BLUE AQUA HOLDINGS LTD.

(formerly 1093684 B.C. Ltd.)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED JUNE 30, 2018

FORM 51-102F1

DATE AND SUBJECT OF REPORT

The following Management Discussion & Analysis ("MD&A") is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of Blue Aqua Holdings Ltd., formerly 1093684 B.C. Ltd., (hereinafter "Blue Aqua" or the "Company") for the nine months ended June 30, 2018. This MD&A should be read in conjunction with the audited interim financial statements for the nine months ended June 30, 2018 as filed on SEDAR.

SCOPE OF ANALYSIS

The following is a discussion and analysis of Blue Aqua Minerals Inc. The Company's audited financial statements for the nine months ended June 30, 2018 with comparative figures for the prior period ended September 30, 2017 were prepared in accordance with the International Financial Reporting Standards ("IFRS") and any interpretations of IFRS as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared on a historical cost basis, except for financial instruments classified in accordance with measurement standards under IFRS. These financial statements have been prepared using IFRS principles applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they come due.

FORWARD LOOKING STATEMENTS

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words 'believes,' 'expects,' 'anticipates,' 'estimates,' 'intends,' 'plans,' 'forecasts,' or similar expressions. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve numerous risks and uncertainties, including, but not limited to, those identified in the Risks Factors section. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The

Company may not provide updates or revise any forward-looking statements, except those otherwise required under paragraph 5.8(2) of NI 51-102, whether written or oral that may be made by or on the Company's behalf.

TRENDS

Other than as disclosed in this MD&A, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect upon its revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

GENERAL BUSINESS AND DEVELOPMENT

Blue Aqua is in the mining and exploration sector.

The Company's office is located at 5728 East Boulevard, Vancouver, BC, V6M 4M4, Canada.

The Company is a reporting issuer in the Provinces of British Columbia and Alberta. All public filings for the Company on the SEDAR website www.sedar.com.

Business Chronology

On September 30, 2016, prior to incorporation of the Company, Monterey Minerals Inc. ("Monterey") signed a letter of intent ("LOI") with Railhead Resources Ltd. (the "Purchaser") to form a newly incorporated wholly-owned subsidiary (Subco) to a facilitate transaction in which Subco would purchase all of the issued and outstanding capital stock from the Purchaser's shareholders and be spun-out from Monterey as a separate reporting issuer pursuant to a court approved plan of arrangement (the "Arrangement"). Blue Aqua was incorporated

On October 19, 2016, Blue Aqua Holdings Ltd. was incorporated as 1093684 B.C. Ltd. under the laws of British Columbia, Canada as a Subco of Monterey to conduct the Arrangement transaction.

On November 29, 2016, Monterey received court approval for its 2016 Plan of Arrangement ("2016 PoA") pursuant to which the LOI and $1,000 cash (the "Assets") are to be transferred to Blue Aqua and subsequently divested (spun out) pursuant to the 2016 PoA. The Company has set the share distribution record date of 2016 PoA at close of business on April 18, 2018. The LOI has no determinable fair market value.

On June 12, 2018, the spin out of the Company from Monterey was completed through the authorization of the issuance of 1,010,549 common shares to Monterey shareholders and the 100 incorporator shares were returned to treasury and cancelled pursuant to divesting the Company from Monterey under the Arrangement.

On March 28, 2018, the Company changed its name to Blue Aqua Holdings Ltd.

From incorporation to date, no significant operations have begun, and management is continuing to evaluate and consult on available business opportunities.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2018, the Company had working capital deficit of $(7,786) [September 30, 2017: $(352)].

During the nine-month period ended June 30, 2018, the Company incurred a net loss of $(18,433) with cumulative losses and deficit of $(18,786) [September 30, 2017: $(353)].

The continuation of the Company as a going-concern is dependent on its ability to raise additional capital or debt financing, including on reasonable terms, in order to meet business objectives towards achieving profitable business operations.

SHARE CAPITAL AND OUTSTANDING SHARE DATA

Authorized — unlimited Common shares without par value

— unlimited preferred shares without par value

Common shares:

Issued and outstanding as at June 30, 2018 and September 30, 2017:

Common Shares	**Number**
Balance, September 30, 2017	100
Incorporator shares cancelled	(100)
Issued under a Plan of Arrangement	1,010,549
Issued to settle management fees payable	500,000
Balance, June 30, 2018	**1,510,549**

During the period from inception on October 19, 2016 to September 30, 2017, the Company issued a one hundred (100) common shares @ $0.01 per share for proceeds of $1 to the incorporator that were immediately transferred to Monterey Minerals Inc. as this Company was incorporated as a wholly-owned subsidiary of Monterey for a transaction to be conducted under a plan of arrangement.

On June 12, 2018, in accordance with the plan of arrangement, the Company issued one-million, ten-thousand, five-hundred and forty-nine (1,010,549) common shares to shareholders of Monterey Minerals Inc.

On June 12, 2018, the Company issued five-hundred thousand (500,000) common shares to Carl Chow, a director, for settlement of $10,000 in management fees payable.

As of August 28, 2018, issued and outstanding common shares is 1,510,549.

The Company has no preferred shares issued and outstanding.

RESULTS OF OPERATIONS

SELECTED QUARTERLY INFORMATION

SUMMARY OF FINANCIAL RESULTS FOR EIGHT MOST RECENTLY COMPLETED QUARTERS

As the Company was incorporated on October 19, 2016 (inception), the following table summarizes the financial results of operations from inception for the seven most recently completed fiscal quarters from December 31, 2016 (Q1) of Fiscal 2017 to the quarter ended June 30, 2018 (Q3) of Fiscal 2018:

	June 30, 2018 (Q3) $	**March 31, 2018 (Q2) $**	**December 31, 2017 (Q1) $**	**September 30, 2017 (Q4) $**
Revenue	**—**	—	—	—
Expenses	**(15,749)**	(2,684)	—	—
Net loss	**(15,749)**	(2,684)	—	—
Loss per share – basic and diluted	**(0.05)**	(26.84)	—	—

	June 30, 2017 (Q3) $	**March 31, 2017 (Q2) $**	**December 31, 2016 (Q1) $**	**Not yet incorporated**
Revenue	—	—	—	
Expenses	—	—	(353)	
Net loss	—	—	(353)	
Loss per share – basic and diluted	—	—	(3.53)	

The Company had no revenues and net loss and comprehensive loss of $(18,433) for the interim nine-month period ended June 30, 2018 (fiscal 2018) compared to $(353) for the comparable fiscal 2017 period, with a breakdown of quarterly financial results as follows:

Three months ended June 30, 2018 (Q3)

For the three months ended June 30, 2018 (Q3-2018), the Company had net loss and total comprehensive loss of $(15,749) compared to $Nil for the three months ended June 30, 2017 (Q3-2017).

The increased expenses of $15,749 for Q3 of fiscal 2018 as compared to 2017 are attributable to:

i) Administration increased to $2,072 in Q3-2018 as compared to $353 for Q3-2017;

ii) Management fees increased to $10,000 in Q3-2018 as compared to $Nil for Q3-2017; and
iii) Professional fees increased to $3,677 in Q3-2018 compared to $Nil from Q3-2017.

Three months ended March 31, 2018 (Q2)

For the three months ended March 31, 2018 (Q2-2018), the Company had net loss and total comprehensive loss of $(2,684) compared to $Nil for the three months ended March 31, 2017 (Q2-2017).

The increased expenses of $2,684 for Q2 of fiscal 2018 as compared to 2017 are attributable to:

i) Administration increased to $59 in Q2-2018 as compared to $Nil for Q2-2017; and
ii) Professional fees increased by $2,625 in Q2-2018 from $Nil in Q2-2017.

Three months ended December 31, 2018 (Q1)

For the three months ended December 31, 2018 (Q1-2018), the Company had net loss and total comprehensive loss of $Nil compared to $353 for the three months ended December 31, 2017 (Q1-2017).

The decreased expenses of $353 for Q1 of fiscal 2018 as compared to 2017 are attributable to:

i) Non-recurring incorporation costs and administration of $353 in Q1-2017 as compared to $Nil for Q1-2018.

Nine months ended June 30, 2018

For the nine months ended June 30, 2018, the Company had net loss and total comprehensive loss of $(18,433) compared to $(353) for the prior year nine-month period ended June 30, 2017, with the increased expenses and loss of $18,080 primarily the result of the following expense increases: management fees increasing by $10,000, professional fees increasing by $6,355, and administration increasing by $1,725.

The Company had not commenced commercial operations as of June 30, 2018, nor to date of filing this MD&A. Notwithstanding, the Company and management continue to identify business opportunities for the Company.

RELATED PARTY TRANSACTIONS

During the three and nine-month period ended June 30, 2018, the Company:

(i) incurred demand loans payable of $10,030 to Carl Chow, director of the Company; and

(ii) incurred management fee expense and payable of $10,000 owing to Carl Chow, a director, that was settled on June 12, 2018 through the issuance of 500,000 common shares of the Company.

There were no other related party transactions incurred during the three and nine months ended June 30, 2018.

INCOME TAXES

Estimated taxable income for the three and nine months ended June 30, 2018 and comparable prior year periods is $Nil.

Deferred tax assets have not been recognized because it is not probable that future taxable income will be available against which the company can utilize the benefits from the deductible temporary differences and unused tax losses.

Deferred Income Tax Recovery

A reconciliation of current income taxes at statutory rates with the reported taxes is as follows:

	June 30, 2018 $	September 30, 2017 $
Loss before income taxes	**(18,433)**	(353)
Statutory rates	**27.00%**	26.00%
Expected income tax recovery at statutory rates	**4,977**	92
Effect of an increase in tax rates	**3**	—
(Increase) Decrease in unrecognized deferred taxes	**(4,980)**	(92)
Deferred income tax recovery	**—**	—

Details of deferred income tax assets are as follows:	**June 30, 2018 $**	September 30, 2017 $
Deferred income tax assets:		
Non-capital losses carried forward	**5,072**	92
Capital losses carried forward	**—**	—
Total deferred income tax assets	**5,072**	92
Less: unrecognized deferred tax assets	**(5,072)**	(92)
Deferred income tax assets	**—**	—

Deferred tax assets have not been recognized because it is not probable that future taxable income will be available against which the Company can utilize the benefits from the deductible temporary differences and unused tax losses.

Non-Capital Losses –

As at June 30, 2018, the Company has non-capital losses of $18,786, which may be carried forward to apply against future years income tax for Canadian income tax purposes, subject to final determination by taxation authorities and expiring as follows:

YEAR	$
2037	353
2038	18,433

MANAGEMENT OF INDUSTRY AND FINANCIAL RISK

The Company is engaged primarily mining and exploration industry. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

The Company's has minimal exposure to any financial risks having not commenced commercial operations. The Company's primary financial risk to *liquidity risk* due to its reliance on demand loans, vendors and consultants continuing to extend payment terms, and management continuing to accrue expenses for unpaid services. Any one or more of these liquidity risks may have a material financial impact on the Company, should favourable loans, services, and/or terms become no longer available to the Company.

Off-Balance Sheet Transactions

The Company has not entered into any significant off-balance sheet arrangements or commitments.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

Refer to the Company's audited financial statements for nine months ended June 30, 2018 for details of the significant accounting policies and estimates adopted by the Company.

RISK AND UNCERTAINTIES

Core Business

The Company's business focus is on mining and exploration and development. The mining and exploration industry is largely controlled by Fortune 500 companies with large budgets to support their mineral exploration efforts.
It will require significant risk and capital for the Company working towards establishing viable business in the sector, if ever. There can be no assurance that the Company ever becomes established or profitable in the sector, even with significant capital investment and business expertise.

Whether the company will be commercially viable depends on a number of factors, some of which are the particular attributes of the industry and location of viable mineral claims. Some of these are cyclical and government regulations, including environmental and other regulations relating to mining and exploration.

Some of these risks include, but not limited to, the following:

Significant capital investment, geologists, technical personnel, management, mining staff, engineers, and consultants will be required for the overall project management for the mining sector.

If a significant portion of these development efforts are not successfully completed or marketable products and services are not development and become commercially successful, the Company's business, financial condition, and results of operations may be materially harmed.

There is no certainty that any expenditures to be made by the Company as described herein will result in a viable mining project for the company's business and operations. There is aggressive competition within the mineral exploration and development sector with dominated by larger exploration companies. As such, significant capital investment is required along with extensive other resources to develop any potentially viable mineral claims. There can be no assurance the Company will be successful in obtaining required capital on acceptable terms to achieve its business objectives.

Uninsured Risks

The Company may carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include key person insurance as the Company heavily relies on the company officers.

Conflicts of Interest

Certain directors of the Company also serve as directors and/or officers of other companies involved in other business ventures. Consequently, there exists the possibility for such directors and/or officers to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, directors involved in potential conflicts will declare, and refrain from voting on the conflicted matter.

Negative Operating Cash Flows

As the Company is in early development stages, it will continue to have negative operating cash flows without the development of revenue streams from its business. Positive operating cash flows require the Company to sufficiently developed any mining and exploration projects.

Risks Related as a Going Concern

The ability of the Company to continue as a going concern is uncertain and dependent upon its ability to achieve profitable operations, obtain additional capital and receive continued support from its shareholders. Management of the Company will have to raise capital through private placements or debt financing and proposes to continue to do so through future private placements and offerings. The outcome of these matters cannot be predicted at this time.

Reliance on Key Personnel, Service Provider, and Advisors

The Company relies heavily on its officers, its service provider, and business advisors. The loss of their services may have a material adverse effect on the business and going concern of the Company. There can be no assurance that one or all of the employees of, and contractors engaged by, the Company will continue in the employ of, or in a consulting capacity to, the Company or that they will not set up competing businesses or accept positions with competitors. There is no guarantee that certain employees of, and contractors to, the Company who have access to confidential information will not disclose the confidential information.

Maintaining Mineral Claims

Once the Company obtains any mineral claims, it may not be able to maintain or develop the mineral claims or develop them into via mining operations. The Company lacks sufficient capital to develop any such claims and their can be no assurance that the Company obtains capital on reasonable terms to stake, explore or develop future claims.

Operating History and Expected Losses

The Company expects to make significant investments in order to develop its services, increase marketing efforts, improve its operations, conduct research and development and update its equipment. As a result, start-up operating losses are expected, and such losses may be greater than anticipated, which could have a significant effect on the long-term viability of the Company.

Growth Management

In executing the Company's business plan for the future, there will be significant pressure on management, operations and technical resources. The Company anticipates that its operating and personnel costs will increase in the future. In order to manage its growth, the Company will have to increase the number of its technical and operational employees and efficiently manage its employees, while at the same time efficiently maintaining a large number of relationships with third parties.

Conflicts of Interest

Certain directors of the Company also serve as directors and/or officers of other companies involved in other businesses. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Negative Operating Cash Flows

As the Company is at the early stage start up stage it may continue to have negative operating cash flows. Without the injection of further capital and the development of revenue streams from its business, the Company may continue to have negative operating cash flows until it can realize stable cash flow from operations.

Risks Related as a Going Concern

The ability of the Company to continue as a going concern is uncertain and dependent upon its ability to achieve profitable operations, obtain additional capital and receive continued support from its shareholders. Management of the Company will have to raise capital through private placements or debt financing and proposes to continue to do so through future private placements and offerings. The outcome of these matters cannot be predicted at this time.

Reliance on Key Personnel and Advisors

The Company relies heavily on its sole officer and director Mr. Ron Ozols, along with key business consultants. The loss of their services would have a material adverse effect on the business of the Company. There can be no assurance that Mr. Ozols and consultants engaged by the Company will continue to provide services in the employ of, or in a consulting capacity to, the Company or that they will not set up competing businesses or accept positions with competitors.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The information provided in this report as referenced from the Company's consolidated financial statements for the referenced reporting period is the sole responsibility of management. In the preparation of the information along with related and accompanying statements and estimates contained herein, management uses careful judgement in assessing the values (or future values) of certain assets or liabilities. It is the opinion of management that such estimates are fair and accurate as presented.

OTHER INFORMATION

Additional information on the Company is available on SEDAR at www.sedar.com.

CORPORATE INFORMATION

Directors:	Carl Chow Patrick Brown Ronald Ozols
Officers:	Carl Chow, CEO Patrick Brown, CFO
Auditor:	Adam Sung Kim, Ltd. Adam Kim, CA, CPA

Legal Counsel: Brendan Purdy