

CASCADIA CONSUMER ELECTRONICS CORP.

(the "Company")

MANAGEMENT DISCUSSION AND ANALYSIS

For the Nine Months Ended October 31, 2016

The following Management Discussion and Analysis ("MD&A") has been prepared by management as of December 29, 2016, should be read in conjunction with the condensed interim consolidated financial statements and related notes of the Company for the nine months ended October 31, 2016 and the condensed interim consolidated financial statements and related notes of the Company for the nine months ended October 31, 2015. The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are stated in Canadian dollars unless otherwise indicated.

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking information and statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions as at the date of this MD&A. The words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "interprets", "may", "will" and similar expressions identify forward-looking statements. The forward-looking statements reflect the current beliefs of the management of the Company, and are based on currently available information. Readers are cautioned not to place undue reliance on these statements as they are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, such forward-looking statements. The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

OVERVIEW

Cascadia Consumer Electronics Corp. (the "Company" or "Cascadia") was incorporated on November 10, 2011 under the laws of British Columbia, Canada. Its registered office is located at Suite 800 – 885 West Georgia Street, Vancouver, British Columbia V6C 3H1. The Company is a reporting issuer in the province of British Columbia, Alberta and Ontario. In September 2013, the Company was approved for listing on the Canadian Securities Exchange ("CSE"). The Company's common shares commenced trading on the CNSX at the opening of markets on September 12, 2013 under the symbol "CK".

On July 1, 2014, its head office and mailing address changed to be Suite 1552 - 701 West Georgia Street, Vancouver, British Columbia, Canada, V7Y 1C6 from Suite 2140, 21331 Gordon Way, Richmond, British Columbia, Canada, V6W 1J9.

In July and August 2014, 240,000 of 300,000 two-year stock options granted on August 6, 2012 were exercised at \$0.10, and the rest 60,000 stock options were expired on August 5, 2014.

On October 17, 2014, the Company completed a private placement of unsecured convertible debentures with a principal amount of \$50,000 (the "Debentures"). The principal matured on December 16, 2014 (the "Maturity Date"). The Debentures accrued interest at 8% per annum. On January 16, 2015, 398,437 common shares were issued when the principal of \$50,000 plus accumulated interest of \$1,000 were converted to common shares at \$0.128 per share.

On December 8, 2014, the Company granted 100,000 stock options to a director of the Company. The stock options have an exercise price of \$0.16 per option, vest immediately and expire on December 8, 2019.

On March 17, 2015, the Company completed its non-brokered private placement and issued 2,000,000 units ("Unit") for proceeds of \$240,000 at \$0.12 per Unit. Each Unit comprises of one common share and one non-transferable common share purchase warrant ("Warrant"). Each Warrant entitles the holder to acquire one common share of the Company at a price of \$0.16 per common share for five years from March 17, 2015. Such Warrant expired on January 10, 2016 based on the Amendment to Warrants issues on December 30, 2015.

On November 27, 2015, the Company completed its non-brokered private placement announced on October 26, 2015 and issued 10,951,400 unites ("Unit") for proceeds of \$821,355.00 at \$0.075 per Unit. Each Unit consists of one common share of the Company and one non-transferrable common share purchase warrant ("Warrant"). Each Warrant entitles the holder to acquire one common share of the Company at a price at \$0.10 per share for a period of five years.

On March 15, 2016, 200,000 options were granted to directors and officers of the Company. The options are exercisable at a price of \$0.12 per share for a period of five years and vested immediately.

On March 24, 2016, the Company completed a non-brokered private placement announced on January 27, 2016 and issued 28,500,000 unites ("Unit") for proceeds of \$2,565,000 at \$0.09 per Unit. Each Unit consists of one common share of the Company and one non-transferrable common share purchase warrant ("Warrant"). Each Warrant entitles the holder to acquire one common share of the Company at a price at \$0.12 per share for a period of five years.

Intangible Assets

In December 2015, the Company signed an asset purchase agreement (the "Agreement") with a third-party individual. Under the terms of the Agreement, the Company agreed to acquire the "www.allcoin.com" website and all allcoin.com subdomains (collectively, the "Websites") and all the assets related to the Websites (the "Assets") for a consideration of \$85,040 (Chinese Renminbi ("RMB") RMB400,000). These Websites and related Assets are all registered under the Company's subsidiary Allcoin. The Company incurred \$2,668 legal fee in relation to the purchase of the Assets.

Subsequent to the acquisition of the Website, the Company experienced certain technical difficulties in the functionality of the Website and management was not able to determine when the Website would be fully operative. The Assets' capitalized cost of \$87,708 was written down to \$Nil since 2016.

Subsidiaries

1. Dissolving wholly owned subsidiary

On February 6, 2015, 0945081 BC Ltd., a wholly owned subsidiary of Cascadia was dissolved. All assets and liabilities of the subsidiary were transferred to the parent Company.

2. Incorporating Wholly Foreign Owned Enterprise (often referred to as a "WFOE")

On October 9, 2015, the Company incorporated a WFOE in China under the name "Tianjin Bocui Technology Limited" ("Bocui"). Among other benefits, WFOEs can give greater control over business ventures in mainland China and avoid a multitude of problematic issues which can potentially result from dealing with a domestic joint venture partner. The Company intends on using Bocui to explore business opportunities, specifically in the consumer-to-consumer, business-to-consumer and business-to-business web portal sales services industry.

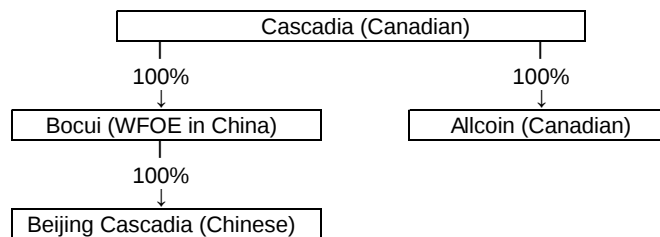
3. Incorporating wholly owned subsidiary

On December 22, 2015, the Company incorporated a wholly owned subsidiary "Allcoin Technology Ltd." ("Allcoin"). Cascadia registered "www.allcoin.com" website and all allcoin.com subdomains (collectively, the "Websites") and all the assets related to Websites (the "Assets") purchased on December 30, 2015 through a third party under Allcoin.

4. Incorporating Chinese subsidiary wholly owned by WFOE Bocui

On February 17, 2016, a Chinese subsidiary "Beijing Cascadia Technology Limited" ("Beijing Cascadia") is incorporated under Bocui. This subsidiary is mainly used to ease of the daily operation in Beijing.

The detail structure of the Company is shown as follows,



SELECTED ANNUAL FINANCIAL INFORMATION

	Years Ended January 31		
	2016	2015	2014
	\$	\$	\$
Total revenues	-	-	-
General and administrative	166,416	102,983	136,559
Loss for the year	(222,117)	(102,983)	(136,559)
Loss per share – basic	(0.01)	(0.01)	(0.01)
Loss per share – diluted	(0.01)	(0.01)	(0.01)
Total assets	840,734	257,051	89,006
Total long-term liabilities	-	-	-
Shareholder's equity (deficiency)	815,447	233,746	69,710
Cash dividends declared - per share	-	-	-

DISCUSSION OF OPERATIONS

The Company is currently in the process of developing and investing in technologies and platforms that leverage the blockchain technology with the goal of providing solutions to real world problems and transforming existing industries. In addition, the Company is also actively looking for new business opportunities in certain web services areas. In December 2015, the Company acquired a website "www.allcoin.com", and is working on establishing an Internet platform to utilize block chain technology to facilitate trading among its users.

During the nine months ended October 31, 2016, the Company reported a net loss of \$551,528, compared to net loss of \$75,852 in correspondence period in 2015. The increase in loss of \$475,676 was mainly attributable to:

1. an increase of \$41,190 in professional fees from \$32,477 in 2015 to \$73,667 in 2016, due to development fee on the newly purchased www.allcoin.com website;
2. an increase of \$285,397 in salary and benefits from \$24,893 in 2015 to \$310,290 in 2016, due to increase of director fee and basis salary paid to www.allcoin.com development and maintenance team;
3. an increase of \$89,729 in office and miscellaneous from \$3,427 in 2015 to \$93,156 in 2016, due to more business activities in current period, such as office expenses related to www.allcoin.com, and travel expenses for the Annual General and Special Meeting held on October 5, 2016;
4. an increase of \$14,020 in share-based compensation in 2016 compared to \$Nil in 2015, due to 200,000 units of stock options granted to the directors and officers of the Company on March 15, 2016;
5. an increase of \$53,409 in rent with \$56,677 in 2016 compared to \$3,268 in 2015, due to the rent of office for IT team in China;
6. an increase of \$7,444 in foreign exchange gain in 2016 compared to \$Nil in 2015, is due to RMB1,514,757 in Beijing Cascadia, Chinese subsidiary's bank account and US\$1,933,000 in Cascadia's USD bank account. As at October 31, 2016, the increase of foreign exchange rates of Canadian dollar to Chinese RMB and US dollar to Canadian dollar cause the combined result as foreign exchange gain.

SUMMARY OF QUARTERLY RESULTS

The following financial information for the Company has been derived from the Company's financial statements for the Company's most recent 8 quarters.

	For the Three Months Ended							
	Fiscal 2017			Fiscal 2016				Fiscal 2015
	Oct. 31,	July 31,	Apr. 31,	Jan. 31,	Oct. 31,	Jul. 31,	Apr. 30,	Jan. 31,
	2016	2016	2016	2016	2015	2015	2015	2015
	\$	\$	\$	\$	\$	\$	\$	\$
Revenues	-	-	-	-	-	-	-	-
Income (loss) from continuing operations	(211,246)	(262,852)	(85,955)	(90,564)	(25,413)	(38,201)	(12,238)	(5,286)
Other income (loss)	71,807	104,133	(167,415)	(55,701)				
Net income (loss)	(139,439)	(158,719)	(253,370)	(146,265)	(25,413)	(38,201)	(12,238)	(5,286)
Comprehensive income (loss)	(139,439)	(158,719)	(253,370)	(146,265)	(25,413)	(38,201)	(12,238)	(5,286)
Income (loss) from continuing operations per share - basic and diluted	-	-	-	-	-	-	-	-
Net loss (loss) per share - basic and diluted	-	-	-	-	-	-	-	-
Comprehensive loss (loss) per share - basic and diluted	-	-	-	-	-	-	-	-

LIQUIDITY AND CAPITAL RESOURCES

During the nine months ended October 31, 2016, the cash balance increased by \$2,062,065, which is the combined result of financing and operating activities. As at October 31, 2016, the Company had a cash balance of \$2,895,957 compared to a cash balance of \$150,846 as at October 31, 2015. The Company had a working capital surplus of \$2,839,940 as at October 31, 2016 compared to the working capital surplus of \$156,893 as at October 31, 2015.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

- For the nine months ended October 31, 2016, included in amounts receivables was \$6,279 (2015 - \$3,215) owed by P2P Info. Inc. ("P2P"), a company related with some common directors. The Company and P2P share office rent equally.
- The Company incurred the following compensation to key management personnel of the Company:

		Nine Months Ended October 31, 2016	Nine Months Ended October 31, 2015
		\$	\$
Salaries and Benefits	Directors	62,554	23,259
Share-Based Compensation	Directors	11,216	-
Total Remuneration		73,770	23,259

Key management includes directors, the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of the Company.

DIRECTORS AND OFFICERS

Di Deng	CEO and Director, Chair of Audit Committee
Ying Zhou	CFO and Director, Member of Audit Committee
Shanshan Zhu	Director, Member of Audit Committee
Linda Zhang	Corporate Secretary

OUTSTANDING SHARE DATA AS AT DECEMBER 29, 2016

	Number Outstanding (#)	Exercise Price (\$)	Expiry Date
Common shares	56,567,337		
Common shares issuable on exercise:			
Stock options	300,000	0.16	October 7, 2018
Stock options	100,000	0.16	December 8, 2019
Stock options	200,000	0.12	March 15, 2021
Warrants	10,951,400	0.10	November 27, 2020
Warrants	28,500,000	0.12	March 24, 2021

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the condensed interim consolidated financial statements and revenues and expenses for the periods reported. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Significant areas requiring the use of management estimates include the determination of deferred income tax assets and liabilities, and assumptions used in valuing options in share-based compensation calculations and assumptions used in determining the value of the convertible debentures. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical accounting judgements are accounting policies that have been identified as being complex or involve subjective judgments or assessments with a significant risk of material adjustment in the next year. A significant use of judgement is the ability of the Company to continue as a going concern.

FINANCIAL INSTRUMENTS

The Company classifies its cash and cash equivalents as a financial asset at fair value through profit and loss ("FVTPL"), and its accounts payable as other financial liabilities. The carrying amount of financial liabilities carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments.

Fair value

Financial instruments measured at fair value on a recurring basis are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable. The three levels of the fair value hierarchy are:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash and cash equivalents of \$2,985,957 is classified as Level 1. There were no transfers into or out of Level 2 or Level 3 during the period.

Financial risk management

The Company's financial risks arising from its financial instruments are currency risk, credit risk, liquidity risk and interest rate risk. The Company's exposure to these risks and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Currency risk

The Company's expenses are mainly denominated in Canadian dollars. The Company has a wholly-owned foreign entity Bocui AND Beijing Cascadia based in China. Bocui and Beijing Cascadia hold cash and incurs expenditures in RMB and it faces exchange rate fluctuation.

The Company also faces exchange rate fluctuation relative to US dollar as it holds US fund from March 24, 2016 private placement.

Significant change in the currency exchange rates between the Canadian dollar relative to US dollar, and significant change in the currency exchange rates between the Canadian dollar relative to RMB could both have effect on the Company's results of operations, financial position and/or cash flow.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents. The Company's credit risk with respect to its cash is minimal as it is held with a large financial institution.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage, as outlined in Note 8. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. As October 31, 2016, the Company had a working capital surplus of \$2,938,940. All the Company's financial liabilities are classified as current.

Interest rate risk

The Company is exposed to interest rate risk on its GIC. The Company has no interest-bearing debt. The Company has not entered into any derivative instruments to manage interest rate fluctuations. The Company does not have significant interest rate risk.

Sensitivity analysis

The following sensitivity analysis estimates the impact on net income or loss for which a potential change in foreign exchange rates during the period ended October 31, 2016 would have had.

The sensitivity analysis includes the assumption that changes in individual foreign exchange rates do not cause foreign exchange rates in other countries to alter.

A theoretical increase (decrease) of 10% in the US dollar to Canadian dollar exchange rate could have (decreased) increased the net loss by approximately \$259,080.

The same scenario applies to the RMB to Canadian dollar exchange rate.

The above result arises primarily because the Company has RMB and US dollars denominated cash. The financial position of the Company may vary at the time that a change in the foreign exchange rate occurs, causing the impact on the Company's results to differ from that shown above.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Changes in accounting policy

Effective February 1, 2016, the Company adopted the following new accounting standards and interpretations. The Company determined that the adoption of these standards and interpretations did not result in any material changes in the consolidated financial statements.

IFRS 7 Financial Instruments: Disclosures - In December 2011, the IASB issued an amendment to this standard, which requires entities to provide additional information about offsetting of financial assets and financial liabilities that will enable users of financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with an entity's recognized financial assets and recognized financial liabilities, on the entity's financial position.

IFRS 10 Consolidated Financial Statements - IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

IFRS 13 Fair Value Measurement - IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement.

IAS 32 Financial Instruments: Presentation – In December 2011, the IASB issued an amendment to clarify the meaning of the offsetting criterion and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement. Earlier application is permitted when applied with corresponding amendment to IFRS 7.

IAS 1 Presentation of Financial Statements – IAS 1 has been amended to require entities to separate items presented in other comprehensive income (“OCI”) into two groups, based on whether or not items may be recycled to net income in the future. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately including prior year comparatives.

IAS 1 Presentation of Financial Statements – In December 2014, the IASB issued an amendment to address perceived impediments to preparers exercising their judgment in presenting their financial reports. The changes clarify that materiality considerations apply to all parts of the financial statements and the aggregation and disaggregation of line items within the financial statements.

New accounting standards issued but not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee (“IFRIC”) that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

The following standard will be effective for annual periods beginning on or after January 1, 2018:

IFRS 9 Financial Instruments - In November 2009, as part of the IASB project to replace IAS 39 *Financial Instruments: Recognition and Measurement*, the IASB issued the first phase of IFRS 9, that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013, the standard was revised to add the new general hedge accounting requirements. The standard was finalized in October 2014 and was revised to add a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income (FVOTCI) category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics test.

The extent of the impact of adoption of these standards and interpretations on the consolidated financial statements of the Company has not been determined.

ADDITIONAL INFORMATION

Additional information concerning the Company and its operations is available on SEDAR at www.sedar.com.

APPROVAL

The Board of Directors of Cascadia Consumer Electronic Corp. has approved the contents of this management discussion and analysis on December 29, 2016. A copy of this MD&A together with the Company’s condensed interim consolidated financial statements for the nine months ended October 31, 2016 and 2015 will be provided to anyone who requests it.