UC RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2018

Introduction

The following Management's Discussion & Analysis ("MD&A") of the financial condition and results of the operations of UC Resources Ltd. (the "Company" or "UC Resources") constitutes management's review of the factors that affected the Company's financial and operating performance for the fiscal year ended June 30, 2018.

This MD&A has been prepared in compliance with the requirements of Form 51-102F1, in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations*. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the fiscal years ended June 30, 2018 and June 30, 2017, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the year ended June 30, 2018 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at October 31, 2018 unless otherwise indicated.

The consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of UC Resources' common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Forward-looking statements	Assumptions	Risk factors
The Company proposes a new business ("Proposed Transaction") in the development of a cryptocurrency trading platform	The Company expects approval from the Exchange on the Proposed Transaction	The Exchange may refuse to accept the Proposed Transaction; the Company fails to meet the minimum listing requirements prescribed by the Exchange upon completion of the Proposed Transactions, or the consideration proposed to be paid by the Company in connection with the Acquisition is objectionable to the Exchange.
The Company's cash balance at June 30, 2018, is sufficient to fund its consolidated operating expenses at current levels. At the date hereof, the Company's consolidated cash balance has diminished as a result of normal business operations and management is attempting to defer payments, to the extent practical.	The development and operating activities of the Company for the twelve-month period ending June 30, 2019, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to UC Resources	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; government regulation, cryptocurrency price fluctuations; interest rate and exchange rate fluctuations; changes in economic conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond UC Resources' ability to predict or control. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Readers should refer to those risk factors referenced in the "Risks and Uncertainties" section below.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause US Resources' actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

The Company was incorporated in the Province of British Columbia on June 25, 1993 under the BCBCA. The Company is listed on the NEX branch of the Exchange under the symbol UC.H. Trading of the Company's Shares is currently halted pending closing of the Company's acquisition of CryptoTrading Holdings Inc. ("CTH").

The address of the Company's corporate office and principal place of business is 609 Granville Street, Suite 1588, Vancouver, British Columbia, Canada.

Outlook and Overall Performance

The Company has no revenues, so its ability to ensure continuing operations is dependent on it seeking to change its business focus to become involved in the cryptocurrency sector. See "Description of the New Business" below.

At June 30, 2018, the Company had a net working capital of $381,985 (June 30, 2017 – working capital deficit of $702,946). The Company had cash and cash equivalents of $2,267,230 (June 30, 2017 - $7,050). Working capital and cash and cash equivalents increased during the year ended June 30, 2018 due to proceeds from the private placements and the settlement of accounts payable and accrued liabilities for a discounted amount.

The Company has sufficient capital to meet its ongoing operating expenses and continue to meet its obligations on its current project for the 12-month period ending June 30, 2019. Management may increase or decrease budgeted expenditures depending on closing its acquisition of CTH and completing CTH's business plan. See "Liquidity and Financial Position" below.

Corporate

<u>New Management</u>

Stephen Ehrlich has been appointed to the board of directors (the "Board") and as Chief Executive Officer of the Company. Stephen Ehrlich is currently Chief Executive Officer of CryptoTrading Technologies, Inc., and brings to the Company more than 20 years of experience in the financial services industry.

Jeff Lightfoot has been appointed to the Company's Board. Mr. Lightfoot is a Vancouver based securities lawyer with the firm Owen Bird Law Corporation. He has practiced securities law for 30 years, and has served as a director on numerous boards of public companies.

Mark Roseborough and Adrian Wade have resigned from the Board.

<u>Private Placement</u>

In January 2018 the Company completed a non-brokered private placement of 25,950,000 units ("Units") at a price of $0.05 per Unit, for gross process of $1,297,500 (the "January PP"). Each Unit is comprised of one common share of the Company and one common share purchase warrant (a "Warrant"), with each warrant entitling the holder to subscribe for one additional common share at a price of $0.10 per common share for a period of 12 months from the date of issuance.

In connection with the Offering, the Company paid finders' fees in the amount of 1,560,000 Units, with such Units being issued on the same terms as those sold under the private placement.

The funds have been used to pay certain debts of the Company, to pay the costs associated with the proposed acquisition of CTH, and for general working capital purposes.

Business Development

Following completion of the January PP, the Company incorporated CryptoTrading Technologies, Inc. (now known as CryptoTrading Holdings Inc.; a private US company); and certain participants to the January PP contributed the intellectual property underlying the business of CTH, being the development of a cryptocurrency trading platform using a proprietary execution and routing system.

The Company then initiated a private placement to sell subscription receipts, at US$0.30 per receipt, and loaning the proceeds therefrom to CTH. Upon being advised by the TSX Venture Exchange (the "TSXV") that it would not approve such private placement, and that the placement should be undertaken by CTH instead of the Company, the Company ceased selling subscription receipts and assigned all of the subscriptions and funds to CTH. Concurrent with this, the Company disposed of all of its shares of CTH to a on May 30, 2018.

Accordingly, at May 31, 2018, the Company derecognized the assets and liabilities of CTH from the consolidated statements of financial position and recognized a corresponding gain associated with the sale, as follows:

Cash	$1,068,933
Advances	191,486
Accounts receivable	39,500
Fixed assets	37,158
Accounts payable	(54,127)
Advances	(2,498,450)
Gain on sale of subsidiary	**$1,215,500**

On June 4, 2018, the Company entered into a share purchase agreement with VHI and CTH, whereby upon approval by the TSXV, the Company will re-acquire all of the issued and outstanding shares of CTH from VHI, in consideration of (i) $100, and (ii) the Company assuming all of the obligations to issue shares to the holders of the subscription receipts issued by CTH; such that on closing the Company will wholly own all of the shares of CTH, and the holders of the subscription receipts will hold shares of UC Resources.

As of the date of this MD&A, CTH has completed the distribution of (i) 12,236,683 subscription receipts at US$0.30 per subscription receipt for gross proceeds of US$3,671,005; (ii) 562,500 subscription receipts at US$0.40 per subscription receipt for gross proceeds of US$225,000; and (iii) 5,185,565 subscription receipts at US$0.60 per subscription receipt for gross proceeds of US$3,111,340; for an aggregate of 17,984,748 subscription receipts for gross proceeds of US$7,007,345.

As at June 30, 2018, $1,212,779 was due to CTH related to cash from assigned subscription receipts not yet transferred and was included in Advances. Subsequent to the year ended June 30, 2018 all funds were transferred.

Description of the New Business

CryptoTrading Holdings, Inc. ("CTH") has two subsidiaries, CryptoTrading Technologies, Inc. (a private Delaware company wholly owned by CTH; defined herein as "CTT") which carries on the active business as described below, and CryptoTrading IP LLC (a private Delaware company wholly owned by CTH; defined herein as "CTIP"), which holds the intellectual property.

CTT is developing a digital platform which will enable users to buy and sell digital assets (cryptocurrencies) across multiple exchanges (being centralized or decentralized marketplaces that unite and match buyers and sellers of cryptocurrencies) in one account. Users will be provided with the basics of a modern, online medium with the security and simplicity of a crypto wallet. The platform is being designed to be a single access point to research, manage, trade and secure crypto assets. The cryptocurrency trading platform will use a patent pending smart order routing and execution management system. The platform will find the best execution for users using a dynamic router and customized algorithms to scan the market and the multiple cryptocurrency exchanges existing within the global market. Users will be able to open an account with CTT, deposit or store fiat or crypto currency in their account, research, and execute purchases, sales or trades of cryptocurrency. CTH will not own or operate an exchange, but rather will provide services to users seeking to store and trade cryptocurrencies.

CTIP holds a patent application with the US Patent Office for the development of the platform. This patent covers the router algorithm and system to execute cryptocurrency trades over various exchanges in a timely manner. The patent also covers partial executions and a cancel-and-replace functionality needed to execute customer transactions, as well as the ability to analyze the depth of market at each exchange, which information is necessary to determine availability of liquidity.

Trends

The Company is seeking to change its business focus and to become involved in the cryptocurrency sector. There can be no assurance that the Company will be successful in changing its business focus and that additional funding will be available to the Company. Management, in conjunction with the Board, will continue to monitor these developments and their effect on the Company's business.

Strong equity markets are favourable conditions for completing a public merger, financing or acquisition transaction. Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

Apart from these and the risk factors noted under the heading "Risk Factors", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations. See "Risk Factors" below.

Off-Balance-Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Proposed Transactions

The Company has agreed to acquire all of the shares of CTH. The proposed transaction and Change of Business can be considered to be a non-arm's length transaction, in that (i) the CEO of the Company is the CEO of CTH; and (ii) the proposed new management team (including advisors) already hold an equity interest in the Company by virtue of having participated in the January PP. In aggregate, they hold, directly or indirectly, 16,317,645 shares and an equivalent number of warrants, representing approximately 54.48% of the Company's current issued and outstanding shares (on a non-diluted basis).

The Company has entered into a Share Purchase Agreement with the sole shareholder of CTH whereby:

(i) the Company will acquire all of the outstanding shares of CTH from the sole shareholder thereof for $100,

(ii) the Company will issue common shares in the capital of the Company in satisfaction of the subscription receipts issued by CTH (on a one-for-one basis), and

(iii) the Company will issue 4,066,000 stock options in replacement of the stock options outstanding in the capital of CTH (each exercisable at US$0.30 per share).

For more details, see press release dated October 10, 2018, filed on SEDAR at www.sedar.com.

Selected Annual Information

The following is selected financial data derived from the audited financial statements of the Company at and for the years ended June 30, 2018, 2017 and 2016.

	Year ended June 30, 2018	Year ended June 30, 2017	Year ended June 30, 2016
Net loss	$202,569	$181,333	$131,117
Basic and diluted loss	$0.01	$0.07	$0.05
	As at June 30, 2018	**As at June 30, 2017**	**As at June 30, 2016**
Total assets	$2,307,058	$40,656	$30,383
Total liabilities	$1,925,073	$743,602	$552,996

- The net loss for the year ended June 30, 2018 consisted primarily of (i) salaries and wages of $478,988; (ii) professional fees of $430,388; (iii) consulting fees of $282,131; (iv) general and administrative cost of $168,904; and (v) was offset by gain on sale of subsidiary $1,215,500. These costs and gain pertained to the operations of CTH prior to the Company's disposition of CTH as of May 30, 2018. None of these costs have any comparables to prior years.

- The net loss for the year ended June 30, 2017, consisted primarily of (i) management fee of $90,000; (ii) professional fees of $63,591; and (iii) regulatory and transfer agent fees of $21,086.

- The net loss for the year ended June 30, 2016, consisted primarily of (i) management fee of $90,000; (ii) general and administrative cost of $32,139; and (iii) professional fees of $10,000.

- As the Company has no revenue, its ability to fund its operations is dependent upon securing financing through the sale of equity or Change of Business. See "Risk Factors" below.

Summary of Quarterly Information

A summary of selected financial information of the Company for each of the eight most recent completed quarters is as follows:

Three Months Ended	Total Revenue ($)	Loss (Income)		Total Assets ($)
		Total ($)	Per Share ($)	
June 30, 2018	Nil	(555,864)	(0.02)	2,307,058
March 31, 2018	Nil	758,433	0.07	5,005,029
December 31, 2017	Nil	26,748	0.01	43,617
September 30, 2017	Nil	25,048	0.01	41,272
June 30, 2017	Nil	58,520	0.02	40,656
March 31, 2017	Nil	76,584	0.03	49,262
December 31, 2016	Nil	22,943	0.01	60,389
September 30, 2016	Nil	23,286	0.01	30,207

Financial Highlights

Year ended June 30, 2018 compared with year ended June 30, 2017

UC Resources' net loss totaled $202,569 for the year ended June 30, 2018, with basic and diluted loss per share of $0.01. This compares with a net loss of $181,333 with basic and diluted loss per share of $0.07 for the year ended June 30, 2017. While the increase in net loss was relatively minor at $21,236, the underlying costs are not easily compared, as the 2018 loss focused primarily around the costs incurred by CTH in developing its cryptotrading platform prior the Company disposing of CTH on May 30, 2018:

- For the year ended June 30, 2018, salaries and wages increased by $478,988. The increase is for management and the development of the cryptocurrency trading platform.

- For the year ended June 30, 2018, professional fees was $430,388, compared to $63,591 for the year ended June 30, 2017. The increased by $366,797 was mainly due to increase in legal, accounting and consulting fees on the change of business, proposed transaction and trading of crypto currencies.

- For the three months ended June 30, 2018, consulting increased by $282,131. The increase is due mainly for consulting work on the development of the cryptocurrency trading platform.

- For the year ended June 30, 2018, general and administrative cost was $168,904, compared to $4,687 for the year ended June 30, 2017. The increased by $164,217 was mainly due to increase in development costs associated with CTH's cryptocurrency trading platform.

- For the year ended June 30, 2018, the Company recorded a gain on the sale of subsidiary of $1,215,500.

Three months ended June 30, 2018 compared with three months ended June 30, 2017

For the three months ended June 30, 2018, UC Resources' net loss income was $555,864 with basic income per share of $0.02, and diluted income per share of $0.01. This compares with a net loss of $58,520 with basic and diluted loss per share of $0.02 or the three months ended June 30, 2017. As noted above, the reasons for the increase in net loss is due primarily to the costs incurred by CTH in developing its cryptotrading platform prior the Company disposing of CTH on May 30, 2018: The increase of $614,384 in net income was principally because:

- For the three months ended June 30, 2018, the Company recorded a gain on the sale of subsidiary of $1,215,500, compared to $nil for the year ended June 30, 2017.

- For the three months ended June 30, 2018, salaries and wages increased by $348,544. The increase is for management and the development of the cryptocurrency trading platform.

- For the three ended June 30, 2018, professional fees was $185,274, compared to $18,100 for the three ended June 30, 2017. The increased by $167,174 was mainly due to increase in legal, accounting and consulting fees on the change of business, proposed transaction and trading of crypto currencies.

- For the three months ended June 30, 2018, consulting increased by $146,870. The increase is due mainly for consulting work on the development of the cryptocurrency trading platform.

- For the three ended June 30, 2018, general and administrative cost was $97,722, compared to $1,509 for the three months ended June 30, 2017. The increased by $96,213 was mainly due to development costs associated with CTH's cryptocurrency trading platform, and rent expenses.

Cash Flow

The Company had cash and cash equivalents of $2,267,230 at June 30, 2018 (June 30, 2017 - $7,050). The increase in cash and cash equivalents during the year ended June 30, 2018 was primarily due to the cash to proceeds from the January private placement and subscription receipts due, which was offset by cash used in operating activities.

Cash and cash equivalents used in operating activities was $1,863,588 for the year ended June 30, 2018. Operating activities were affected by the net decrease in non-cash working capital balances of $432,445 because of a decrease in due to related parties of $222,551; an increase in prepaid expenses of $191,486; an increase in accounts receivable and other assets of $45,722; with an increase in accounts payable and accrued liabilities of $27,314 The Company also recorded a gain on the sale of subsidiary of $1,215,500; a write off of accounts payables of $15,694; and depreciation of equipment of $2,340.

Net cash used in investing activities was $1,108,511 during the year ended June 30, 2018, as the Company invested $1,068,933 through loans to CTH before disposal thereof; and by investment in computer equipment and software of $39,578.

Cash and cash equivalents provided by financing activities was $5,232,779 the year ended June 30, 2018, primarily because of net proceeds from the January private placement of $1,287,500; net proceeds from subscription receipts due to a related company and an increase in advance payable of $3,944,779.

Liquidity and Capital Resources

The activities of the Company, principally seeking to change its business focus and to become involved in providing a digital platform enabling users to buy and sell digital assets (cryptocurrencies) across multiple exchanges in one account. The Company activities were financed through the completion of equity offerings. There is no assurance that equity capital will be available to the Company in the amounts or at the times desired or on terms that are acceptable to the Company, if at all.

The Company has no operating revenues, and therefore must utilize its current cash reserves, funds obtained from the exercise of warrants and other financing transactions to maintain its capacity to meet ongoing operating activities. As of June 30, 2018, the Company had 27,510,000 warrants outstanding that would raise $2,751,000, if exercised in full. This is not anticipated until the Company's common shares resume trading.

At June 30, 2018, the Company reported cash and cash equivalents of $2,267,230 (June 30 2017 - $7,050) and a net working capital of $381,985 (June 30, 2017 a net working capital deficiency of $702,946). Of that, $1,212,779 was subsequently transferred to CTH, being funds received by the Company from the sale of subscription receipts.

The net cash on hand as at June 30, 2018, is expected to be sufficient to meet the Company's liquidity requirements until the change of business with CTH is completed.

Changes in Accounting Policy

During the year ended June 30, 2018, the Company changed the following policy:

IFRS 9 - Financial Instruments ("IFRS 9")

On July 24, 2014, the IASB issued the completed IFRS 9, Financial Instruments (IFRS 9 (2014) to come into effect on January 1, 2018 with early adoption permitted.

IFRS 9 (2014) includes finalized guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 largely retains the existing requirements in IAS 39 Financial Instruments: recognition and measurement, for the classification and measurement of financial liabilities.

The Company adopted IFRS 9 in its consolidated financial statements on July 1, 2017. Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening accumulated deficit balance on July 1, 2017. The impact on the classification and measurement of its financial instruments is set out below.

All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the consolidated statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the consolidated statement of loss and comprehensive loss for the year. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

The following table summarizes the classification and measurement changes under IFRS 9 for each financial instrument:

Classification	IAS 39	IFRS 9
Cash and cash equivalents	Fair value through profit and loss ("FVTPL")	Amortized cost
Accounts receivable	Loans and receivables (amortized cost)	Amortized cost
Other receivables	Loans and receivables (amortized cost)	Amortized cost
Investments	Loans and receivables (amortized cost)	FVOCI
Accounts payable and accrued liabilities	Other financial liabilities (amortized cost)	Amortized cost
Due to related parties	Other financial liabilities (amortized cost)	Amortized cost
Advances payable	Other financial liabilities (amortized cost)	Amortized cost
Subscription receipts payable	Other financial liabilities (amortized cost)	Amortized cost

The original carrying value of the Company's financial instruments under IAS 39 has not changed under IFRS 9.

Recent Accounting Pronouncements

IFRS 16 - Leases ("IFRS 16") was issued on January 13, 2016 to require lessees to recognize assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS17 Leases. The IAS issued its standard as part of a joint project with the Financial Accounting Standards Board ("FASB"). The FASB has not yet issued its new standard, but it is also expected to require lessees to recognize most leases on their statement of financial position. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The Company is currently assessing the impact of this pronouncement.

Critical Accounting Estimates

The preparation of these consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The financial statements include judgments and estimates, which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and the revision affects both current and future periods.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical Judgments

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Estimates

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates based on assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from management's best estimates, as additional information becomes available. The most sensitive estimates affecting the financial statements were the determination of the existence of contingent assets and liabilities, the valuation of share-based compensation and the valuation of deferred income tax assets.

Areas where estimates are significant to the financial statements were as follows:

- the estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty;
- the inputs used in accounting for warrants in the consolidated statement of financial position;
- the valuation of deferred income tax assets.

Capital Risk Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities; and
- to maximize shareholder return through enhancing the share value.

The Company relies mainly on equity issuances and long-term loans to raise new capital. In the management of capital, the Company includes the components of shareholders' equity as well as cash.

The capital structure of the Company currently consists of equity which at June 30, 2018 totaled $381,985 (June 30, 2017 - deficit of $702,946). The Company prepares annual estimates of expenditures and monitors actual expenditures compared to the estimates to ensure that there is sufficient capital on hand to meet ongoing obligations.

The Company's investment policy is to invest its cash in highly liquid short-term deposits with terms of one year or less and which can be liquidated without interest or penalty. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, or sell assets to fund operations.

There were no changes to the Company's approach to capital management during the year, and the Company is not subject to externally imposed capital requirements.

Financial Risk Management

The Company's financial instruments are exposed to certain financial risks, which include currency risk, credit risk, liquidity risk and interest rate risk. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies as set out herein.

Currency risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and other foreign currencies will affect the Company's operations and financial results. The Company does not have significant exposure to foreign exchange rate fluctuation.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to fulfil and obligation and causes the other party to incur a financial loss. The Company's credit risk consists primarily of cash and cash equivalents and short term investments. The credit risk is minimized by placing cash and cash equivalents and investing short-term investments with major Canadian financial institutions. Management believes that the credit risk concentration with respect to its bank deposits is remote since all cash is held with financial institutions of reputable credit. The Company does not invest in asset–backed commercial papers.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has sufficient cash to meet its obligations and liquidity risk is therefore considered minimal.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the cash and cash equivalents is limited because they are generally held to maturity. The Company's current policy is to invest excess cash to investment-grade short-term deposit certificates issued by its banking institutions. Interest rate risk is not significant to the Company as it has no cash equivalents at year end. As at June 30, 2018, with other variables unchanged, a 1% change in the variable interest rates would not have had a significant impact on the loss of the Company.

Related Party Transactions

Related parties include the Board of Directors and officers of the Company, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at the amount established and agreed to by the related parties.

(a) Remuneration of directors and key management personnel of the Company was as follows:

	Salaries and wages		Share based payments		Total	
	Year Months Ended June 30,		Year Months Ended June 30,		Year Months Ended June 30,	
Name	**2018 ($)**	**2017 ($)**	**2018 ($)**	**2017 ($)**	**2018 ($)**	**2017 ($)**
Stephen Ehrlich, Director and CEO	79,563	Nil	Nil	Nil	79,563	Nil
Total	**79,563**	**Nil**	**Nil**	**Nil**	**79,563**	**Nil**

(b) The Company entered into the following transactions with related parties:

	Year Ended June 30,	
Names	**2018 ($)**	**2017 ($)**
565423 B.C. Ltd. ("565423 BC") (1)	50,000	90,000
Marrelli Support Services Inc. ("Marrelli Support") (2)	25,391	Nil
Owen Bird Law Corporation ("Owen Bird") (3)	63,925	Nil
Honos Financial LLC ("Honos") (4)	26,520	Nil

1) For the year ended June 30, 2018, the Company expensed $50,000 (year ended June 30, 2017 - $90,000) to 565423 BC, a company controlled by the former Chief Executive Officer of the Company, for performing management services. 565423 BC is controlled by Gary Monaghan. As at June 30, 2018, 565423 BC was owed $nil (June 30, 2017 - $300,125).

2) For the year ended June 30, 2018, the Company expensed $25,391 (year ended June 30, 2017 - $nil) to Marrelli Support for providing accounting services and services of the Chief Financial Officer of the

Company. The Chief Financial Officer is an employee of Marrelli Support. As at June 30, 2018, Marrelli Support was owed $13,649 (June 30, 2017 - $nil) and this amount was included in due to related parties.

3) For the year ended June 30, 2018, the Company expensed $63,925 (year ended June 30, 2017 - $nil) to Owen Bird for legal services. A director of the Company is a shareholder in the law firm. As at June 30, 2018, Owen Bird was owed $63,925 (June 30, 2017 - $nil) and this amount was included in due to related parties.

4) For the year ended June 30, 2018, the Company expensed $26,520 (year ended June 30, 2017 - $nil) to Honos, a company controlled by the Chief Executive Officer of the Company for consulting services.

(c) Other transactions

Directors and officers of the Company subscribed to 5,448,529 units, or approximately 18.2%, of the January private placement.

During the year ended June 30, 2018, CTH entered into an agreement with a company controlled by a director to acquire 100% of all issued and outstanding Membership Interest of Glacier Point Capital LLC ("Glacier"), a California limited liability company and a duly registered Broker Dealer under the Securities Exchange Act of 1934, and licensed by the Financial Industry Regulatory Authority, Inc. ("FINRA"). As at the date of the sale of CTH the acquisition had not yet been completed and $191,486 had been advanced to the company controlled by a director in connection with the acquisition.

On May 30, 2018, the Company entered into a share purchase agreement with VHI. Under the terms of the agreement, the Company sold all of its issued and outstanding shares of CTH to VHI. Accordingly, at May 31, 2018, the Company derecognized the assets and liabilities of CTH from the consolidated statements of financial position and recognized a corresponding gain associated with the sale.

Share Capital

As of the date of this MD&A, the Company had (i) 29,950,364 issued and outstanding common shares; and (ii) the following warrants outstanding:

Expiry Date	Warrants	Exercise Price
January 10, 2019	25,950,000	$0.10
January 10, 2019	12,500	$0.10

Risks and Uncertainties

Risks Related to the Company's Proposed New Business

Proposed Transaction

The Company's proposed acquisition of CTH is subject to a number of conditions precedent, including TSXV approval, and there is no assurance all of the conditions will be satisfied or waived in order for the acquisition to proceed.

New Router / Platform not completed

The cryptocurrency trading platform that will form the basis for the Company's new business has not been fully developed, and is not yet commercialized. There is no assurance the platform or router will be developed within the time frame or budget as currently contemplated, or at all. The development is subject to risks of cost over-runs, obsolescence, or being incompatible with users' expectations.

Limited operating history

CTH is in the early stage of development and has no history of operations in the cryptocurrency trading sector. The Company will be subject to many risks common to start-up enterprises and its viability must be viewed against the background of the risks, expenses and problems frequently encountered by companies in the early stages of development in new and rapidly evolving markets such as the cryptocurrency market. This includes under-capitalization, cash shortages, limitations with respect to personnel, lack of revenues and financial and other resources. There is no assurance that the will develop its business profitably, and the likelihood of the Company's future success must be considered in light of its early stage of operations. There is no assurance that the Company will be successful in achieving a return on shareholders' investment.

Cryptocurrency industry

The further development and acceptance of the cryptocurrency industry is subject to a variety of factors that are difficult to anticipate and evaluate. The use of cryptocurrency to buy and sell goods and services, among other things, is a new and rapidly evolving industry. There is no assurance that cryptocurrency will become a leading means of digital payment. Any slowing or stopping of the development in the acceptance of cryptocurrency may adversely affect an investment in the Company. For a number of reasons, including for example, the lack of recognized security technologies, inefficient processing of payment transactions, problems in the handling of warranty claims, limited user-friendliness, inconsistent quality, and lack of clear universally applicable regulation as well as uncertainties regarding proprietary rights and other legal issues, cryptocurrency activities may in fact prove in the long run to be an unprofitable means for businesses. Factors affecting the further development of the cryptocurrency industry include: (i) continued worldwide growth in the adoption and use of cryptocurrency; (ii) government and quasi-government regulation of cryptocurrency and their use, or restrictions on or regulation of access to and operation of cryptocurrency systems; (iii) changes in consumer demographics and public tastes and preferences; (iv) the availability and popularity of other forms or methods of buying and selling goods and services; and (v) the regulatory environment and general economic conditions and the regulatory environment related to cryptocurrency. A decline in the popularity or acceptance of cryptocurrency would harm the business and affairs of the Company.

Regulatory changes or actions may alter the nature of an investment in the Company or restrict the use of cryptocurrencies in a manner that adversely affects the Company's operations

As cryptocurrencies have grown in both popularity and market size, governments around the world have reacted differently to cryptocurrencies with certain governments deeming them illegal while others have allowed their use and trade. Ongoing and future regulatory actions may alter, perhaps to a materially adverse extent, the ability of the Company to continue to operate.

The effect of any future regulatory change on the ability to buy and sell cryptocurrency is impossible to predict, but such change could be substantial and have a material adverse effect on the Company.

Governments may in the future take regulatory actions that prohibit or severely restrict the right to acquire, own, hold, sell, use or trade cryptocurrencies or to exchange cryptocurrencies for fiat currency. By extension, similar actions by other governments, may result in the restriction of the acquisition, ownership, holding, selling, use or trading in the Company's shares. Such a restriction could result in the Company liquidating its cryptocurrency inventory at unfavorable prices and may adversely affect the Company's shareholders.

Permits and licenses

Certain operations of CTH may require licenses and permits from various governmental authorities. This is particularly so if CTH seeks to expand its business to include any brokerage services or operate a cryptocurrency exchange. There can be no assurance that CTH will be able to obtain all necessary licenses and permits that may be required. Furthermore, failure or delays in obtaining necessary approvals for licenses and permits, could have a materially adverse effect on CTH's financial condition and result of operations.

Cryptocurrency exchanges are unregulated

Cryptocurrency exchanges are largely unregulated. Over the past several years, several cryptocurrency exchanges have been closed due to fraud, failure or security breaches. In many of these instances, the customers of such cryptocurrency exchanges were not compensated or made whole for the partial or complete losses of their account balances in such cryptocurrency exchanges. The closure or temporary shutdown of cryptocurrency exchanges due to fraud, business failure, hackers or malware, or government-mandated regulation may reduce confidence in cryptocurrency. These potential consequences could adversely affect the Company's business.

Competition from other cryptocurrency companies

CTH will compete with other cryptocurrency and distributed ledger technology businesses and other potential financial vehicles. Market and financial conditions, and other conditions beyond CTH's control, may make it more attractive to invest in other financial vehicles, or to invest in cryptocurrencies directly which could adversely impact CTH's Business.

Changes in the value of cryptocurrencies may affect trading

The markets for cryptocurrencies have experienced much larger fluctuations than other markets, and there can be no assurances that erratic swings in price will slow in the future. In the event that the price of cryptocurrency declines, the value of an investment in the Company will likely decline. Several factors may affect the price and volatility of cryptocurrency including, but are not limited to: (i) global cryptocurrency demand, depending on the acceptance of cryptocurrency by retail merchants and commercial businesses; (ii) the perception that the use and holding of cryptocurrency is safe and secure, and the related lack of or inconsistency in regulatory restrictions, particularly across various jurisdictions; (iii) conversely, heightened regulatory measures restricting the use of cryptocurrency as a form of payment or the purchase of cryptocurrency; (iv) investor's expectations with respect to the rate of inflation; (v) interest rates; (vi) currency exchange rates, including exchange rates between cryptocurrency and fiat currency; (vii) fiat currency withdrawal and deposit policies on cryptocurrency exchanges and liquidity on such cryptocurrency exchanges; (viii) interruption of services or failures of major cryptocurrency exchanges; (ix) general governmental monetary policies, including trade restrictions, currency revaluations; (x) global or regional political, economic or financial events and situations, including increased threat or terrorist activities; and/or (xi) self-fulfilling expectations of changes in the cryptocurrency market. As well, momentum pricing is typically associated with assets whose valuation, as determined by the investing public, accounts for anticipated future appreciation in value. Momentum pricing of cryptocurrency may result in speculation regarding future appreciation in the value of cryptocurrency. As a result, changing investor confidence could adversely affect an investment in the Company.

Cryptocurrency exchanges and other trading venues are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure

To the extent that cryptocurrency exchanges or other trading venues are involved in fraud or experience security failures or other operational issues, this could result in a reduction in trading by the public.

Cryptocurrency market prices depend, directly or indirectly, on the prices set on exchanges and other trading venues, which are new and, in most cases, largely unregulated as compared to established, regulated exchanges for securities, derivatives and other currencies. While smaller exchanges are less likely to have the infrastructure and capitalization that provide larger exchanges with additional stability, larger exchanges may be more likely to be appealing targets for hackers and "malware" (i.e., software used or programmed by attackers to disrupt computer operation, gather sensitive information or gain access to private computer systems) and may be more likely to be targets of regulatory enforcement action.

Intellectual property rights claims may adversely affect operations

Third parties may assert intellectual property claims relating to the holding and transfer of cryptocurrency and their source code, or claims against any of CTH's patents or intellectual property rights associated with its new platform and router. Regardless of the merit of any intellectual property claim or other legal action, any threatened action that reduces confidence in the cryptocurrency network's long-term viability or the ability of end-users to hold and transfer cryptocurrency may adversely affect an investment in the Company. As a result, an intellectual property claim could adversely affect the business and affairs of the Company.

Cryptocurrency exchanges and digital wallets may be hacked

Cryptocurrency trading platforms, or CTH's digital wallets may be hacked. Access to CTH's coins, maintained in a hosted online wallet, could also be restricted by cybercrime (such as a denial of service ("DoS") attack). Any of these events may adversely affect the operations of CTH and, consequently, its business and profitability. The loss or destruction of a private key required to access CTH's digital wallets may be irreversible. Any loss of access to its private keys or its experience of a data loss relating to CTH's digital wallets could adversely affect its business. To the extent such private keys are lost, destroyed or otherwise compromised, CTH will be unable to access coins held for users, and such private keys will not be capable of being restored by network. Any loss of private keys relating to digital wallets used to store CTH's cryptocurrency could adversely affect its business and profitability.

Banks may not provide banking services, or may cut off banking services, to businesses that provide cryptocurrency-related services or that accept cryptocurrencies as payment

A number of companies that provide cryptocurrency-related services have been unable to find banks that are willing to provide them with bank accounts and banking services. Similarly, a number of such companies have had their existing bank accounts closed by their banks. Banks may refuse to provide bank accounts and other banking services to cryptocurrency-related companies or companies that accept cryptocurrencies for a number of reasons, such as perceived compliance risks or costs. The difficulty that many businesses that provide cryptocurrency-related services have and may continue to have in finding banks willing to provide them with bank accounts and other banking services may be currently decreasing the usefulness of cryptocurrencies as a payment system and harming public perception of cryptocurrencies or could decrease its usefulness and harm its public perception in the future. Similarly, the usefulness of cryptocurrencies as a payment system and the public perception of cryptocurrencies could be damaged if banks were to close the accounts of many or of a few key businesses providing cryptocurrency-related services. The inability of the Company or any subsidiary to maintain a bank account could have a negative impact on its business.

The further development and acceptance of the cryptographic and algorithmic protocols governing the issuance of and transactions in cryptocurrencies is subject to a variety of factors that are difficult to evaluate

The use of cryptocurrencies to, among other things, buy and sell goods and services and complete other transactions, is part of a new and rapidly evolving industry that employs digital assets based upon a computer-generated mathematical and/or cryptographic protocol. The growth of this industry in general, and the use of cryptocurrencies in particular, is subject to a high degree of uncertainty, and the slowing, or stopping of the development or acceptance of developing protocols may adversely affect the Company's operations. The factors affecting the further development of the industry, include, but are not limited to:

- Continued worldwide growth in the adoption and use of cryptocurrencies;
- Governmental and quasi-governmental regulation of cryptocurrencies and their use, or restrictions on or regulation of access to and operation of the network or similar cryptocurrency systems;
- Changes in consumer demographics and public tastes and preferences;
- The maintenance and development of the open-source software protocol of the network;

- The availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies;
- General economic conditions and the regulatory environment relating to digital assets; and
- Negative consumer sentiment and perception of cryptocurrencies generally.

Acceptance and/or widespread use of cryptocurrency is uncertain. Currently, there is relatively small use of cryptocurrencies in the retail and commercial marketplace in comparison to relatively large use by speculators, thus contributing to price volatility that could adversely affect the Company's operations, investment strategies, and profitability.

As relatively new products and technologies, cryptocurrency has not been widely adopted as a means of payment for goods and services by major retail and commercial outlets. Conversely, a significant portion of cryptocurrency demand is generated by speculators and investors seeking to profit from the short-term or long-term holding of cryptocurrencies.

The relative lack of acceptance of cryptocurrencies in the retail and commercial marketplace limits the ability of end-users to use them to pay for goods and services. A lack of expansion by cryptocurrencies into retail and commercial markets, or a contraction of such use, may result in increased volatility or a reduction in their market prices, either of which could adversely impact CTH's business.

Risk related to technological obsolescence and difficulty in obtaining hardware

To remain competitive, CTH will have to continue to invest in further updating its platform and hardware required for its activities. Should competitors introduce new services/software embodying new technologies, the Company recognizes its hardware and equipment and its underlying technology may become obsolete and require substantial capital to replace such equipment. The advances in technology in the cryptocurrency sector is rapid, and is likely to continue to evolve quickly. There is no assurance CTH will be able to maintain any technological edge over the competition.

Misuse of cryptocurrencies and malicious actors

Since the existence of cryptocurrencies, there have been attempts to use them for speculation or malicious purposes. Although law makers increasingly regulate the use and applications of cryptocurrencies, and software is being developed to curtail speculative and malicious activities, there can be no assurances that those measures will sufficiently deter those and other illicit activities, in the future. Advances in technology, such as quantum computing, could lead to malicious actor or botnet (a volunteer or hacked collection of computers controlled by networked software coordinating the actions of the computers) being able to alter the block chain on which cryptocurrency transactions rely. In such circumstances, the malicious actor or botnet could control, exclude or modify the ordering of transactions, or generate new cryptocurrency or transactions using such control. The malicious actor or botnet could double spend its own cryptocurrency and prevent the confirmation of other users' transactions for so long as it maintains control. Such changes could adversely affect an investment in the Company.

Cryptocurrency is not covered by deposit insurance

Transactions using cryptocurrency are not covered by deposit insurance, unlike banks and credit unions that provide guarantees or safeguards.

Management Experience and Dependence on Key Personnel, Employees and third party providers

The Company's success is currently largely dependent on the performance of the Company's directors and officers. The management team that will assume control of the Company have specialized expertise within the cryptocurrency industry. The Company will initially be relying on the Company's board members and executive officers, as well as independent consultants, for most aspects of the Company's business. The amount of time and expertise expended on the Company's affairs by each of the Company's management team and the Company's directors will vary according to the Company's needs. The loss of any of these individuals could have a material detrimental impact on the Company's business. The Company does not intend to acquire any key man insurance policies and there is, therefore, a risk that the death or departure of any key member of management, a director, or employee or consultant, could have a material adverse effect on the Company's future. Investors who are not prepared to rely on the Company's management team should not invest in the Company's securities.

Uninsured or Uninsurable Risks

The Company intends to insure its operations in accordance with technology industry practice. However, given the novelty of the proposed Business, such insurance may not be available, uneconomical for the Company, or the nature or level may be insufficient to provide adequate insurance cover. The Company may become subject to liability for hazards against which the Company cannot insure or against which the Company may elect not to insure because of high premium costs or for other reasons. The payment of any such liabilities would reduce or eliminate the funds available for operations. Payments of liabilities for which the Company does not carry insurance may have a material adverse effect on the Company's financial position.

Additional Disclosure for Venture Issuers without Significant Revenue

General and Administrative Expenses

The following is a breakdown of the Company's general and administrative expenses for the fiscal year ended June 30, 2018:

	Year Ended June 30,	
Names	**2018 ($)**	**2017 ($)**
Consulting fees	282,131	Nil
General and administrative	168,904	4,687
Management fees	50,000	90,000
Product development	47,738	Nil
Professional fees	430,388	63,591
Regulatory and transfer agent fees	33,091	21,086
Salaries and wages	478,988	Nil
Travel	19,962	1,969
Total	**1,511,202**	**181,333**