of a website and these costs represent the initial ongoing costs the company will require to maintain a website for transacting in the new business channel.

Amortization for intangible assets (rounded to the nearest '000)		**3 months** **2018**		3 months 2017
	$	**35,000**	$	10,000
Variance increase	**$**	**25,000**		

During the year ended 31 October 2017 and the three-month period ended 31 January 2018, the Company capitalized a total of $320,781 in connection with software development costs on the processing platform. Capitalized software development costs are amortized on a straight-line basis over their estimated useful lives; accordingly, amortization expense increased during the three month period ended 31 January 2018 as a result of additions to the Company's capitalized intangible asset balance.

FINANCIAL DATA FOR LAST EIGHT QUARTERS

The following table sets out selected quarterly financial information of the Company and is derived from the unaudited condensed interim consolidated financial statements prepared by management. The Company's consolidated financial statements are prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

Three Months Ended	Jan 18	Oct 17	Jul 17	Apr 17	Jan 17	Oct 16	Jul 16	Apr 16
Total Revenues	51,176	39,580	39,580	19,408	2,774	32,298	-	-
Loss from continuing operations	(4,262,487)	(812,229)	(812,229)	(488,838)	(227,552)	(172,987)	(1,349,682)	(94,991)
Loss for the period	(6,235,526)	(896,249)	(896,249)	(466,727)	(284,379)	(163,938)	(461,946)	(104,043)
Loss per share (Basic and diluted)	(0.16)	(0.03)	(0.03)	(0.02)	(0.01)	(0.01)	(0.00)	(0.00)

The loss during the three-month period ended 31 January 2018 increased as a result of share-based payments and loss on settlement of debt totalling $3,601,905 and $1,964,625, respectively. Share based payments are comprised of 2,340,000 options granted to directors, officers, and consultants of the Company, as well as 200,000 common shares issued for services. The loss on settlement of debt is comprised of the issuance of 280,000 common shares of the Company and 300,000 warrants.

The loss during the three-month period ended 31 October 2017 increased as a result of the following activities:

- The Company recognized a loss on settlement of debt in the amount of $509,191 in connection with the issuance of 892,766 units of the Company to settle a liability of $267,830.
- The Company recognized a bad debt expense of $379,406 due to uncertainty of collecting funds owed from one payment processor.

During the three-month period ended 31 July 2017 the Company granted 600,000 stock options which resulted in the recognition of stock-based compensation expense totalling $187,000.

In the 2016 annual financial statements, stock-based compensation and listing fees were presented as operating expenses rather than other expenses as recorded in the interim statements for the period ended 30 April 2016. This presentation change results in an increase in loss from operations and a corresponding decrease loss for the period during the three months ended 31 October 2016.

During the three-month period ended 30 April 2016 the Company granted 2,080,000 stock options and recognized a corresponding stock-based compensation expense of $494,745. During the same period, the Company recognized a listing expense of $353,692 in connection with the reverse takeover that occurred on 10 February 2016.

OUTSTANDING SHARES

As at 31 January 2018, the Company had 41,467,397 common shares issued and outstanding. As at 31 January 2018, the fully diluted amount of 48,834,045 includes common share purchase warrants of 2,736,588 and options of 4,630,060.

Subsequent to 31 January 2018, the Company granted 60,000 stock options, issued 62,360 common shares in connection with the exercise of options and warrants, and cancelled 703,470 common shares which were originally issued as consideration for services. As at the date of this report, the fully diluted amount of 48,190,575 includes common shares of 40,826,287, warrants of 2,674,228 and options of 4,690,060.

LIQUIDITY AND CAPITAL RESOURCES

The consolidated financial statements were prepared on a “going concern” basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

Cash used in operating activities during the three-month period ended 31 January 2018 totalled $1,138,939 (comparative period $151,904).

Cash used in investing activities during the three-month period ended 31 January 2018 totalled $96,251 (comparative period $18,987).

Cash raised from financing activities during the three-month period ended 31 January 2018 totalled $2,351,363 (comparative period $172,000).

The Company had a working capital surplus of $458,673 as of 31 January 2018 compared to working capital deficiency of $1,551,409 as of 31 October 2017.

The Company maintained unrestricted cash of $1,143,422 as of 31 January 2018 (31 October 2017 - $27,249) to meet short-term business requirements. At 31 January 2018, the Company had financial obligations to unrelated parties as follows:

- Accounts payable and accrued liabilities of $339,291 (31 October 2017 - $513,852);
- Loans payable of $98,579 (31 October 2017 - $104,043);
- Funds due to merchants of $377,179 (31 October 2017 - $835,251); and
- Client deposits of $3,173,562 (31 October 2017 - $198,777).

FINANCIAL INSTRUMENTS

a) Financial instrument classification and measurement

Financial instruments of the Company carried on the statement of financial position are carried at amortized cost. There are no significant differences between the carrying value of financial instruments and their estimated fair values as at 31 January 2018 and 31 October 2017. There have been no changes in levels during the period.

The Company classifies the fair value of these transactions according to the following hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments.
- Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

b) Fair values of financial assets and liabilities

The Company's financial instruments include cash, restricted cash, assets held for clients, funds due from payment processors, amounts due from related parties, accounts payable and accrued liabilities, client deposits, loans payable, funds due to merchants, and loans payable and amounts due to related parties. As at 31 January 2018 and 31 October 2017, the carrying value of cash is at fair value. The remaining financial instruments approximate their fair value due to their short-term nature.

c) Market risk

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. Market risk is comprised of commodity price risk and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns. The Company is not exposed to significant market risk.

d) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on amounts due from payment processors. During the year ended 31 October 2017, the Company recorded an allowance of $379,406 due from a payment processor where collection is uncertain. The Company's secondary exposure to credit risk is on its cash. Substantially all of the Company's cash are deposited in bank accounts held with major banks in Canada. As the majority of the Company's cash is held by the same bank there is a concentration of credit risk. This risk is managed by using major Canadian banks that are high credit quality financial institutions as determined by rating agencies.

e) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's liabilities are either non-interest bearing or pay interest at fixed rates. Therefore, interest rate risk is not considered significant.

f) Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. As at 31 January 2017, the Company held financial liabilities denominated in foreign currencies totalling $699,208 (31 October 2017 - $858,348), as well as financial assets denominated in foreign currencies totalling $426,922 (31 October 2017 - $232,257). A 5% shift in exchange rates would result in a foreign exchange gain or loss of approximately $13,000. Accordingly, the Company is moderately exposed to foreign currency risk.

g) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. The Company manages liquidity risk by restricting cash reserves to offset client deposits and funds due to merchants. As at 31 January 2018, the Company had an unrestricted cash balance of $1,143,422 to settle current liabilities, other than client deposits and funds due to merchants for which cash reserves have been restricted, totalling $770,428 which are due within one year. Accordingly, the Company is exposed to moderate liquidity risk.

PROPOSED TRANSACTIONS

The Company does not have any new or proposed transactions contemplated as of the date of this report.

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements as at 31 January 2018 and as at the date hereof.

RELATED PARTY TRANSACTIONS

1) Related party transactions

Transactions with related parties for the three-month periods ended 31 January 2018 and 2017 are as follows:

KEY MANAGEMENT COMPENSATION

Principal Position	Fiscal Period(i)		Remuneration or Fees(ii)		Share based payments
Clayton Moore, CEO and director – consulting fees	**2018**	**$**	**55,000**	**$**	**912,480**
	2017	$	45,000	$	**-**
Gord Jessop, President and director – consulting fees	**2018**	**$**	**42,500**	**$**	**912,480**
	2017	$	41,000	$	-
Michael Laitinen, CFO – consulting fees	**2018**	**$**	**11,000**	**$**	**66,263**
	2017	$	-	$	-
Jennifer Lowther, director, consulting fees	**2018**	**$**	**-**	**$**	**706,333**
	2017	$	-	$	**-**
Midland Management, a company controlled by the former CFO – consulting fees	**2018**	**$**	**-**	**$**	-
	2017	$	15,750	$	-

(i) For the three-month periods ended 31 January 2018 and 2017.
(ii) Remuneration or fees were paid or accrued to the related party.

2) Related party balances

Included in due to related parties as at 31 January 2018 is $26,641 (31 October 2017: $2,111) to a director and the CEO of the Company. Amounts are due for expenses incurred on behalf of the company and not paid at the period end and are unsecured, non-interest bearing repaid prior to the end of the second quarter.

Included in due to related parties as at 31 January 2018 is $267,734 (31 October 2017: $296,650) to a director and the President of the Company. These amounts are unsecured, non-interest bearing with no fixed terms of repayment. The amount related to loans to the Company to support operations in previous years.

Included in due to related parties as at 31 January 2018 is $7,000 (31 October 2017: $7,000) due to a relative of a director and the CEO of the Company. This amount is unsecured, non-interest bearing with no fixed terms of repayment.

Included in loans payable as at 31 January 2018 is $54,500 (31 October 2017: $54,500) plus accrued interest of $16,270 (31 October 2017: $16,270) owing to the President of the Company. The loan is not secured. $60,000 of the loan bears interest at 10% per year and was repayable on 14 May 2013. Effective 1 July 2015, the Company's president agreed that interest would stop accruing on the loan. The remainder of the loan is non-interest bearing with no fixed terms of repayment. . The amount related to loans to the Company to support operations in previous years.

Included in due from related parties as at 31 January 2018 is $40,625 (31 October 2017: $nil) owing from the CEO of the Company. This advance is non-interest bearing with repayment expected before the end of the third quarter.

3) Commitments

a) Commitments with related parties

Pursuant to the employment agreement, effective 1 January 2018, the Company will remunerate the President of the Company $16,500 per month. In the event that the president is terminated without cause, the Company must continue paying the salary of the President for a period of 18 months.

Pursuant to the employment agreement, effective 1 January 2018, the Company will remunerate the Chief Executive Officer of the Company $18,500 per month. In the event that the CEO is terminated without cause, the Company must continue paying the salary for a period of 18 months.

Pursuant to the employment agreement, effective 1 January 2018, the Company will remunerate the Chief Financial Officer of the Company $11,500 for the first three months, and $13,000 per month thereafter.

b) Other commitments

On 1 March 2017, the Company entered into a premises lease agreement for a period of five years, expiring on 1 June 2022. Minimum annual lease payments for the term of the lease is as follows:

LEASE PERIOD		Amount
1 February 2017 to 1 June 2018	$	16,455
1 June 2018 to 1 June 2019		52,052
1 June 2019 to 1 June 2020		54,054
1 June 2020 to 1 June 2021		56,056
1 June 2021 to 1 June 2022		58,058
	$	236,675

CAPITAL MANAGEMENT

The Company's capital structure consists of all components of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the current operations and the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity and debt financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

The Company invests all capital that is surplus to its immediate operational needs in short-term, highly-liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

APPROVAL

The Board of Directors of the Company have approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

A CAUTIONARY TALE

This document contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Corporation, its subsidiaries and its projects, the future supply, demand, inventory, production and price of minerals, the estimation of reserves and resources, the realization of reserve estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters.

Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of resources; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the resource industry; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Respectfully submitted

On Behalf of the Board of Directors

"Clayton Moore"

Clayton Moore, CEO