netcents

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED 31 JULY 2019

Stated in Canadian Funds

DATE: SEPTEMBER 27TH, 2019

NetCents Technology Inc.
For the Nine Months Ended 31 July 2019
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's unaudited condensed interim consolidated financial statements and notes thereto for the nine months period ended 31 July 2019 and the annual audited consolidated financial statements for the year ended 31 October 2018.

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

About the Company

The Company is an electronic digital Payment Service Provider. 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 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.

After reviewing the competitive environment and operational results throughout Q2 2017 and Q3 2017, the Company made the decision to discontinue "traditional payment" processing and focus exclusively on the processing of digitally based transactions. By making this strategic decision, the company is being able to operate without third party processors thereby substantially reduces the Company's operating overhead.

Based on above decision is dedicating significant resources to the further development and enhancement of the processing platform, to allow for the settlement of cryptocurrencies between consumers and 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 platform works 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.

During the nine months period ended July 31, 2019, 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 and completed 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.
- Company developed and launched its Crypto Banking Stack which will enable Financial Institutions to use their existing hardware and software to offer their clients access to a fully integrated cryptocurrency processing and transaction solution. The implementation will require only minor modifications to their legacy systems eliminating the need to develop and maintain their own in-house proprietary cryptocurrency processing technology. This allows for a low-cost crypto ready processing solution to be quickly implemented without the requirement for an extended and costly development cycle.

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 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:

<u>Holding of User and Merchant Assets</u>

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 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.

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.

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 are presently being held in a third party trust account and have not been used for operational purposes by the Company.

The funds will be released to the newly formed trust/foundation once the foundation/trust has set up a bank account and any reviews by the relevant regulatory bodies have been completed. 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 and any reviews finalized.

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.

HIGHLIGHTS, SIGNIFICANT EVENTS AND TRANSACTIONS

Recent Developments

On 5 November 2018, the Company announced pleased to announce that its integration with SoftPoint LLC (SoftPoint) was completed and was pushed live in the SoftPoint ecosystem.

On 7 November 2018, the Company announced it had been nominated by the Digital Finance Institute as a nominee for Blockchain Company of the Year at the 4th Annual Canadian FinTech & AI Awards.

On 13 November 2018, the Company announced that it had entered into a five-year ISO Reseller Agreement with Kubera Payments ("Kubera") and a reciprocal Kubera Referral agreement.

On 13 November 2018, the Company announced that in October 2018, it had settled an outstanding claim owed to Equities Media Inc. ("Equities"). The claim related to a dispute over the issuance of 135,552 common shares and 135,552 warrants by Netcents to Equities.

On 19 November 2018, the Company announced the white label enterprise integration for High Risk Commerce LLC (HRC) had been completed.

On 21 November 2018, the Company announced it will be expanding its merchant reach to over 60 countries and will support merchant payouts in over 30 fiat currencies. Once implemented, Merchants will be able to settle funds directly into their bank accounts without intermediaries to provide a timely and cost-effective solution.

On 23 November 2018, the Company announced that it has entered into consulting agreements with Market IQ Media Group Incorporated ("Market") and Axe Communications Inc. ("Axe") (each, a "Consulting Agreement"), for media consulting, digital media campaigns, and multimedia services.

On 28 November 2018, the Company announced it has entered into a five-year ISO Reseller Agreement with OBANC.

On 28 November 2018, the Issuer filed Notice of AGM. Date of AGM is 21 December 2018, at 8:30 AM held at 1500 – 1055 West Georgia Street.

On 3 December 2018, the Company announced the release of the first SaaS-based cryptocurrency processing platform. The move to the SaaS platform will enable the Company's anticipated growth in both the card present and card not present environments. Through this upgrade, the Company has developed four robust API documents for ease of integrations with merchants, partners, and POS and terminal environments.

On 4 December 2018, the Company announced it realized a 206% increase in direct merchant sign-ups in the last quarter. In addition to the merchants signed up through the Company's Partnership Programs, the Company has now had 387 direct merchant sign-ups.

On 19 December 2018, the Company granted incentive stock options to directors and employees of the Company to purchase 500,000 common shares of the Company at an exercise price of $0.76 with an expiry date of 19 December 2023. The Company also granted incentive stock options to employees to purchase 178,500 common shares of the Company at an exercise price of $0.76 with an expiry date of 19 December 2021.

The Company AGM was 21 December 2018, at 8:30 AM held at 1500 – 1055 West Georgia Street.

On 7 January 2019, the Company cancelled 890,000 options.

On 7 January 2019, the Company release a corporate update listing the milestones and objectives which the Company accomplished in 2018.

On 10 January 2019, the Company announced that it had opened up applications to the beta for its upcoming Cryptocurrency Credit Card program.

On 15 January 2019, the Company announced the addition of Eric Turille and Don Sieb to the Company's Board of Advisors. Mr Turille and Mr. Sieb have over 30 years experience in payment industry. The addition of Mr. Turille and Mr. Sieb to the Board of Advisors adds decades of payment industry knowledge, experience, and relationships to the NetCents management team.

On 17 January 2019, the Company announced that it initiated the formal application process to trade on the OTCQB. The OTCQB listing is a partnership offered through CSE. The Company is now listed in Canada with the CSE, Germany with the Frankfurt Stock Exchange, and soon to the United States with the OTCQB.

On 22 January 2019, the Company announced that it had entered into a five-year ISO Reseller Agreement with SalesSource LLC. SalesSource specializes in merchant acquiring, prepaid card issuance, mobile wallet, payments facilitation and funds management.

On 29 January 2019, the Company announced that the direct integration into the PAX Global Technology, LTD. (PAX) A920 Smart Terminal has been completed. PAX has been serving the global retail marketplace for over 17 years, has distribution in over 100 countries shipping over 26 million terminals worldwide and is one of the fastest-growing POS terminal providers in the world.

On 6 February 2019, the Company announced that the integration into the ExaDigm, Inc. N5 smart terminal has been completed.

On 12 February 2019, the Company announced it had entered into an agreement with Zomongo. ZOMONGO is one of the fastest growing digital networks in North America and is currently in 90,000+ ZOMONGO merchant locations, 3.5 million hotel rooms, and 22 major airports, as well as having a strong social presence with over 600,000 followers.

On 14 February 2019, the Company announced that it has released its Zero Confirmation and Risk Analysis technology that guarantees cryptocurrency transactions before they are confirmed on the blockchain.

On 21 February 2019, the Company that it has entered into a five-year ISO/Reseller Agreement with Results by Design, LLC ("RBD"). RBD is now partnered with NetCents to begin deploying the NetCents cryptocurrency payment platform to financial institutions, merchant acquirers and card issuers globally.

On 28 February 2019, the Company announced it signed its 20th Partner Agreement.

On 4 March 2019, the Company announced that the filing of its audited annual financial statements for the year ended October 31, 2018, including the related management discussion and analysis, and CEO and CFO certifications (collectively, the "Annual Financial Filings") will not be filed by the required filing deadline of 28 February 2019 (the "Filing Deadline").

On 4 March 2019, the Company announced it had been approved for trading on the OTCQB.

On 5 March 2019, the Company is pleased to announce that it has completed the previously announced expansion of its merchant reach and Gateway integrations to now support merchants in over 55 countries and 36 fiat currencies.

On 7 March 2019, the Company announced that it has launched its Crypto Banking Stack (CBS), which are the rails that facilitate cryptocurrency accounts, transactions, and functionality into existing platforms for banks, financial institutions, and money service businesses.

On 13 March 2019, the Company announced that it had entered into an agreement allowing processing of cryptocurrency payments for ILO Crypto ("ILOCX", part of ILOCX Limited, London, England.) ILOCX is a platform which raises non-equity capital for companies in a unique way by selling Initial License Offerings.

On 21 March 2019, the Company announced that it had entered into a merchant agreement with Surge365 LLC ("Surge365"), a direct sales travel industry company with global reach. With the integration of the NetCents Merchant Gateway into the Surge365 platform, Surge365 is able to accept and process international membership subscription transactions in cryptocurrency and will work towards offering cryptocurrency as a payout option for company residuals and bonuses, ranging between $1,000 to $1 million dollars.

On 10 April 2019, the Company announced that it had completed its integration into the NetCents Merchant Gateway and has begun processing with Surge365 LLC ("Surge365"). NetCents will also be entering into a referral agreement with Surge365, following last month's announcement.

On 18 April 2019, the Company announced that it has begun processing cryptocurrency transactions for its first charity partner, HS Aware.

On 24 April 2019, the Company issued a letter from the CEO to Shareholders as a Company update.

On 1 May 2019, the Company issued 29,532 common shares of the Company for the settlement of debt.

On 1 May 2019, the Company issued 100,000 common shares of the Company for services.

On 9 May 2019, the Company announced that it has increased processing volumes in the last three consecutive months. For the months of March, April, and May, NetCents has realized an average of 41% month over month increase in processing volume each month. The Company realized a 44% increase in March over February, a 37% increase in April over March, and is on track to increase processing by 42% in May over April.

On 20 May 2019, the Company announced announce that it has entered into a merchant agreement with inCruises International ("inCruises"), an invitation-only travel membership club. Since 2015, inCruises has become the premier Cruise Membership club with Members and Partners in over 178 countries. Through this integration, NetCents will be the underlying technology providing inCruises' 135,000 members the ability to pay their monthly memberships dues and allow their Members to book and pay for cruise travel bookings using cryptocurrency.

On 6 June 2019, the Company outlined its growth strategy.

On 6 June 2019, the Company issued 142,994 common shares of the Company for services.

On 7 June 2019, the Company has granted incentive stock options. The Company has granted incentive stock options to purchase a total of 1,250,000 common shares at an exercise price of $0.58 per share for a period of five (5) years to certain Directors, Officers, key employees and consultants, in accordance with the provisions of the Company's stock option plan.

On 24 June 2019, the Company granted 100,000 incentive stock options to an employee of the Company at an exercise price of $0.56 per share for a period of three (3) years in accordance with the provisions of the Company's stock option plan.

On 2 July 2019, the Company issued 35,000 common shares of the Company with a fair value of $20,650 for settlement of debt.

On 4 July 2019, the Company issued 646,552 common shares of the Company with a fair value of $375,000 for settlement of debt with a director of the Company.

On 4 July 2019, the Company completed a non-brokered private placement issuing 4,163,099 units of the Company for gross proceeds of $2,146,514. 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 for a period of three years from the date of issuance. The residual value assigned to the warrants is $351,346.

On 22 July 2019, the Company issued 25,000 common shares for proceeds of $8,750 on the exercise of stock options. On the issuance of the shares, the $7,833 previously recorded in reserves was reclassified to share capital.

SIGNIFICANT EVENTS AND TRANSACTIONS SUBSEQUENT TO THE PERIOD

On 28 August 2019, the Company issued 975,610 common shares of the Company for the settlement of debt with the CEO and director of the Company.

On 5 September 2019, the Company issued 250,000 common shares of the Company for the previously subscribed capital of $150,000 received on 29 May 2019.

On 13 September 2019, the Company issued 461,538 common shares of the Company for the settlement of debt with the President and director of the Company

On 26 September 2019, the Company completed a non-brokered private placement issuing 500,000 units of the Company for gross proceeds of $225,000. 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 $0.55 for a period of five years from the date of issuance.

RESULTS OF OPERATIONS

The comprehensive loss for the nine months period ended 31 July 2019 was $4,796,517 which compares to a comprehensive loss of $10,371,064 incurred in the comparative period. The main fluctuations in costs are as follows:

Revenue	**9 months 2019**	9 months 2018	**3 months 2019**	3 months 2018
	$ 86,681	$ 8,923	**$ 63,178**	$ 8,923
Variance decrease	**$ 77,758**		**$ 54,255**	

During the nine months period ended 31 July 2019, the Company continued to enter into multiple merchant agreements and continued to generate revenue with its payment processing platform. The variance is attributable to the increase in the transactions and growth of merchant agreements.

Share based compensation (non-cash)	**9 months 2019**	9 months 2018	**3 months 2019**	3 months 2018
	$ 1,347,810	$ 5,354,891	**$ 370,076**	$ 397,529
Variance decrease	**$ (4,007,081)**		**$ (27,453)**	

During the nine months period ended 31 July 2019, the Company issued 271,428 shares for services and 1,433,500 stock options to directors, officers, consultants, and employees. The variance is attributed to the decrease in options and shares for services issued by the Company.

Consulting fees	**9 months 2019**	9 months 2018	**3 months 2019**	3 months 2018
	$ 377,740	$ 291,648	**$ 99,528**	$ 151,882
Variance increase	**$ 86,092**		**$ (52,354)**	

Salaries and wages	**9 months 2019**	9 months 2018	**3 months 2019**	3 months 2018
	$ 956,744	$ 381,406	**$ 311,938**	$ 187,384
Variance increase	**$ 575,338**		**$ 124,554**	

During the nine months period ended 31 July 2019, the increase in payroll is a result of the Company converting several consultants into employees in 2018. The Company's employees have also increased since then as a result of increase in the Company's market capitalization and operation.

Professional fees	**9 months 2019**	9 months 2018	**3 months 2019**	3 months 2018
	$ 170,769	$ 376,979	**$ 107,660**	$ (6,581)
Variance decrease	**$ (206,210)**		**$ 114,241**	

During the nine months period ended 31 July 2019, the variance is attributed to the significant legal fees incurred in the previous period in connection with regulatory matters as a result of the trading halt in the CSE.

Marketing and investor relations	**9 months 2019**	9 months 2018	**3 months 2019**	3 months 2018
	$ 498,313	$ 706,140	**$ 122,414**	$ 86,049
Variance decrease	**$ (207,827)**		**$ 36,365**	

During the nine months period ended 31 July 2019, the Company has reduced services related to marketing and investor relations consultants to focus on merchant acquisition. In the previous period, the Company incurred higher marketing and investor relations as a result of launching specific ad campaigns for brand awareness in the marketplace. The result of the prior period investment is the result of the Company becoming operational in the cryptocurrency payment space.

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 19**	**Apr 19**	**Jan 19**	**Oct 18**	**Jul 18**	**Apr 18**	**Jan 18**	**Oct 17**
Total Revenues	**63,178**	**12,677**	**10,826**	**52,933**	**8,923**	**-**	**-**	**39,580**
Loss from continuing operations	**(1,372,683)**	**(1,306,359)**	**(1,706,309)**	**(2,303,877)**	**(1,284,616)**	**(2,523,794)**	**(4,453,704)**	**(812,229)**
Loss for the period	**(1,518,122)**	**(1,577,377)**	**(1,701,018)**	**(2,791,198)**	**(1,338,355)**	**(2,637,098)**	**(6,426,743)**	**(896,249)**
Basic loss per share	**(0.03)**	**(0.03)**	**(0.04)**	**(0.04)**	**(0.03)**	**(0.09)**	**(0.16)**	**(0.03)**
Diluted loss per share	**(0.03)**	**(0.03)**	**(0.04)**	**(0.04)**	**(0.03)**	**(0.09)**	**(0.16)**	**(0.03)**

OUTSTANDING SHARES

As at 31 July 2019, the Company had 52,895,964 common shares issued and outstanding. As at 31 July 2019, the fully diluted amount of 66,003,753 includes common share purchase warrants of 8,779,229 and 4,328,560 options outstanding.

As at 27 September 2019, the Company had 54,107,502 common shares issued and outstanding, 9,529,229 common share purchase warrants and 4,916,560 options outstanding.

LIQUIDITY AND CAPITAL RESOURCES

The condensed interim 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 2019 totalled $2,495,155 (comparative period $2,379,084).

Cash used in investing activities during the six months period ended 31 July 2019 totalled $Nil (comparative period $863,400)

Cash provided by financing activities during the six months period ended 31 July 2019 totalled $3,628,606 (comparative period cash raised of $3,301,765).

The Company had a working capital of $759,563 as of 31 July 2019 compared to working capital deficiency of $4,016,542 as of 31 October 2018.

The Company maintained unrestricted cash of $2,214,744 as of 31 July 2019 (31 October 2018 - $1,081,293) to meet short-term business requirements. At 31 July 2019, the Company had financial obligations to unrelated parties as follows:

- Accounts payable and accrued liabilities of $999,194 (31 October 2018 - $1,120,572);
- Loans payable of $90,504 (31 October 2018 - $98,181); and
- Funds due to merchants of $519,101 (31 October 2018 - $429,497).

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 July 2019 and as at the date hereof.

RELATED PARTY TRANSACTIONS

a) Related party transactions

Transactions with related parties for the nine months period ended 31 July 2019 and 2018 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	**2019**	**$**	**202,000**	**$**	**79,712**
	2018	$	174,500	$	912,480
Gord Jessop, President and director – (iii) salary and consulting fees	**2019**	**$**	**148,500**	**$**	**79,712**
	2018	$	102,500	$	912,480
Jennifer Lowther, CRO and director – consulting fees	**2019**	**$**	**113,400**	**$**	**251,284**
	2018	$	102,500	$	706,333
Chris Cherry, CFO – consulting fees	**2019**	**$**	**70,875**	**$**	**-**
	2018	$	-	$	-
Mehdi Mehrtash, CTO – consulting fees	**2019**	**$**	**90,000**	**$**	**78,747**
	2018	$	85,500	$	-
Michael Laitinen, former CFO – (iii) salary and consulting fees	**2019**	**$**	**-**	**$**	**-**
	2018	$	78,500	$	515,375

(i) For the nine months period ended 31 July 2019 and 2018.
(ii) Remuneration or fees were paid or accrued to the related party. Clayton Moore and Gord Jessop have not drawn a salary during the nine months ended 31 July 2019, these amounts have only been accrued.
(iii) All payments to January 31, 2018 were in the form of consulting fees; February 1, 2018 forward all payments in the form of salary.

b) Related party balances

Included in loans payable as at 31 July 2019 is $52,000 (31 October 2018: $54,500) plus accrued interest of $11,173 (31 October 2018: $16,270) owing to the President of the Company (Note 13). 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 from related parties as at 31 July 2019 is $78,711 (31 October 2018: $78,125) 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 2019 is $112,787 (31 October 2018: $311,232) owing to key management. These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

Included in accrued liabilities as at 31 July 2019 is $95,500 (31 October 2019: $Nil) of salaries payable owing to key management. These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

2) Commitments

a) Commitments with related parties

Pursuant to the employment agreement, effective 1 January 2019, the Company will remunerate the President of the Company $20,000 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 2019, the Company will remunerate the Chief Executive Officer of the Company $22,000 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 2019 to 31 October 2019	$	64,536
1 November 2019 to 31 October 2020		258,144
1 November 2020 to 31 October 2021		258,144
1 November 2021 to 31 October 2022		258,144
1 November 2022 to 31 October 2023		258,144
1 November 2023 to 31 October 2024		258,144
1 November 2024 to 28 February 2025		86,048
	$	1,441,304

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 2019 and 31 October 2018. 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 and funds due from processors, assets held for clients, due to related parties, accounts payable, client deposits, loans payable, funds due to merchants, and loans payable. As at 31 July 2019 and 31 October 2018, the carrying value of cash, assets held for clients and client deposits are 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 period 31 July 2019, the Company recorded an allowance of $nil (2018 - $nil) 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 July 2019, the Company held financial liabilities denominated in foreign currencies totalling $148,704 (31 October 2018 - $144,155), as well as financial assets denominated in foreign currencies totalling $35,879 (31 October 2018 - $287,498). A 5% shift in exchange rates would result in a foreign exchange gain or loss of approximately $5,641. 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 July 2019, the Company had an unrestricted cash balance of $2,214,744 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 $1,215,198 which are due within one year. Accordingly, the Company is significantly exposed to liquidity risk.

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