CASCADIA BLOCKCHAIN GROUP CORP.
(FORMERLY CASCADIA CONSUMER ELECTRONICS CORP.)

(the “Company”)

MANAGEMENT DISCUSSION AND ANALYSIS

For the Nine Months Ended October 31, 2018

The following Management Discussion and Analysis (“MD&A”) has been prepared by management as of December 31, 2018, 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, 2018 and the audited consolidated financial statements and related notes of the Company for the year ended January 31, 2018. 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.

THIS MD&A CONTAINS THE FOLLOWING SECTIONS:

OVERVIEW

Cascadia Blockchain Group Corp. (formerly "Cascadia Consumer Electronics Corp.") (the "Company" or "Cascadia") was incorporated on November 10, 2011 under the laws of British Columbia, Canada. Cascadia is a technology company operating in Vancouver, Canada. Its registered office is located at 20th floor – 250 Howe Street, Vancouver, British Columbia V6C 3R8, and head office is at Suite 1552 – 701 West Georgia Street, Vancouver, British Columbia V7Y 1C6. In September 2013, the Company was approved for listing on the Canadian Securities Exchange ("CSE"). The Company's common shares commenced trading on the CSE at the opening of markets on September 12, 2013 under the symbol "CK".

On December 20, 2017, the Company was imposed a temporary halt of trading because the Company proposed a fundamental change of business to a blockchain company and a change of its name to Cascadia Blockchain Group Corp. The proposed change of business and change of name have both been approved by the CSE on September 7, 2018. Cascadia has resumed trading on September 10, 2018 under the existing symbol "CK". The corresponding listing statement is filed on both the CSE and SEDAR websites.

Subsidiaries

1. Incorporating Wholly Foreign Owned Enterprise (often referred to as a "WFOE") in China

   The Company incorporated a WFOE in China under the name "Tianjin Bocui Technology Limited" ("Bocui") on October 9, 2015. 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. Bocui is currently inactive.

2. Incorporating wholly owned subsidiary in Canada

   "CK Fintech Corp." ("CK Fintech") is a wholly owned subsidiary incorporated on December 22, 2015. CK Fintech has developed a trading platform to provide various transaction capabilities for selected blockchain technology based digital assets, utility tokens, and cryptocurrencies. On February 19, 2018, the Company entered into a 3-year licensing agreement of its intellectual properties in trading platform with an unrelated third party in exchange for $60,000 per month payable in cash or Bitcoin.

3. Dissolving Chinese subsidiary wholly owned by WFOE Bocui

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

   In January 2018, management of the Cascadia decided to sell all of the equity interest of this wholly owned subsidiary Beijing Cascadia. On February 9, 2018, the Company disposed all of its equity interest in its 100% owned subsidiary Beijing Cascadia in consideration for RMB1 with the assumption of debt of $2,035,322 by the purchaser. The Company will have a more efficient team to support the ongoing development and enhancement of the platform and other blockchain related projects in the future.

4. Incorporating a wholly owned subsidiary in Canada

   The Company incorporated a wholly owned subsidiary "CK Blockchain Lab Corp." to research and develop blockchain products on September 28, 2017.

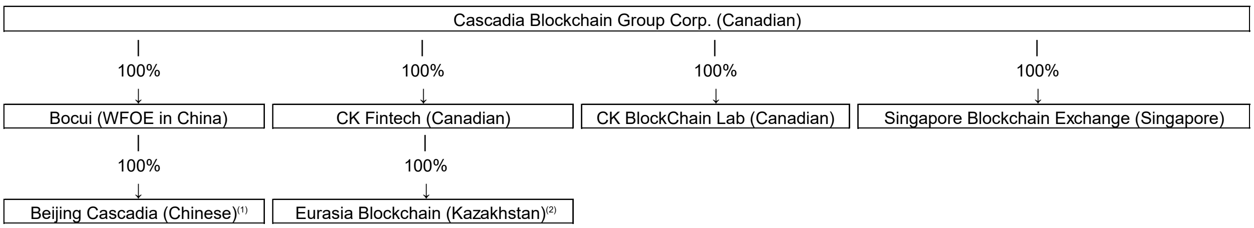
5. Incorporating a wholly owned subsidiary in Singapore

   On December 19, 2017, the Company incorporated a wholly owned subsidiary "Singapore Blockchain Exchange PTE Ltd." ("Singapore Exchange") to explore the possibility of obtaining a license for the operation of a digital assets exchange.

6. Incorporating a wholly owned subsidiary in Kazakhstan

   On June 28, 2018, CK Fintech incorporated a wholly owned subsidiary "Eurasia Blockchain Fintech Group Limited" ("Eurasia Blockchain") to establish a foothold to provide blockchain solutions for various organizations.

The detail structure of the Company is shown as follows:



(1) On February 9, 2018, Bocui sold the Beijing Cascadia to a third party
(2) On June 28, 2018, CK Fintech incorporated its 100% owned subsidiary Eurasia Blockchain

The presentation of the Company is the Canadian dollar. The functional currency of the Company and its subsidiaries is also the Canadian dollar except for Beijing Cascadia and Eurasia Blockchain.

The functional currency of Beijing Cascadia, which was sold on February 9, 2018, is Chinese Renminbi ("RMB").

The functional currency of Eurasia Blockchain is Kazakhstani Tenge ("KZT").

DISCOUNTINUED OPERATIONS AND DISPOSAL OF BUSINESS

To streamline the Company's plan to focus on developing other blockchain projects, in January 2018, the management of the Company decided to sell its equity interest of Beijing Cascadia. On February 8, 2018, the Company completed the sale of all of its equity interest of Beijing Cascadia in consideration for RMB1.0 with the assumption of debt of $2,035,322 by an independent third party purchaser.

Beijing Cascadia was incorporated to facilitate the daily operation and development of a platform to facilitate trading of blockchain related assets for the Company. The development and the testing of the trading platform were completed at the end of 2017. Beijing Cascadia generated $nil revenue for the nine months ended October 31, 2018 (2017: $664,851). Beijing Cascadia also had a net loss of $75,866 for the nine months ended October 31, 2018 presented as discontinued operation (2017: $228,209).

The operating results from disposed business are presented as discontinued operations and prior periods have been restated.

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2018	2017	**2018**	2017
Results from discontinued operations				
Revenue	**$ -**	$ 110,641	**$ -**	$ 775,492
Operation expenses	**-**	472,829	**75,866**	1,425,889
Net loss from discontinued operations	**$ -**	$ (362,188)	**$ (75,866)**	$ (650,397)

Cash flows from discontinued operations included within the consolidated statements are as follows,

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2018	2017	**2018**	2017
Cash flows from (used in)				
Operating activities	**$ -**	$ 40,282	**$ 141,323**	$ 8,654
Investing activities (additions to equipment)	**-**	(7,860)	**-**	(13,800)
Financing activities	**-**	-	**-**	-
Net cash flows from discontinued operations	**$ -**	$ 32,422	**$ 141,323**	$ (5,146)

The results of disposal of Beijing Cascadia are presented as follows,

Consideration associated with disposal of Beijing Cascadia	
Consideration	$ -
Assumption of liabilities	2,035,322
Assets disposed	
Cash and cash equivalents	(183,415)
Accounts receivable	(45,839)
Prepaid expense	(31,625)
Equipment - computers	(50,684)
Gain before reclassification of cumulative translation adjustments	1,723,759
Reclassification to net earnings of cumulative translation adjustments	(61,179)
Gain on disposal of Beijing Cascadia	**$ 1,662,580**

DISCUSSION OF OPERATIONS

On September 7, 2018, the Company has received the CSE's approval to change its business to become a blockchain technology enterprise and to formally change its name from Cascadia Consumer Electronics Corp. to Cascadia Blockchain Group Corp.

During the three months ended October 31, 2018, we have set up a wholly owned subsidiary, an office in Astana, Kazakhstan and an office in Toronto, Canada to develop business opportunities to provide blockchain solutions to various organizations. Adam Cai, who has years of experience in banking and private equity, was hired as our vice president of business development to expand our business in the east coast of North America.

Beijing Cascadia had been working on establishing an exchange platform for cryptocurrency trading until the development and testing of the platform completed at the end of 2017. Beijing Cascadia had significant liability and was sold to a third party on February 8, 2018. Please refer to the "Discontinued operation and disposal of business" section for details.

On February 19, 2018, the Company entered into a 3-year non-exclusive licensing agreement of its intellectual properties in the Company's self-developed trading platform for blockchain based digital assets, utility tokens and cryptocurrencies, with an unrelated third party in exchange for $60,000 monthly licensing fee to be payable in cash or Bitcoin. The licensing fee was waived for the first three months and then it is payable every three months.

According to the licensing agreement, the first licensing fee payment of $203,226 which includes the period from May 19 to August 31, 2018 was due within five business days after August 31, 2018. The Company has not received any payment from the licensee as of the date of approval of these financial statements. The Company estimates that the life-time expected credit loss for the licensing fee receivable is $101,613. No licensing fee has been recognized as revenue since August 31, 2018 until the licensee is able to demonstrate its ability to pay again.

REVIEW OF FINANCIAL RESULTS

Three months ended October 31, 2018 compared to three months ended October 31, 2017

During the three months ended October 31, 2018, the Company reported a net loss of $1,338,828, compared to a net loss of $403,216 in the same period in 2017. The details are listed as in the table below where the three-month ended October 31, 2017 is re-stated to separate the discontinued operation.

	Three Months Ended October 31,		Variance
	2018	2017	$
	(Unaudited)	(Unaudited)	
REVENUE	**$ 60,000**	$ -	60,000
EXPENSE			
Salaries and benefits	**$ 204,683**	$ 36,210	168,473
Office and miscellaneous	**172,088**	27,921	144,167
Professional fees	**191,620**	39,401	152,219
Provision for expected credit losses	**101,613**	-	101,613
Rent	**26,214**	3,217	22,997
Listing and transfer agent expenses	**2,693**	5,069	(2,376)
Amortization	**1,016**	-	1,016
OPERATING LOSS	**$ (639,927)**	$ (111,818)	(528,109)
OTHER INCOME (LOSS)			
Interest income	**-**	(2,583)	2,583
Foreign exchange gain (loss)	**99,640**	73,373	26,267
Change in fair value of cryptocurrency	**(798,541)**	-	(798,541)
LOSS FROM CONTINUING OPERATIONS	**$ (1,338,828)**	$ (41,028)	(1,297,800)
DISCONTINUED OPERATIONS			
Loss from discontinued operations	**-**	(362,188)	362,188
LOSS FOR THE PERIOD	**$ (1,338,828)**	$ (403,216)	(935,612)
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will be reclassified to net income / loss:			
Foreign exchange from discontinued operations	**-**	(15,571)	15,571
COMPREHENSIVE LOSS FOR THE PERIOD	**$ (1,338,828)**	$ (418,787)	(920,041)

The increase in loss from the three months ended October 31, 2017 to the same period ended October 31, 2018 is mainly attributable to the combination result of the followings:

From the continuous operation:

1. an increase in loss of $798,541 in fair value of cryptocurrency in the three months ended October 31, 2018 compared to $nil in the same period of 2017 due to the drop of bitcoin price as at October 31, 2018 compared with price at July 31, 2018;
2. an increase in salary and benefits expense from $36,210 for the three months ended October 31, 2017 to $204,683 for the same period of 2018, due to more senior level officers were hired to transform the Company from electronic technology to blockchain business and to develop the blockchain business;
3. an increase in professional fee from $39,401 for the three months ended October 31, 2017 to $191,620 in the same period of 2018 due to legal fee and auditing fee increase corresponding to the increase of business;
4. an increase in office and miscellaneous expense from $27,921 for the three months ended October 31, 2017 to $172,088 for the same period of 2018, due to expansion of the Company's operation;
5. an increase of $60,000 in revenue for the three months ended October 31, 2018 compared with $nil for the same period in 2017, due to the licensing fee for our exchange platform to a third-party since February 19, 2018. The licensing fee has been stopped being recognized as revenue since August 31, 2018 because there was a significant increase in credit risk;
6. an increase in loss of $101,613 related to provision for expected credit losses for the three months ended October 31, 2018 compared with $nil for the same period in 2017, due to the significant increase in credit risk related to the licensing fee receivable;
7. an increase of $26,267 in foreign exchange gain from $73,373 for the three months ended October 31, 2017 to $99,640 for the same period in 2018, mainly due to the increase in appreciation of the US dollar during the three months period ended October 31, 2018;
8. an increase of $22,997 in rent expense with $26,214 in the three months ended October 31, 2018 compared to $3,217 for the same period in 2017, due to more spaces needed with more employees hired in Canada and in Kazakhstan;

From discontinued operation:

As Beijing Cascadia was disposed on February 8, 2018, the revenue and operation expenses for the three months ended October 31, 2018 are both nil.

	Three Months Ended October 31,		Variance
	2018	2017	$
Results from discontinued operations			
Revenue	**$ -**	$ 110,641	(110,641)
Operation expenses	**-**	472,829	(472,829)
Net loss from discontinued operations	**$ -**	$ (362,188)	362,188

1. a decrease of $110,641 in revenue generated from technology service provided to a third party company by Beijing Cascadia for the three months ended October 31, 2017;
2. a decrease of $472,829 of operation expenses including rent, salary and benefits, and other expenses for the three months ended October 31, 2017.

Nine months ended October 31, 2018 compared to nine months ended October 31, 2017

During the nine months ended October 31, 2018, the Company reported a net loss of $1,213,447, compared to a net loss of $863,664 in the same period in 2017. The details are listed as in the table below where the nine-month ended October 31, 2017 is re-stated to separate the discontinued operation.

	Nine Months Ended October 31, 2018	2017	Variance $
REVENUE	**$ 203,226**	$ -	203,226
EXPENSE			
Salaries and benefits	**$ 547,773**	$ 80,602	467,171
Office and miscellaneous	**447,470**	31,597	415,873
Professional fees	**232,129**	53,189	178,940
Provision for expected credit losses	**101,613**	-	101,613
Rent	**56,266**	6,078	50,188
Listing and transfer agent expenses	**24,228**	12,757	11,471
Amortization	**2,536**	-	2,536
OPERATING LOSS	**$ (1,208,789)**	$ (184,223)	(1,024,566)
OTHER INCOME (LOSS)			
Foreign exchange gain (loss)	**99,780**	(29,044)	128,824
Change in fair value of cryptocurrency	**(1,691,152)**	-	(1,691,152)
Gain on disposal of business	**1,662,580**	-	1,662,580
LOSS FROM CONTINUING OPERATIONS	**$ (1,137,581)**	$ (213,267)	(924,314)
DISCONTINUED OPERATIONS			
Loss from discontinued operations	**(75,866)**	(650,397)	574,531
LOSS FOR THE PERIOD	**$ (1,213,447)**	(863,664)	(349,783)
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will be reclassified to net income / loss:			
Foreign exchange from discontinued operations	**(28,492)**	(15,571)	(12,921)
Reclassification to net income of cumulative translation adjustments related to business disposal	**61,179**	-	61,179
COMPREHENSIVE LOSS FOR THE PERIOD	**$ (1,180,760)**	$ (879,235)	(301,525)

The increase in loss from the nine months ended October 31, 2017 to the same period ended October 31, 2018 is mainly attributable to the combination result of the followings:

From the continuous operation:

1. an increase in loss of $1,691,152 in fair value of cryptocurrency in the nine months ended October 31, 2018 compared to $nil in the same period of 2017 due to the drop of bitcoin price as at October 31, 2018 compared with price at the year ended January 31, 2018;
2. a gain of $1,662,580 for the nine months ended October 31, 2018 due to the disposal of Beijing Cascadia on February 9, 2018, whereas $nil for the same period in 2017;
3. an increase in salary and benefits expense from $80,602 for the nine months ended October 31, 2017 to $547,773 for the same period of 2018, due to more senior level officers were hired to transform the Company from electronic technology to blockchain business and to develop the blockchain business;
4. an increase in office and miscellaneous expense from $31,597 for the nine months ended October 31, 2017 to $447,470 for the same period in 2018, due to expansion of the Company's operation;

5. an increase of $203,226 in revenue for the nine months ended October 31, 2018 compared with $nil for the same period in 2017, due to the licensing fee for our exchange platform to a third-party on February 19, 2018. The licensing fee has been stopped being recognized as revenue since August 31, 2018 because there was a significant increase in credit risk;
6. an increase of $128,824 in foreign exchange gain from $29,044 loss for the nine months ended October 31, 2017 to $99,780 gain for the same period in 2018, mainly due to the appreciation of the US dollar during the nine months period ended October 31, 2018;
7. an increase in loss of $101,613 for provision for expected credit losses for the three months ended October 31, 2018 compared with $nil for the same period in 2017, due to the significant increase in credit risk related to the licensing fee receivable;
8. an increase in loss of $50,188 in rent with $56,266 in the nine months ended October 31, 2018 compared to $6,078 for the same period in 2017, due to more spaces needed with more employees hired in Canada and in Kazakhstan;

From discontinued operation:

As Beijing Cascadia was disposed on February 8, 2018, the operation results for the nine months ended October 31, 2018 only included a short period of 8 days, compared to 270 days of the operation results for the same period in 2017.

	Nine Months Ended October 31, 2018	2017	Variance $
Results from discontinued operations			
Revenue	$ -	$ 775,492	(775,492)
Operation expenses	**75,866**	1,425,889	(1,350,023)
Net loss from discontinued operations	**$ (75,866)**	$ (650,397)	574,531

1. a decrease of $775,492 in revenue generated from technology service from Beijing Cascadia provided to a third party company with $775,492 for the nine months ended October 31, 2017;
2. a decrease of $1,350,023 of operation expenses including rent, salary and benefits, and other expenses for the nine months ended period from $1,425,889 in 2017 to $75,866 in 2018 due to shorter period.

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 2019			Fiscal 2018				Fiscal 2017
	Oct. 31, 2018	July 31, 2018 (restated)*	Apr. 30, 2018 (restated)*	Jan. 31, 2018	Oct. 31, 2017	July 31, 2017	Apr. 30, 2017	Jan. 31, 2017
	$	$	$	$	$	$	$	$
Income (loss) from continuous operations	(1,338,828)	(915,289)	1,116,536	(3,159,936)	(41,028)	(254,392)	82,153	(1,649,956)
Income (loss) from discontinued operations	-	-	(75,866)	(642,672)	(362,188)	(210,480)	(77,729)	(534,961)
Net income (loss)	(1,338,828)	(915,289)	1,040,670	(3,802,608)	(403,216)	(464,872)	4,424	(2,184,917)
Earning (loss)								
Per share - basic	(0.02)	(0.01)	0.01	(0.06)	(0.01)	(0.01)	0.00	(0.04)
per share - diluted	(0.02)	(0.01)	0.01	(0.06)	(0.01)	(0.01)	0.00	(0.04)

* Income from continuous operations for the three months ended April 30, 2018 has been restated from $1,248,165 to $1,116,536 and loss from continuous operations for the three months ended July 31, 2018 has been restated from $893,515 to $915,289, respectively. The licensing fees for the first three months was waived according to the three-year license agreement. The licensing fee was originally recognized as revenue using the straight-line method since February 19, 2018 based on the three-year term. However, the Company concluded the three-year agreement should be treated as a month-to-month contract for accounting purpose

and no revenue should be recognized during the first three months. Therefore, revenue was reduced by $131,629 for the three months ended April 30, 2018 and $21,774 for the three months ended July 31, 2018.

The significant loss for continuing operation during the three months ended October 31, 2018 and July 31, 2018 was mainly due to the loss in fair value of cryptocurrency in the three months ended October 31, 2018.

The significant net income from continuing operation during the three months ended April 30, 2018 was mainly due to the disposal of business, Beijing Cascadia, on February 9, 2018.

The significant loss from continuing operation during the three months ended January 31, 2018 was mainly due to the $2,516,392 loss in fair value of cryptocurrency in year ended January 31, 2018 when the bitcoin price dropped at January 31, 2018 compared with price at the closing of the private placement on December 29, 2017.

The significant loss from continuing operation during the three months ended January 31, 2017 was mainly due to the stock base compensation of $1,560,000.

For the discontinued operation, the loss is mainly due to the combined result of the revenue generated from the technical service provided by Beijing Cascadia to other unrelated company, and the expenses accompanying with its operation.

LIQUIDITY AND CAPITAL RESOURCES

Historically the Company has been successful in raising capital through private placements to finance day-to-day operation and expansion. The Company continually reviews operational results and expenditures to ensure adequate liquidity to support its growth strategy while maintaining the current operation. However, there is no guarantee that the Company will have access to future capital or the ability to generate positive cash flows.

As at October 31, 2018, the Company had a cash balance of $490,639 compared to a cash balance of $1,198,511 as at January 31, 2018. The cash decreased because of the cash used in operating activities during the period.

The Company had a working capital surplus of $4,024,963 as at October 31, 2018 compared to the working capital surplus of $6,830,115 as at January 31, 2018. Among which, the Company has 425 bitcoins with fair value of $3,497,507 as at October 31, 2018.

OFF-BALANCE SHEET ARRANGEMENTS

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

RELATED PARTY TRANSACTIONS

The Company incurred the following compensation to key management personnel of the Company:

		Nine Months Ended October 31, 2018	Nine Months Ended October 31, 2017
		$	$
Salaries and Benefits	Directors and Officers	**251,341**	39,377
Total Remuneration		**251,341**	39,377

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

Included in accounts payable and accrued liabilities was $274,036 (2017 - $Nil) due to directors and officers of the Company.

These transactions are in the normal course of operations and are measured at the exchange amount established and agreed to by the related parties.

DIRECTORS AND OFFICERS

Di Deng	Director, Chair of Board of Directors
Galen Cheng	Independent Director, Chairman of Audit Committee
Rui Wang	Chief Executive Officer and Director, Member of Audit Committee
Shanshan Zhu	Independent director, Member of Audit Committee
Garry Wong	Chief Financial Officer
Xiaochuan Guo	Chief Operating Officer

OUTSTANDING SHARE DATA AS AT OCTOBER 31, 2018

	Number Outstanding (#)	Exercise Price ($)	Expiry Date
Common shares	71,977,438	n/a	n/a
Common shares issuable on exercise:			
Stock options	100,000	0.16	December 8, 2019
Stock options	140,000	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 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 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. 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.

Judgements are choices in accounting policies and disclosures which management believes are supported by facts and circumstances existing at the date of the consolidated financial statements.

Significant areas requiring the use of management estimates include:

- The amount of deferred income tax assets and liabilities to be recognized;
- The amount of expected credit loss of receivables.

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 fiscal year. Significant judgement areas include:

- The classification of financial assets and financial liabilities;
- The classification of cryptocurrency as intangible assets;
- The ability of the Company to continue as a going concern.

FINANCIAL INSTRUMENTS

The Company classifies its cash and cash equivalents as financial asset measured at FVTPL, accounts receivable and other receivables (excluding GST recoverable) as financial assets measured at amortized cost, its accounts payable and loans payable as financial liabilities measured at amortized cost. The carrying amount of financial assets and liabilities carried at amortized cost is a reasonable approximation of their fair value due to the relatively short period to maturity of these financial instruments.

Fair value

The following table summarizes the carrying values of the Company's financial instruments:

	Nine Months Ended October 31, 2018	Year Ended January 31, 2018
	$	$
Financial assets at fair value through profit or loss (i)	**490,639**	1,239,311
Financial assets measured at amortized cost (ii)	**374,201**	676,066
Financial liabilities measured at amortized cost (iii)	**368,192**	1,754,511

(i) Cash and cash equivalents
(ii) Accounts receivable and other receivables - excluding GST recoverable
(iii) Accounts payable and loans payable

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 are classified as Level 1. There were no transfers into or out of Level 2 or Level 3 during the nine months ended October 31, 2018.

Financial risk management

The Company's financial risks arising from its financial instruments are market 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.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk consists of currency risk, which is the risk that exposes the Company to financial risk related to the fluctuation in exchange rates.

The Company's expenses are mainly denominated in Canadian dollars for operations. As the Company has significant amount of GIC in US dollars, it also faces exchange rate fluctuation relative to the US dollar. Significant change in the currency exchange rates between the Canadian dollars relative to the US dollar could both have effect on the Company's results of operations, financial position and / or cash flow. If the US dollar appreciates / depreciates 5%, the Company's net loss would decrease / increase by approximately $20,864, which arises primarily from the Company's GIC in US dollars.

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. The Company's maximum exposure to credit risk for the components of the condensed interim consolidated statement of financial position at October 31, 2018 is the carrying value of each class of financial assets disclosed in the condensed interim consolidated financial statements.

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 11. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. As at October 31, 2018, the Company had a working capital surplus of $4,024,963. All of the Company's financial liabilities are classified as current.

Interest rate risk

The Company is exposed to insignificant interest rate risk on its GIC because the GIC balance is not material. The Company has no interest-bearing debt. The Company has not entered into any derivative instruments to manage interest rate fluctuations. The Company is not exposed to significant interest rate risk.

ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS

The Company adopted the following accounting standards during the nine months ended October 31, 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 July 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 Company adopted IFRS 9 using the modified retrospective approach. IFRS 9 did not impact the classification, measurement, impairment and de-recognition of the Company's financial instruments on the transition date.

IFRS 15 - *Revenue from Contracts with Customers* - On May 28, 2014 the IASB issued IFRS 15. IFRS 15 will replace IAS 11, "Construction contracts", IAS 18, "Revenue", IFRIC 13, "Customer loyalty programmes", IFRIC 15, "Agreements for the construction of real estate", IFRIC 18, "Transfers of assets from customers" and SIC 31, "Revenue – barter transactions involving advertising services". The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time; or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. The Company adopted IFRS 15 using the full retrospective approach without applying any practical expedients. There are no changes to how the Company identifies performance obligations to customers and how the revenue recognition criteria are satisfied and therefore, no impact on the revenues recognized in the condensed interim consolidated financial statements.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB 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.

Standard effective for annual periods beginning on or after January 1, 2019

IFRS 16 – Leases - On January 13, 2016 the IASB issued IFRS 16, "Leases". This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. Entities may elect early application of the above standards. The Company is currently evaluating the impact of the new standard.

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 Blockchain Group Corp. has approved the contents of this management discussion and analysis on December 31, 2018.