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 nine months ended September 30, 2018. 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, 2017 as well as the unaudited interim consolidated financial statements for the nine months ended September 30, 2018, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. Information contained herein is presented as at November 29, 2018 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 Calgary and Vancouver where its technical development teams are located and London, England where strategic sales & marketing teams work from.

BTL is an enterprise technology provider that has carried out blockchain based initiatives and pilot projects since 2015. In 2016, following completion of a project with Visa Europe and various commercial banks, the Company dedicated itself to building a new third generation multiple-chain platform called Interbit™ based on a commercial outlook that anticipated increasing demand for complex blockchain based solutions.

Interbit™ was built upon blockchain technology at the hypervisor level to provide a secure computing environment that ensures privacy of data, and the ability to build applications that are faster, scalable, and support solution development using multiple blockchains. Interbit was Test Launched during the second quarter of 2018 on April 23rd. The Company expects that demand for multiple blockchain solutions will emerge as a significant trend in the blockchain sector in the upcoming years. Pursuant to this outlook and these business strategies, the Company launched in 2017 a business initiative called OneOffice –described further below - with a group of major European Energy Companies.

The Company commenced filing patents on October 2017, for its Interbit™ platform and the underlying Hypervisor architecture, and during Q2 the Company filed an additional three patents required for the Company's strategy of protecting its intellectual property.

Interbit™ product's vision is the capacity to operate and inter-connect many thousands of Interbit™ blockchains per server in a secure, private and scalable manner. Interbit™ allows practical creation of blockchain-based solutions through JavaScript applications and has also been designed for ease of use by customers, allowing it to be integrated into existing IT infrastructure in a quick and simple manner.

Highlights

The Company continues to advance Interbit™, the megachain technology platform it is building with the objective of being able to run 1,000,000+ chains simultaneously, and supporting the complex Enterprise level applications presented to the Company. BTL began development of the Interbit™ platform three years ago to overcome the limitations of single blockchain platforms. Following the release of Interbit™ (version II) in April 2018, the Company concluded from feedback that the revenue possibilities and its competitive position would be enhanced if it significantly increased the chain-joining and chain generation capacity of the platform. Since then, the Company has rearchitected the Interbit™ platform (version III) towards this unique megachain vision, which it targets to complete in Q1 of 2019.

The Company announced in January, 2018 that, following a successful pilot with BP, ENI and Wien Energy in fiscal 2017, an extended group of 9 leading European Energy producers and traders have agreed to participate in the next phase of the OneOffice application project. (see January 22, 2018 news release). This next production phase extended Interbit™'s technology to deliver cost savings across the trade cycle from reconciling trades through to settlement and invoice matching across this industry leading major consortium. During this Phase Two, utilizing the multiple blockchain nature of Interbit, the Company has developed a "blockchain per trade" architectural approach to building blockchain solutions for the trading partners. (see July 17, 2018 news release)

As of September 30, 2018, the Company reports a cash position of $12,657,956 and working capital of $12,595,230. During the first nine months of this fiscal year the Company engaged a number of outside parties to contribute towards Interbit's Test Launch in late April. Subsequent to that date, the Company has reduced its contractor footprint and monthly operating costs.

On April 23, 2018, the Company announced the test launch of Interbit™ and committed to successive product upgrades focused on stability and additional functionality. During the quarter the Company was introduced to commercial opportunities which require multi-chain capacity to produce solutions with many blockchains for which Interbit TM was developed to provide solutions.

Prior to the test launch, the Company filed an additional three patents required for the Company's strategy of protecting the intellectual property of its blockchain platform, Interbit™ and will seek to file two additional patents in the third quarter. By the end of the third quarter, the Company expects to have filed a total of 7 patents around its intellectual property associated with Interbit™.

On June 18, 2018 Susan Milton was appointed as a non-executive director of the Company.

Outlook

The Company's goals for 2018 focus on the progressive improvement of Interbit™ as a new technology blockchain platform and the commercialization of its OneOffice project. The test/dev version of Interbit™ was launched on April 23rd and 42 product updates have been released since that date enhancing both stability and functionality. Third party software audits will be undertaken to assist development of a production release. Full scale commercialization efforts of Interbit™ will be undertaken via our existing and growing customer base and partner community.

Interbit™ was demonstrated for the first time in public at the Consensus blockchain conference in New York in May where the unique features of Interbit™'s multiple blockchain architecture were recognized, which included the fact that recent European data protection laws ('GDPR') are met by Interbit'™s functionality.

In the previous two versions of the Interbit™ platform, chain-joining served to facilitate external interaction, whereas in the latest iteration of the platform, chain-joining now characterizes all interaction of internal and external exchanges of data. As the platform now contemplates operating across fleets of computers at megachain levels of data exchange and shared computation, consistent chain-joining across all data exchange points is required.

The Company also advises that it is seeking to come to terms on a licensing and development arrangement with Helix Applications Inc. ("Helix"), a newly established application development company. These arrangements target giving Helix access to the Interbit™ platform and its unique capabilities until platform development is completed, which is expected in Q1 of 2019.
Further, the Company announces that it is in discussions to be a technology platform provider to a potential joint venture that includes Helix and a significant technology party, which proposes to launch a

Expressed in Canadian Dollars

project global in reach and the Interbit™ platform's megachain capacity could be uniquely capable of a technical solution. The Company regards the joint venture discussions to be advanced and expects discussions to be successfully completed.

On September 20, 2018 the Company announced the filing of a sixth patent application for the Interbit™ platform - the "Hyperconvergence Application". The Company commenced filing TM - 2 - patent applications for the platform in October of 2017 (see the Company's October 17, 2017 press release) and accordingly has recently filed International applications for those patents.

Using the technical knowledge from this sixth patent application and the lightness afforded by the Interbit™ platform's recursive design, we expect to able to increase the concurrency and elasticity of Interbit™ platform solutions, thereby achieving megachain scale on the platform. In addition a clear endpoint for development of the Interbit™ platform has been set – when it can run a megachain scale demonstration, fully emulated inside of another megachain solution, and the system correctness is self-proving, the platform will be ready for external auditing for production deployments.

Separating investor's association of the Company and Interbit™ from the swings and volatility of cryptocurrency markets remains a challenge. Blockchain has been historically associated with supporting cryptocurrencies but the technology benefits of blockchain are far more broad reaching. Interbit™ is a technology platform and will bring new, significant and sustainable longer term computing advantages.

Summary of Quarterly Results

For the Period Ended	Revenue ($)	Net Earnings (Loss)		Total assets ($)
		Total ($)	Basic and diluted earnings per share ($)	
2018 – September 30	Nil	(1,972,836)	(0.08)	13,055,956
2018 – June 30	Nil	(3,168,373)	(0.13)	14,679,966
2018 – March 31	Nil	(2,528,130)	(0.12)	16,693,886
2017 – December 31	Nil	(2,278,188)	(0.12)	18,356,713
2017 – September 30	Nil	(1,716,698)	(0.09)	2,956,454
2017 – June 30	43,244	(1,526,288)	(0.08)	3,713,806
2017 – March 31	329,683	(352,396)	(0.02)	1,435,601
2016 – December 31	184,079	(635,555)	(0.03)	2,036,283

<u>Three Months Ended September 30th, 2018 vs Three Months Ended September 30th, 2017</u>

The Company reported a net loss of $1,972,836 for the three months ended September 30, 2018, compared with a loss for the three months ended September 30, 2017 of $1,716,698.

The reported loss consists primarily of the following:

- Management and developer salaries of $718,887 (three months ended September 30, 2017 - $857,859), representative of the Company's investment in human capital supporting the development and launch of Interbit™. Beginning in Q2 2018 and continuing into Q3 2018, the Company reduced its overall head count, streamlining its operations, with a focus on reducing non-developer human capital costs.
- Consulting fees of $109,670 increased marginally from $94,022 during the three months ended September 30, 2017, as the use of third party consultants remained consistent with the comparative period.
- Travel expenses increased to $148,291 during the three months ended September 30, 2018 from $111,451 during the three months ended September 30, 2017. Travel expenses consisted of sales, marketing, and collaborative development travel accommodation.
- Professional fees were $159,943 during the three months ended September 30, 2018 up from $85,355 for the three months ended September 30, 2017 as legal costs associated with patent registration continued, and the legal infrastructure necessary to support the development of Interbit™ continued.
- Marketing costs for the three months ended September 30, 2018 increased to $40,820, compared to $58,060 for the three months ended September 30, 2017, as the Company reduced the spend on marketing initiatives following the initial launch of Interbit™ in April 2018, as it focused its resources towards completing the remaining phases of the platform.
- Stock-based compensation increased for the three months ended September 30, 2018 to $598,719, compared to $338,464 for the three months ended September 30, 2017, as stock options were granted to an increasing number of staff.
- Office and general increased to $253,503 for the three months ended September 30, 2018 from $171,487 for the three months ended September 30, 2017, primarily driven by an increase in occupancy costs in the Company's London office. Toward the end of Q3, the Company ended its month to month office lease in London, England, at or about the same time it reduced its UK employee count.
- Interest income rose from $Nil in the three months ended September 30, 2017 to $56,997 for the three months ended September 30, 2018, representing interest earned on the Company's cash accounts.

<u>Nine Months Ended September 30, 2018 vs Nine Months Ended September 30, 2017</u>

The Company reported a net loss of $7,669,340 for the nine months ended September 30, 2018, compared with a loss for the nine months ended September 30, 2017 of $3,595,137.

The reported loss consists primarily of the following:

- Management and developer salaries of $2,482,800 (nine months ended September 30, 2017 - $1,738,488). Beginning in Q2 2018 and continuing into Q3 2018, the Company reduced its overall head count, streamlining its operations, with a focus on reducing non-developer human capital costs.
- Consulting fees of $818,039 increased from $392,130 during the nine months ended September 30, 2017. Third party consultants were utilized to accommodate increasing workloads, as full time staffing additions were ramped up during the first six months of the year.
- Travel expenses increased to $439,063 during the nine months ended September 30, 2018 from $228,852 during the nine months ended September 30, 2017, as the company head count rose in each of the Calgary, Vancouver and London offices in the first two quarters of the year. Travel expenses consisted of sales, marketing, and collaborative development travel accommodation.
- Professional fees increased to $357,687 during the nine months ended September 30, 2018 from $240,018 for the nine months ended September 30, 2017, consisting of legal costs associated with patent registration, and the legal infrastructure necessary to support the

Interbit™ product launch.

- Marketing costs for the nine months ended September 30, 2018 increased to $486,934, compared to $197,288 for the nine months ended September 30, 2017, as the Company focused on public awareness of its product line and supported its April 23, 2018 Interbit™ product launch.
- Stock-based compensation increased for the nine months ended September 30, 2018 to $2,265,254, compared to $687,095 for the nine months ended September 30, 2017, as stock options were granted to an increasing number of staff, with the underlying value of which substantially buoyed by an appreciation in the market price of the Company`s publicly traded stock.
- Office and general increased to $990,372 for the nine months ended September 30, 2018 from $484,193 for the nine months ended September 30, 2017, primarily driven by an increase in occupancy costs in the Company's London office, to support the April 2018 Interbit™ product launch. Toward the end of Q3, the Company ended its month to month office lease in London, England, at or about the same time it reduced its UK employee count.
- Consulting fee revenue declined to $Nil for the nine months ended September 30, 2018 from $372,927 for the nine months ended September 30, 2017. There were no pilot projects undertaken during the nine months ended September 30, 2018.
- Interest income rose from $nil in the nine months ended September 30, 2017 to $170,809 for the nine months ended September 30, 2018, representing interest earned on the Company's cash accounts.

Liquidity and Capital Resources

The Company reported working capital as at September 30, 2018 of $12,595,230 (December, 2017 - $17,360,023), and cash of $12,657,956 (December 31, 2017 - $17,998,870).

The cash on hand as at September 30, 2018, is expected to be sufficient to meet the Company's liquidity requirements for the next twelve months.

During the nine months ended September 30, 2018, the Company benefitted from the exercise of options and warrants, providing $639,293 in cash proceeds to the Company's treasury. Should the Company`s remaining options and warrants have been exercised at September 30, 2018, a further $4,745,650 and $11,343,209 respectively, or $16,088,859 in aggregate would be have been available to fund the Company`s treasury.

On November 23, 2018, 1,501,637 $7.00 warrants expired without exercise.

On April 6, 2017, the Company closed a non-brokered private placement for aggregate gross proceeds of $3,105,000

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 CAD$3.25 per share. Cash costs of issue amounted to $174,167.

The fair value of the 575,000 warrants upon grant was $2,120,313 as calculated using the Black-Scholes option pricing model with the following assumptions: a 24 months expected average life; share price of $4.40; 185.08% expected volatility; risk free interest rate of 0.72%; and an expected dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over the expected life of the warrants.

On November 23, 2017, the Company closed a brokered private placement of 2,184,000 equity units of the company at an issue price of $4.90 per unit, for aggregate gross proceeds of approximately $10.7-million. Each unit comprises one common share of the company and one-half of one common share purchase warrant, with each warrant entitling the holder to purchase one common share at an exercise price of $7 per common share until November 23, 2018.

In connection with the brokered offering, the Company entered into an agency agreement with GMP Securities LP, whereby the Company agreed to pay the agent a fee equal to 6 per cent of the aggregate gross proceeds received under the brokered offering.

The Company also closed a concurrent non-brokered private placement of 938,774 units at an issue price of $4.90 per unit, for aggregate gross proceeds of approximately $4.6-million. In connection with the non-brokered offering, the company has paid a finder's fee to Smaller Capital Company Ltd. of $276,000.

In connection with the offerings, the Company issued an aggregate of 3,122,774 common shares and 1,561,387 warrants, for gross proceeds of approximately $15.3 million.

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:

- 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.

- 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.
- 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.
- 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

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 – Financial instruments ("IFRS 9") addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009, October 2010, November 2013 and finalized in July 2014. It replaces the parts of IAS 39 Financial Instruments: Recognition and Measurement that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value through profit or loss and those measured at amortized cost, with the determination made at initial recognition. The classification depends on an entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that in cases where the fair value option is selected for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the statements of operations, unless this creates an accounting mismatch. IFRS 9 has also been updated to amend the requirements around hedge accounting. However, there is no impact to the Company from these amendments as it does not apply hedge accounting. On April 1, 2018, the Company adopted these amendments.

The new hedge accounting guidance had no impact on the Company's unaudited condensed interim financial statements.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit and loss (FVTPL). (See note 2 of the Company's September 30, 2017 condensed interim consolidated financial statements)

IFRS 15 Revenue from Contracts with Customers – The IASB issued IFRS 15 to establish principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The core principle of IFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. IFRS 15 also includes a cohesive set of disclosure requirements that would result in an entity providing comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The Company adopted this standard on January 31, 2018, with no impact on its condensed interim consolidated financial statements.

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.

For investment, 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:

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.

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 September 30, 2018, the Company had a cash balance of $12,657,956 to settle current liabilities of $460,049. 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 September 30, 2018, totaled $12,595,230 (December 31, 2017 - $17,360,023). 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 nine months ended September 30, 2018.

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;

Mr. Dominic McCann, transitioned from the position of Executive Vice-President, Sales and Marketing, a position he held since July 3, 2017 to the role of Chief Executive Officer on October 2, 2017. Mr. Guy Halford-Thompson, the former Chief Executive Officer, remained with the Company as a director until July 30, 2018.

During the three and nine months ended September 30, 2018, the current CEO`s remuneration was $80,370 and $235,170, respectively (three and nine months ended September 30, 2017 - $nil)

During the three and nine months ended September 30, 2018, the prior CEO`s remuneration was $nil (three and nine months ended September 30, 2017 - $35,000 and $105,000, respectively)

During the three and nine months ended September 30, 2018, CFO remuneration was $4,500 and $13,500, respectively (three and nine months ended September 30, 2017- $4,635 and $13,920, respectively)

Mr. Dominic McCann, transitioned from the position of Executive Vice-President, Sales and Marketing, a position he held since July 3, 2017 to the role of Chief Executive Officer on October 2, 2017. Mr. Guy Halford-Thompson, the former Chief Executive Officer, remained with the Company as a director until July 30, 2018.

Mr. McCann was a director of SAS Institute where he led the Oil and Gas Business Unit for SAS in Europe, the Middle East and Africa. Dominic has a very technology focused sales career with a great deal of exposure to the energy sector having previously worked at Accenture, Dell, Morse Group and mhm Group which was acquired by Deloitte. He is based in BTL's London office, UK.

As at September 30, 2018, amounts due to related parties totaled $23,974 (December 31, 2017 - $31,930) pertaining to amounts payable for key management remuneration, and reimbursement of expenses paid on behalf of the Company.

During the three and nine months ended September 30, 2018, two directors were paid strategic consulting fees as follows:, Mr. Brian Hinchcliffe: $39,687 and $116,857, respectively (three and nine months ended September 30, 2017 - $nil); and Mr. John Thomson: $25,476 and $78,813, respectively (three and nine months ended September 30, 2017 - $nil). As at September 30, 2018, $nil (December 31, 2017 - $nil) was included in accounts payable and accrued liabilities in relation to these fees.

During the three and nine months ended September 30, 2018, the Company expensed $10,911 and $34,325, respectively (three and nine months ended September 30, 2017 - $10,972 and $35,667, respectively) to Marrelli Support Services Inc. (“Marrelli Support”) and DSA Corporate Services Inc. (the “DSA”), together known as the “Marrelli Group” for:

(i) Robert D.B. Suttie, Vice President of Marrelli Support, to act as Chief Financial Officer (“CFO”) of the Company;

(ii) Bookkeeping and office support services;

(iii) Regulatory filing services; and

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

As of September 30, 2018, the Marrelli Group was owed $2,459 (December 31, 2017 - $18,202). These amounts are included in accounts payable.

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

Between October 29, 2018 and October 31, 2018, the Company granted 669,392 stock options to employees and consultants of the Company with exercise prices ranging from $1.20 to $1.29, for a term of five years.

On November 23, 2018, 1,501,637 $7.00 warrants expired without exercise.

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 September 30, 2018, 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 remain undefined 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 23,868,916 common shares, 2,261,892 options, and 257,000 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