

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of BTL Group Ltd. ("BTL", or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three months ended March 31, 2017. This MD&A has been prepared in compliance with the requirements of 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 year ended December 31, 2016 as well as the unaudited interim consolidated financial statements for the three months ended March 31, 2017, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. Information contained herein is presented as at May 30, 2017 unless otherwise indicated.

Description of Business

BTL Group Ltd. (the "Company") was incorporated on March 28, 2011 and organized under the laws of Alberta, Canada.

The registered office of the Company is located at 1600, 421 - 7 Avenue SW, Calgary, Alberta T2P 4K9.

The Company maintains offices in Vancouver, Calgary and London, England, with its head office located at 2880-1021 West Hastings Street, Vancouver, V6E 0C3.

The Company is as an enterprise technology platform provider focused on innovation and enabling enterprises on its proprietary private blockchain platform, known as Interbit. Interbit is a secure multi-chain technology platform that allows enterprises to build their own applications, focusing on trading, settlement, remittance, audit and back-office processes.

Highlights

During 2016, BTL's highlights have been the successful completion of pilot projects with major global enterprises in both the finance and energy spaces. In these pilot projects, BTL has used its Interbit platform to demonstrate how it can use innovative processes to vastly reduce the complexity of transactional IT infrastructure, thus reducing risk and costs for enterprises.

In January 2017, BTL successfully launched the Alpha version of Interbit to undertake a European energy pilot. With this pilot past the halfway mark, the focus is to develop the framework for a commercial product and operating model for the conclusion of the pilot.

Completion of Energy Pilots

On January 12, 2017, the Company completed a revenue generating pilot project with a leading, global energy company. Pursuant to this energy pilot, BTL developed internal use cases for blockchain solutions in the client's oil and energy trading division. The collaboration aims was to identify areas internal to their business in which BTL's blockchain platform, Interbit, can enable significant efficiency and related cost savings. BTL and the client are now jointly assessing further commercialization strategies for the Interbit platform in the energy trading space for the benefit of both BTL and the client.

On February 14, 2017, the Company announced it was working with a group of leading energy companies, including Wien Energie GmbH, Austria's largest regional energy company, on a blockchain pilot using BTL's Interbit platform. This revenue generating pilot will run alongside the other work BTL is continuing to undertake in the energy and finance industries.

Collaboration Project With Visa Europe

In September 2016, the Company entered into a project with Visa Europe Collab ("Visa") to explore potential applications for blockchain technology in the financial services ecosystem. The project used BTL's cross-border settlement platform Interbit to explore the ways in which a blockchain-based settlements could reduce the friction of domestic and cross border transfers between banks - reducing cost, settlement time, credit risk, and by leveraging smart contracts to automate many of the regulation and compliance requirements of domestic and international transfers. A small number of European banks were also invited to participate in the project.

TSX Venture 50™ company

On February 23, 2017, the Company announced it had been recognized as a TSX Venture 50™ company in 2017 (TSX Venture 50 is a trademark of TSX Inc. and is used under license). The TSX Venture 50™ are the top 10 companies listed on the TSX Venture Exchange, in each of five major industry sectors – mining, oil & gas, clean technology & life sciences, diversified industries and technology – based on a ranking formula with equal weighting given to return on investment, market cap growth, trading volume and analyst coverage. All data was as of December 31, 2016.

Addition to the Company's Advisory Board

On March 13, 2017, the Company announced the addition of Jon Downing to BTL's Advisory Board. Over the last 25 years, Jon has successfully delivered innovation, business and technology services at some of the largest and most respected global companies, including Visa, J P Morgan, HP Enterprise Services & American Express.

Over the last two years, Jon was a key member of Visa Europe's Innovation Hub, Visa Collab, which was responsible for identifying and testing the most exciting, revolutionary ideas in payments and developing them into commercial realities. Jon setup and led the blockchain practice at Visa Collab and was responsible for leading multiple high-profile proof of concept initiatives with key start-up companies including BTL, testing ideas for new products and services across the whole payments eco-system, with specific focus and thought leadership in the blockchain and crypto-currency domain.

Outlook

The Company's roadmap for the remainder of 2017 is to launch the Interbit platform in Beta, upon which the Company intends to run the next production phase of its European energy project. This is expected to be followed by a soft launch of Interbit and issuance of the first commercial licences.

The main focus will be on launching Interbit into a live environment with existing clients, fully enabling them to build their own blockchain solutions and applications with the Company's support. Enabling existing and prospective clients with Interbit forms the main part of the Company's business model and is central to Company's vision.

Other energy and finance pilots are also planned from which the Company expects to derive revenue.

Summary of Quarterly Results

For the Period Ended	Revenue (\$)	Net Earnings (Loss)		Total assets (\$)
		Total (\$)	Basic and diluted earnings per share (\$)	
2017 – March 31	329,683	(352,396)	(0.02)	1,435,601
2016 – December 31	184,079	(635,555)	(0.03)	2,036,283
2016 – September 30	226,591	(343,617)	(0.02)	1,084,448
2016 – June 30	Nil	(441,737)	(0.03)	1,249,071
2016 – March 31	Nil	(516,573)	(0.04)	917,762
2015 – December 31	Nil	(3,299,797)	(0.52)	1,170,759
2015 – September 30	Nil	(140,245)	(0.01)	nil

Three Months Ended March 31, 2017 vs March 31, 2016

The Company reported a net loss of \$352,396 for the three months ended March 31, 2017 (three months ended March 31, 2016 - \$516,572). The reported loss consists primarily of management and developer salaries of \$348,937 (three months ended March 31, 2016 - \$184,279), consulting fees of \$35,672 (three months ended March 31, 2016 - \$147,400), office and general of \$118,817 (three months ended March 31, 2016 - \$26,350), Stock based compensation pertaining to vesting recognition of current and previous option grants of \$35,799 (three months ended March 31, 2016 - \$85,742), professional fees of \$52,777 (three months ended March 31, 2016 - \$20,650), travel of \$44,993 (three months ended March 31, 2016 - \$52,151), and marketing of \$45,083 (three months ended March 31, 2016 - \$nil).

During the three months ended March 31, 2017, the Company continued to grow and further diversify its service revenue. With its largest client during the quarter representing 39% of total consulting revenue, down from an 89% single client sourced revenue base in fiscal 2016, the Company has substantially broadened its client base during the current quarter.

When contrasted against the comparative quarter ended March 31, 2016, the Company has seen a decreased reliance on consultant based resources, in favour of an increase in salaried positions. This has occurred as corporate growth is managed, and the Company's development and support teams are positioned to accommodate revenue growth and diversity.

Office and general expense increased by \$92,467 over the comparative period ended March 31, 2016, as the Company supported and grew its presence in each of its Vancouver, Calgary and U.K. offices.

Marketing grew by \$45,083 during the quarter ended March 31, 2017 over the comparative period expense for March 31, 2016 of \$nil, as the Company undertook to develop and broaden its client base.

Professional fees, consisting primarily of legal fees, grew by \$32,127 to \$52,777 during the quarter ended March 31, 2017 over March 31, 2016, driven by the needs associated with new client agreements, the growth in development and support staff, and general corporate matters associated with the development of the Company.

Accounts payable declined as at March 31, 2017 to \$143,072, from \$427,157 as at December 31, 2016, primarily due to a \$291,668 payment made to BTL in error in late December 2016, and returned to the service provider early in the first week of January 2017.

Liquidity and Capital Resources

The Company reported working capital as at March 31, 2017 of \$1,292,529 (December 31, 2016 - \$1,609,126), and cash of \$962,470 (December 31, 2016 - \$1,884,568).

The cash on hand as at March 31, 2017, will not be sufficient to meet the Company's liquidity requirements for the next twelve months. Accordingly, the Company has undertaken financing initiatives which will serve to augment liquidity.

On April 6, 2017, the Company closed a non-brokered private placement for aggregate gross proceeds of \$3,105,000 (the "Private Placement").

The Private Placement was comprised of 1,150,000 equity units (the "Units") that were issued at a price of CAD\$2.70 per Unit. Each Unit consists of one (1) common share of the Company and one-half of one (1/2) common share purchase warrant of the Company (a "Warrant"). Each whole Warrant entitles the holder to acquire one (1) common share of the Corporation for a period of 24 months from the date of issuance of the Warrant, at an exercise price of \$3.25 per share.

The Company has agreed to pay the following finder's fees in respect of certain sales under the Private Placement: (i) a cash finder's fee of \$5,940 to Fosters & Associates Financial Services Inc., (ii) a cash finder's fee of \$5,400 to PI Financial Corp., and (iii) a cash finder's fee of \$675 to Richardson GMP Limited.

The Company has no credit facilities with financial institutions. Accordingly, its financial instruments consist of cash, sundry receivable and accounts payable and accrued liabilities. Unless otherwise noted, the Company does not expect to be exposed to significant interest, currency or credit risks arising from these financial instruments. The Company estimates that the fair value of these financial instruments approximates their carrying values because of their short term nature.

At this time, the Company is not anticipating an ongoing profit from operations, therefore it will rely on its ability to obtain equity or debt financing for growth. The Company may need additional capital, and may raise additional funds should the board of directors of the Company (the "Board of Directors") deem it advisable.

Critical Accounting Estimates

Application of the Company's accounting policies in compliance with IFRS requires the Company's management to make certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting 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:

Share-based Payments

Management is required to make certain estimates when determining the fair value of stock options awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as stock-based compensation in the statement of operations based on estimates of forfeiture and expected lives of the underlying stock options.

Several variables are used when determining the value of stock options using the Black-Scholes valuation model:

- o The expected term: the Company used the expected term of the stock of five years, which is the maximum term ascribed to these stock options, for the purposes of calculating their value. The Company chose the maximum term because it is difficult to determine with any reasonable degree of accuracy when these stock options will be exercised.
- o Volatility: the Company used historical information of a similar company on the market price of its common shares to determine the degree of volatility at the date the stock options were granted. Therefore, depending on when the stock options were granted and the period of historical information examined, the degree of volatility can be different when calculating the value of different stock options.
- o Risk-free interest rate: the Company used the interest rate available for government securities of an equivalent expected term as at the date of the grant of the stock options. The risk-free interest rate would vary depending on the date of the grant of the stock options and their expected term.
- o Dividend yield: the Company has not paid dividends in the past because it is in the development stage and has not yet earned any sufficient operating income. Therefore, a dividend rate of 0% was used for the purposes of the valuation of the stock options.

Critical Judgments Used in Applying Accounting Policies

In the preparation of the financial statements management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the financial statements.

Income taxes and recovery of deferred tax assets

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

Estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

- a) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

New Accounting Policies

There were no accounting policies adopted during the three months ended March 31, 2017.

Future Accounting Pronouncements

The following is an overview of accounting standard changes that the Company will be required to adopt in future years. The Company does not expect to adopt any of these standards before their effective dates. The Company continues to evaluate the impact of these standards on its financial statements.

In July 2014, the IASB issued IFRS 9 to replace IAS 39. IFRS 9, which is to be applied retrospectively, will be effective for annual periods beginning on or after January 1, 2018.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The Company is in the process of assessing the impact of this announcement.

IFRS 15 - Revenue from Contracts with Customers. The standard is effective for annual periods beginning on or after January 1, 2018. IFRS 15 specifies how and when to recognize revenue as well as requires entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 - Revenue, IAS 11 - Construction Contracts, and a number of revenue related interpretations. The new standard will apply to nearly all contracts with customers; the main exceptions are leases, financial instruments and insurance contracts.

In January 2016, the IASB issued IFRS 16, Leases (IFRS 16). IFRS 16 is effective for periods beginning on or after January 1, 2019, with early adoption permitted. IFRS 16 eliminates the current dual model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. The extent of the impact of adoption of IFRS 16 has not yet been determined.

There are no other relevant IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

Financial Instruments

The following summarizes the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table above.

For sundry receivable, accounts payable and accrued liabilities, the amount is deemed to reflect the fair value, due to their short-term nature.

Financial instruments recorded at fair value on the balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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|-----------|--|
| Level 1 - | valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; |
| Level 2 - | valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); |
| Level 3 - | valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs). |

The Company's fair value of cash under the fair value hierarchy are measured using level 1 inputs.

Financial Risk Factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including interest rate risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash consists of cash at banks and on hand. The cash has been invested and held with reputable financial institutions, from which management believes the risk of loss to be remote.

For the three months ended March 31, 2017, 39% of consulting fees were derived from a single client, compared to 89% for the fiscal year ended December 31, 2016. The Company has been able to diversify its client base in the first quarter of 2017.

Liquidity Risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they become due, or can only do so at excessive cost. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in market conditions generally or as a result of conditions specific to the Company. As at March 31, 2017, the Company had a cash balance of \$962,470 to settle current liabilities of \$143,072. The

Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risk

i) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances no debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks. As a result, the Company's exposure to interest rate risk is minimal.

Capital Management

The Company manages its capital with the following objectives:

- (i) To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- (ii) To maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, contributed surplus and deficit, which at March 31, 2017, totalled \$1,292,529 (December 31, 2016 - \$1,609,126). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. Information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the three months ended March 31, 2017.

Related Party Transactions

Related parties include the Board of Directors, officers and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions are as follows;

During the three months ended March 31, 2017, CEO remuneration was \$35,000.

During the three months ended March 31, 2017, CFO remuneration was \$4,650.

As at March 31, 2017, amounts due to related parties totaled \$54,719 (December 31, 2016 - \$29,069) pertaining to amounts payable for key management remuneration, and reimbursement of expenses paid on behalf of the Company.

During the three months ended March 31, 2017, the Company expensed \$11,558, (three months ended March 31, 2016 - \$4,324) to Marrelli Support Services Inc. ("Marrelli Support") and DSA Corporate Services Inc. (the "DSA"), together known as the "Marrelli Group" for: Bookkeeping and office support services;

- (i) Robert D.B. Suttie, Vice President of Marrelli Support, to act as Chief Financial Officer ("CFO") of the Company (effective March 11, 2016);
- (ii) Bookkeeping and office support services;
- (iii) Regulatory filing services; and

The Marrelli Group is also reimbursed for out of pocket expenses.

As of March 31, 2017, the Marrelli Group was owed \$10,140 (December 31, 2016 - \$8,847). These amounts are included in amounts due from related parties..

The above noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

Events Occurring After the Reporting Period

Aside from that which is identified in this document, there are no reportable subsequent events.

Risks and Uncertainties

The success of the Company is dependent, among other things, on obtaining sufficient funding to enable the Company to develop its technology. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further development. The Company will require new capital to continue to operate and there is no assurance that capital will be available when needed, if at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

The Company does not have a historical track record of operating upon which investors may rely. Consequently, investors will have to rely on the expertise of the Company's management. The Company does not have a history of earnings or the provision of return on investment, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

Dependence on Key Employees

The Company's business and operations are dependent on retaining the services of a small number of key employees. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these employees. The loss of one or more of these employees could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key employees.

Potential Dilution

The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional option and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

Current Global Financial Conditions and Trends

Securities of technology companies in public markets have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in Canada and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of Companies in the technology sector are also significantly affected by proposed and newly enacted laws and regulations, currency exchange fluctuation and the political environment in the local, provincial and federal jurisdictions in which the Company does business. As of March 31, 2017, the economy remains in a period of significant economic volatility, although there have been signs of positive economic growth in North American and European markets. Continued volatility is expected in the near term. Effects of the recent US election upon the global economy are unknown at this time.

Management's Responsibility for Financial Information

The Company's financial statements are the responsibility of the Company's management, and have been approved by the Board of Directors. The financial statements were prepared by the Company's management in accordance with Canadian generally accepted accounting principles. The financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

Disclosure of Outstanding Share Data

As of the date of this document, the Company had 18,327,228 common shares, 1,330,000 options, and 1,856,164 warrants outstanding,

Forward Looking Statements

Except for the historical statements contained herein, this Management's Discussion and Analysis presents "forward-looking statements" within the meaning of Canadian securities legislation that involve inherent risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to requirements for additional capital, government regulation of its operations, environmental risks, or claims and limitations on insurance coverage. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "proposed" "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to international operations, risks related to the integration of acquisitions; risks related to joint venture operations;; changes in project parameters as plans continue to be refined; failure of equipment or processes to operate as anticipated; accidents, labour disputes and other risks; and delays in obtaining governmental approvals or financing or in the completion of development or

construction activities. Although the management and officers of the Company believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such 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. The Company does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

Additional Information

Additional information relating to the Company is available on the SEDAR website www.sedar.com