NETCENTS TECHNOLOGY INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED 31 JULY 2018

Stated in Canadian Funds

DATED: 1 OCTOBER 2018

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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 nine months period ended 31 July 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	The 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

About the Company

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

The Company has developed its own proprietary payment processing software. The Company holds intellectual property which consists of copyright in the development of its technology, as well as trade secrets and marks associated with the Company. The has inquired with legal counsel about the process involved to patent protect some of the processes and technology which the Company uses and has developed. The Company 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.

Cryptocurrency

After reviewing the competitive environment and operational results throughout late 2017, the Company made the decision to discontinue "traditional credit card-based payment" processing and focus exclusively on the processing of digitally-based cryptocurrency transactions. The cost of processing "traditional payment" transactions was significantly higher than anticipated by the Company with multiple third parties involved, higher than anticipated chargebacks and delay in settlements with the noted third parties. Cryptocurrency payment processing has inherently lower costs of processing due to the elimination of these third parties, elimination of chargebacks and the instant settlement of funds.

The Company has dedicated significant resources to the further development and enhancement of the processing platform to facilitate the ease of use of cryptocurrencies for payments to merchants.

About the Platform

The NetCents platform is divided into three interrelated components: the user portal, the merchant portal and the Company's proprietary digital exchange platform. The user portal allows end users to load funds into their account using either fiat and or cryptocurrency. The merchant platform allows merchants to accept cryptocurrency payment on their e-commerce platform, by phone or 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 and Litecoin.

The Company's transaction platform utilizes the clearing services of its own proprietary exchange as well as the service of third-party exchanges to clear cryptocurrencies. The NetCents platforming in conjunction with the NetCents Exchange allows the Company to process cryptocurrency transactions at a lower cost compared to using third-party exchanges.

Currently, the platform is functional, and users are able to:

- set up their own NetCents wallet,
- transfer monies (Fiat money) from their bank account to their user account,
- transfer cryptocurrency from an external wallet to NetCents Wallet
- choose to either buy products and/or services online or in store,
- transfer monies to other parties, and,
- purchase or sell cryptocurrencies.

The platform provides merchants and consumers with a secure way to purchase, sell, transfer, and transact in stores, online or mobile devices with a variety of currencies. The Company provides its products and services (its payment platform) to both consumers and merchants and through the Company's current userbase and contracts, the Company is beginning to realize revenues. Currently, merchant and user adoption are in the initial phase, but interest and adoption rates are increasing.

The NetCents platform allows users to view and transact through multiple accounts. Users can see their fiat balances in as well as the balances in their various crypto-currency accounts. This allows users not having to access other sites or platforms to complete their intended transaction(s). Users can use the cash in their account to purchase additional cryptocurrencies or sell their cryptocurrencies and transfer the cash back to their accounts in real time.

For the three month period ending July 31, 2018, the Company has added a number of enhancements to the platform functionality.

- The Company launched an Android and IOS version of a mobile app
- Improvements were made to the merchant gateway to address merchant's usability requests
- The Company added Bitcoin Cash and NEM to the portal and gateway to allow users to buy/sell/trade and merchants to accept Bitcoin Cash and NEM in their platforms
- Improvements were made to the "crypto nodes" to increase processing capabilities
- The Company began the development of an asset management platform for the gaming industry that when integrated the Assent Management System will manage all in-game wallets

and users will be able to withdraw, exchange, and redeem their winnings via the users' gamer profile to export to users external wallet.

NetCents Exchange

The NetCents Exchange is a proprietary platform that allows users to buy, sell crypto-currencies in real time. The NC Exchange runs entirely on the blockchain technology and will handle all payments, settlements and tracking distribution metrics for the NetCents coin. The NetCents coin can also be bought and sold on the exchange. The NetCents Exchange was updated on September 20, 2018. Due to possible changes to the regulatory environment, the Company is looking at alternative domiciles in which to locate the Exchange.

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:

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.

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. Funds reside within and behind the security protocols of a major 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:

Cybersecurity Risk

The Company is aware of the potential for cybersecurity risks herein defined as threats or vulnerabilities in networks, computers, programs and data, flowing from or enabled by connection to digital infrastructure, information systems, or industrial control systems, including but not limited to, information. The Company has worked to mitigate these risks by using industry best practices for server deployment and firewall protection.

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.

Crypto Currency Risks

The cryptocurrency market is unregulated and in its infancy. Accordingly, there are certain risks related to cryptocurrencies, including the risk of regulatory 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 cryptocurrencies will have a significant impact on the volume of cryptocurrency 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.

Regulatory Environment

From time-to-time, governments and regulatory bodies may review the legislation and regulations applied to the cryptocurrency 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.

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.

On August 21, 2018, the halt on the trading of the Company's shares was lifted and trading on the CSE resumed on August 24, 2018. The lifting of the halt has allowed the Company to raise funds through common share offerings and the Company has been in contact with all merchants (existing and prospective), customers and suppliers to discuss the halt lift and the steps the Company has put into place to reduce the risk of any future halts.

The Company has increased the staff levels in the accounting and information services departments to facilitate more timely and relevant data to the management team. The Company had previously outsourced the accounting and financial reporting to a third party. The Company has put additional compliance procedures in place to reduce the risk of any compliance issues.

On April 20, 2018 trading of the Company’s shares on the CSE was halted. The Company was notified by the CSE that the halt was due to the Company not being compliant in regard to Continuous Disclosure Requirements. The British Columbia Securities Commission (BCSC) had notified the CSE that it had requested clarification and additional information regarding our Q4 October 31, 2017 year end filings and our Q1 January 31, 2018 filings, as well as information on the status of the not for profit organization to be established to manage the NetCents coin (NCCO), the status of the NCCO sales, and the proceeds of the sale of the NCCO.

The Company has experienced significant financial stress as a result of the halt due to prospective new merchants, customers, and suppliers being reluctant to enter into agreements while the halt is in place. The halt has also hindered the Company’s ability to raise funds through the sale of common shares, leaving the Company with limited sources of capital to continue to advance and develop its business.

NetCents Currency

Introduction and Prelaunch

In or around the middle of September 2017, the Company introduced the concept of the NetCents cryptocurrency (referred to as the "NetCents Currency" or "NCCO") to the public. The currency was designed to be a transactional currency that was more stable in value (price) than other cryptocurrencies which were currently available in the marketplace the stability of the coin would facilitate the use of the coin as a transactional medium. The whitepaper for the NetCents Currency was released on October 10, 2017 (the "Whitepaper"). The Whitepaper includes the outline of the currency release mechanism. It also detailed the anticipated reserve fund account balances after each tranche had been sold.

The intention was to have a foundation set up with independent directors at arms length to the Company. The foundation was not set up prior to the initial release of the coins.

The currency was made available in a prelaunch offering to shareholders of the Company at a 25% discount from the $1 price of the initial release of the NCCO.

From presale initiation to the end of October 2017, 95,888 coins were sold for cash proceeds of $78,306.

From presale initiation to the end of January 2018, 3,381,036 coins were sold for cash proceeds of $3,341,041.

The breakdown of the number of coins sold are as follows:

Details	$0.75 CDN	$0.75USD	$1.00CDN	$1.00USD	$2.00USD	$4.00USD	Totals
# of Coins	2,382,007	394,964	155,694	125,946	311,605	10,820	3,381,036

Coin purchases were committed to in the presale for tranches 2 & 3 but they had not been released as the Company had not received payment for them. The investors are waiting for the Trust/Foundation to be set up prior to forwarding the monies to the Company. The Company also has committed coins for the marketing campaign and the plan is to use these coins for loyalty reward incentives for merchants and users for using the Company's PSP platform

In the Q1 MD&A originally filed, the Company contemplated changes to the release mechanism of the coin, but the final decision in regard to this matter is not the responsibility of the Company and is the responsibility of the Board of Directors of the independent foundation/trust.

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Foundation/Trust Set Up

The design of the coin for use as a transactional currency included setting up an unrelated non-profit entity, expected to be either a trust or foundation, to manage the release mechanism and the reserve account for the coin. On October 23, 2017, the Company announced that the foundation/trust had been set up. This was incorrect. The delays in establishing the trust/foundation were due to the complex tax and legal issues surrounding the appropriate structure of the trust/foundation dictated by the chosen domicile.

The foundation has been since been established on July 12th, 2018 and is registered and filed under the general registry of the Cayman Islands.

The monies received for the coin have not been used by the Company and are presently being held in a third party trust account. The trust is set up for release to the foundation

The funds will be released to the newly formed trust/foundation once the foundation/trust has set up a bank account. The foundation is in the process of establishing this bank account and it is anticipated the funds will be transferred once the account is operational.

The Company and the foundation/trust have formalized a technology management agreement for services that the Company will provide to the trust. The Company will maintain the software and blockchain for the foundation and will do so for a pre-negotiated fee still to be finalized**.** The NCCO will be available for processing of transactions through NetCents Exchange.

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REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

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 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 were 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 July 31, 2018, the Company announced the transfer of all IP to the NCCO Foundation by way of an Asset Purchase Agreement

On July 24, 2018, the Company announced the launch of Apple and Android Applications for mobile devices

On July 19, 2018, the Company announced the NCCO Foundation as set up in the Cayman Islands

On July 16th, 2018, the Company announced the addition of Anthony Ribas as a Strategic Business Advisor.

On June 26th, 2018, the Company and Aliant Payment Systems, Inc. mutually agreed to terminate the Reseller Agreement.

On May 2, 2018, the Company signed an exclusive white label deal with Wild Bunch Gaming

On April 30th, 2018, the Company secured a loan from a director of the Company for $1,000,000

On April 9th, 2018, the Company started processing Cryptocurrency transactions for merchants.

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

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

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 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 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 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.

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Significant Events and Transactions Subsequent to the Period

On August 1, 2018, Jean-Marc Bougie resigned as director of the Company.

On August 9, 2018, the Company announced the launch of their native Apple and Android user Applications.

On August 16, 2018, the Company announced the addition of Verge (XVG), Tron TRX), ZenCash (ZEN), BitCoin Cash (BCH) and NEM (XEM).

On August 20, 2018, the Company announced the filing of amended and restated Annual and Interim Financial Disclosures.

On August 21, 2018, the Company announced the launch of their Four Partner Program. The four partner programs are an Enterprise White-Label Program, ISO/Reseller Program, Affiliate Partner Program and a Developer Partner Program.

On August 23, 2018, the Company announced the entering into a Merchant Agreement with a streaming video service company.

On August 24, 2018, the Company announced they will be launching a branded cryptocurrency credit card into the Canadian and European markets. The NetCents Card will be able to be used anywhere, at over 40 million merchants worldwide, that Visa or Mastercard are accepted.

On August 27, 2018, the Company announced the signing of a Licensing Agreement for a third party who will integrate the NetCents cryptocurrency payment processing platform into their merchants and partners in the Caribbean.

On August 27, 2018, the Company announced the addition of BitCoin Cash into the NC exchange. The integration of BCH into the NC Exchange is the first phase of the integration of the coin into the NetCents ecosystem. NetCents users are now able to deposit, withdraw, and trade BCH for fiat and cryptocurrencies supported by the NC Exchange with other NC Exchange users.

On August 28, 2018, the Company announced financing by way of a Convertible Discounted Loan Offering for an aggregate of $487,500. At any time prior to the Maturity Date, the Lender has the option to convert the principal amount of the Loan into units in the capital of the Company (the "Units") at $1.59 per Unit. Each Unit will consist of one common share of the Company ("Shares") and one Share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to purchase one Share at of the price $1.59 per Share for a 24-month term from the date of issuance of the Debt. The face value of the Debt is expected to be an aggregate of $487,500, which will be sold at an original issue discount of 15% to the face value.

On August 28, 2018, the Company announced the NetCents platform will be used as an Asset Management System to be used within the suite of games for users to obtain and manage their winnings.

On August 29, 2018, the Company announced NetCents technology will be featured in the documentary series Blockchain Superstars

On September 6, 2018, the Company announced they entered into an ISO Resller Agreement with Bleu Tech Enterprises. Through this agreement, the NetCents cryptocurrency payment processing technology will be integrated into the Bleu Point of Sale (POS) terminals. Once the integration has been completed, merchants who use Bleu POS will be able to accept Bitcoin, Litecoin, Ether, and NCCO as a payment method for their retail customers.

On September 8, 2018 the Company announced Repricing Convertible Discounted Loan Offering for an Aggregate of $487,500. At any time prior to the Maturity Date, the Lender has the option to convert the principal amount of the Loan into units in the capital of the Company (the “Units”) at $1.08 (originally priced at $1.59) per Unit. Each Unit will consist of one common share of the Company (“Shares”) and one Share purchase warrant (a “Warrant”). Each Warrant will entitle the holder to purchase one Share at the price of $1.08 (originally $1.59) per Share for a 24-month term from the date of issuance of the Debt. The face value of the Debt is expected to be an aggregate of $487,500, which will be sold at an original issue discount of 15% to the face value.

On September 13, 2018, the company announced the integration into WildBunch Gaming (WildBunch) network was completed.

On September 17, 2018, the Company announced that it has entered into a Letter of Understanding (LOU) with Shyft Network Inc. (Shyft). Shyft standardizes the KYC verification process and functions as a distributed network.

On September 20, 2018, the Company announced the resignation of the CFO.

Subsequent to July 31, 2018, the Company has repaid $1,000,000 of the convertible loan as described in Note 14.

On September 18, 2018, 25,000 stock options and 450,000 share purchase warrants were exercised for gross proceeds of $8,750 and $335,000.

Subsequent to July 31, 2018, the Company completed a non-brokered private placement issuing 2,151,000 units ("Units") of the Company at a price of $1.00 per Unit for total proceeds of $2,151,000. Each Unit will be comprised of one (1) common share of the Company (a "Share") and one (1) common share purchase warrant of the Company (a "Warrant"). Each Warrant will be exercisable into one (1) common share of the

Company (a "Warrant Share") at an exercise price of $1.25 for a period of 24 months from the closing date of the Offering.

RESULTS OF OPERATIONS

The comprehensive loss for the nine months ended 31 July 2018 was $10,451,064 which compared to a comprehensive loss of $915,044 incurred in the comparative period. The main fluctuations in costs are as follows:

Revenue	**3 months 2018**	3 months 2017	**9 months 2018**	9 months 2017
	$ 8,932	$ 19,408	**$ 67,645**	$ 54,480
Variance increase (decrease)	**(10,476)**		**$ 13,165**	

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

By April 9th, 2018, the Company started processing live cryptocurrency transactions with merchants. For the nine month period ending July 31, 2018 the Company realized approximately $68,000 in Gross Revenue.

Share-based payments	**3 months 2018**	3 months 2017	**9 months 2018**	9 months 2017
	$ 397,529	$ 187,000	**$ 5,354,891**	$ 187,000
Variance increase	**$ 210,529**		**$ 5,167,891**	

Share-based payments are comprised of options granted and shares issued to officers, directors, and consultants of the Company. Management measures 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 fair value of stock options granted using Black-Scholes does 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 nine months period ended 31 July 2018, the Company granted 3,105,000 (2017 – 600,000) options to directors, officers, and consultants of the Company, and issued 450,000 (2017 – nil) common shares of the Company for services.

The Company has been utilizing share options and share-based payments as a recruitment tool for filling key positions (directors, employees and consultants) in the Company.

Loss on settlement of debt	**3 months 2018**	3 months 2017	**9 months 2018**	9 months 2017
	$ -	$ -	**$ 1,965,625**	$ -
Variance increase	**$ -**		**$ 1,965,625**	

During the nine months period ended 31 July 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.

Marketing and investor relations	**3 months 2018**	3 months 2017	**9 months 2018**	9 months 2017
	$ 86,049	$ 21,152	**$ 706,140**	$ 55,254
Variance increase	**$ 64,897**		**$ 650,886**	

During the nine months period ended 31 July 2018, the Company retained the services of marketing and investor relations consultants to facilitate management's strategic decision to transition from traditional payment processing to developing and enhancing the processing platform. The Company has also launched specific ad campaigns for brand awareness in the marketplace. The increase in spending is the result of the Company becoming operational in the cryptocurrency payment space.

Professional fees	**3 months 2018**	3 months 2017	**9 months 2018**	9 months 2017
	$ (6,581)	$ 62,169	**$ 376,979**	$ 115,028
Variance increase (decrease)	**$ (68,750)**		**$ 261,951**	

During the nine months period ended 31 July 2018, the Company incurred increased legal and professional fees in connection with regulatory matters, the settlement of debt and increased operations.

In the comparative period, professional fees consist only of audit accruals and legal fees for general corporate matters.

Amortization of intangible assets	**3 months 2018**	3 months 2017	**9 months 2018**	9 months 2017
	$ 83,535	$ 20,369	**$ 127,221**	$ 42,745
Variance increase (decrease)	**$ 63,166**		**$ 84,476**	

During the year ended 31 October 2017 and the nine months period ended 31 July 2018, the Company capitalized a total of $391,675 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 nine months period ended 31 July 2018 as a result of additions to the Company's capitalized intangible asset balance.

Travel	**3 months 2018**	3 months 2017	**9 months 2018**	9 months 2017
	$ 122,113	$ 12,052	**$ 349,917**	$ 17,052
Variance increase	**$ 110,061**		**$ 332,865**	

During the nine months period ended 31 July, 2018 key management personnel have travelled to promote the Company and focus on building relationships with existing and prospective merchants. The increase in travel expense is consistent with the expectations of management.

Salaries and wages	**3 months 2018**	3 months 2017	**9 months 2018**	9 months 2017
	$ 187,384	$ -	**$ 381,406**	$ -
Variance increase	**$ 187,384**		**$ 381,406**	

During the period ended 31 July 2018, the Company transitioned the status of existing subcontractors to employees. As a result of growth in the current period, the Company also hired additional personnel as employees which resulted in an increase in salaries and wages. At the present time, the Company has 15 employees and utilizes the services of three consultants. In prior years all work for the Company was performed by consultants.

Rent	**3 months**	3 months	**9 months**	9 months

		2018		2017		**2018**		2017
	$	**126,868**	$	30,099	**$**	**301,785**	$	69,185
Variance increase	**$**	**96,769**			**$**	**232,600**		

As a result of the Company's personnel and operational growth in the current period, the Company entered into premises lease for a larger head office. Rental expense increased as a result of the larger office space.

Transaction expense		**3 months 2018**		3 months 2017		**9 months 2018**		9 months 2017
	$	**-**	$	-	**$**	**135,434**	$	-
Variance increase	**$**	**-**			**$**	**135,434**		

The transaction expense recognized during the nine months period ended 31 July 2018 results from the Company incurring exchange differences on the conversion on the coin transactions, conversion of client's funds submitted into NetCents Wallets, and bank fees associated with these transactions. The Company has provided for the transactional expenses in the financial statements although the Company anticipates that these costs will be recovered from the NCCO once it has been established.

Office		**3 months 2018**		3 months 2017		**9 months 2018**		9 months 2017
	$	**113,625**	$	(4,294)	**$**	**175,074**	$	37,813
Variance increase (decrease)	**$**	**117,919**			**$**	**137,261**		

The increase in office expense during the nine months period ended 31 July 2018 is consistent with management's expectations given the growth of the Company's operations in the current period.

Website Costs	**3 months 2018**	3 months 2017	**9 months 2018**	9 months 2017

	$ -	$ -	**$ 22,909**	$ -
Variance increase	**$ -**		**$ 22,909**	

The increase in website costs results from the cost of maintaining the NetCents platform that was operational in this fiscal year. The increase is within expectations.

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	**Jul 18**	**Apr 18**	**Jan 18**	**Oct 17**	**Jul 17**	**Apr 17**	**Jan 17**	**Oct 16**
Total Revenues	8,923	7,546	51,176	39,580	39,580	19,408	2,774	32,298
Loss from continuing operations	(1,284,616)	(2,523,794)	(4,453,704)	(812,229)	(812,229)	(488,838)	(227,552)	(172,987)
Loss for the period	(1,338,355)	(2,637,098)	(6,426,743)	(896,249)	(896,249)	(466,727)	(284,379)	(163,938)
Basic loss per share	(0.03)	(0.09)	(0.16)	(0.03)	(0.03)	(0.02)	(0.01)	(0.01)
Diluted loss per share	(0.03)	(0.09)	(0.16)	(0.03)	(0.03)	(0.02)	(0.01)	(0.01)

The loss during the three months period ended 31 July 2018 increased when compared to previous periods as a result of share-based payments totalling $397,529. This is the fair value of the stock options granted during the year charged to the profit or loss based on the vesting period.

The loss during the three months period ended 30 April 2018 increased when compared to previous periods as a result of share-based payments totalling $1,355,457. Share-based payments are comprised of 250,000 common shares of the Company issued for consulting services and 765,000 options granted to officers and employees of the Company.

The loss during the three months 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 months 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 the uncertainty of collecting funds owed from one payment processor.

During the three months 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.

OUTSTANDING SHARES

As of 31 July 2018 and the date of this report, the Company had 41,865,467 and 44,491,467 common shares issued and outstanding respectively. As at 31 July 2018, the fully diluted amount of 45,185,191 includes common share purchase warrants of 1,809,248 and options of 3,322,310.

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 nine months period ended 31 July 2018 totalled $2,379,084 (comparative period $341,108).

Cash used in investing activities during the nine months period ended 31 July 2018 totalled $863,400 (comparative period $221,110).

Cash raised from financing activities during the nine months period ended 31 July 2018 totalled $3,301,765 (comparative period $1,055,002).

The Company had a working capital deficiency of $1,883,719 as of 31 July 2018 compared to the working capital deficiency of $1,551,409 as of 31 October 2017.

The Company maintained unrestricted cash of $86,530 as of 31 July 2018 (31 October 2017 - $27,249) to meet short-term business requirements. At 31 July 2018, the Company had financial obligations to unrelated parties as follows:

- Accounts payable and accrued liabilities of $998,773 (31 October 2017 - $513,852);
- Loans payable of $71,850 (31 October 2017 - $104,043);
- Convertible loan of $898,738 (31 October 2017 - $nil);
- Funds due to merchants of $425,514 (31 October 2017 - $835,251);
- Client deposits of $254,559 (31 October 2017 - $198,777); and
- Due to related parties of $nil (31 October 2017 - $305,761).

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 July 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, digital currencies, restricted cash and funds due from processors, assets held for clients, amounts due to/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 July 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 to payment processors. During the year period 31 July 2018, the Company recorded an allowance of $nil (2017 - $392,722) due to a payment processor where the collection is uncertain. The Company's secondary exposure to credit risk is on its cash. Substantially all of the Company's cash is 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 July 2018, the Company held financial liabilities denominated in foreign currencies totalling $492,911 (31 October 2017 - $858,348), as well as financial assets denominated in foreign currencies totalling $111,136 (31 October 2017 - $232,257). A 5% shift in exchange rates would result in a foreign exchange gain or loss of approximately $19,000. 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 30 July 2018, the Company had an unrestricted cash balance of $86,530 to settle current liabilities, other than client deposits, provision for coin sale, and funds due to merchants for which cash reserves have been restricted, totalling $2,000,544 which are due within one year. Accordingly, the Company is significantly exposed to liquidity risk.

PROPOSED TRANSACTIONS

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

NETCENTS TECHNOLOGY INC.

FOR THE NINE MONTHS ENDED 31 JULY 2018

Canadian Funds

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

Off-Balance Sheet Arrangements

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

Related Party Transactions

1) Related party transactions

Transactions with related parties for the three months period ended 31 July 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 – (iii) salary and consulting fees	**2018**	**$**	**174,500**	**$**	**912,480**
	2017	$	45,000	$	-
Gord Jessop, President and director – (iii) salary and consulting fees	**2018**	**$**	**102,500**	**$**	**912,480**
	2017	$	26,500	$	-
Michael Laitinen, CFO – (iii) salary and consulting fees	**2018**	**$**	**78,500**	**$**	**515,375**
	2017	$	-	$	-
Jennifer Lowther, Director – consulting fees	**2018**	**$**	**67,000**	**$**	**706,333**
	2017	$	-	$	-
Midland Management, a company controlled by the former CFO – consulting fees	**2018**	**$**	**-**	**$**	-
	2017	$	15,750	$	-

(i) For the nine month periods ended 31 July 2018 and 2017.

(ii) Remuneration or fees were paid or accrued to the related party.

(iii) All payments to January 31, 2018, were in the form of consulting fees; February 1st, 2018 forward all payments in form of salary.

2) Related party balances

Included in due to related parties as at 31 July 2018 is $nil (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 July 2018 is $nil (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.

Included in due to related parties as at 31 July 2018 is $nil (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 July 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.

Included in due to related parties as at 31 July 2018 is $78,125 (31 October 2017: $nil) owing from the CEO of the Company. These amounts are non-interest bearing with repayment expected before the end of the fiscal year.

Included in accounts payable as at 31 July 2018 is $280,407 (31 October 2017: $nil) owing to key management.

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.

b) Other commitments

On 1 March 2018, the Company entered into a premises lease agreement for a period of seven years, expiring on 28 February 2025. Minimum annual lease payments for the term of the lease is as follows:

LEASE PERIOD		Amount
1 August 2018 to 31 October 2018	$	53,600
1 November 2018 to 31 October 2019		434,811
1 November 2019 to 31 October 2020		434,811
1 November 2020 to 31 October 2021		434,811
1 November 2021 to 31 October 2022		434,811
1 November 2022 to 31 October 2023		434,811
1 November 2023 to 31 October 2024		434,811
1 November 2024 to 28 February 2025		141,760
	$	2,8504,226

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.

FORWARD-LOOKING INFORMATION

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”

NETCENTS TECHNOLOGY INC.

FOR THE NINE MONTHS ENDED 31 JULY 2018

Canadian Funds

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

Clayton Moore, CEO