

Red River Capital Corp.
Management's Discussion and Analysis
For The Period Ended December 31, 2020

**RED RIVER CAPITAL CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the three and nine months ended December 31, 2020

Management's Discussion and Analysis ("MD&A") is dated February 25, 2021 and should be read in conjunction with the unaudited interim financial statements for the three and nine months ended December 31, 2020 for a full understanding of the financial position and results of operations of Red River Capital Corp. ("Red River" or the "Corporation" or the "Company").

Certain statements included in this MD&A may constitute forward-looking statements involving known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this MD&A, such statements use words such as "may", "will", "expect", "believe" and "plan". These statements reflect management's current expectations regarding future events and operating performance and are valid only as of the date hereof. These forward-looking statements involve a number of risks and uncertainties, including the impact of general economic conditions, industry conditions, and changes in laws and regulations, increased competition, fluctuations in commodity prices and foreign exchange, and interest rates and stock market volatility. The Company does not reconcile past forward-looking information but presents its most current view based on the known facts on hand at the time of dissemination. Specifically, the outlook section may contain forward-looking information which will be identified as such.

This MD&A and Interim Financial Statements for the three and nine months ended December 31, 2020 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), specifically International Accounting Standard 34, "Interim Financial Reporting".

Description of the Business

Red River Capital Corp. (the "Company") was incorporated under the laws of the Province of Alberta on December 20, 2017. The Company is classified as a Capital Pool Corporation as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Company will be to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising of an option or by any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a Qualifying Transaction under the Exchange rules. The address of the registered office is 1900, 520 3rd Avenue SW Calgary, Alberta.

Pursuant to a final prospectus dated April 26, 2018, the Company completed a public offering of 3,000,000 shares for gross proceeds of \$300,000 on July 26, 2018. The net proceeds received by the Company were \$202,170 after payment of fees related to the offering of \$41,325. In addition, the Agent was granted the option to purchase up to 300,000 common shares at a price of \$0.10 per Common Share. This option expires 24 months from July 26, 2018. The Company also granted share options to purchase an aggregate of 550,000 common shares at an exercise price of \$0.10 per Common Share to the directors and officers of the Corporation, which expire five years from July 26, 2018.

The novel coronavirus ("COVID-19") outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in significant economic uncertainty and governments worldwide are enacting emergency measures to contain the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global financial markets have experienced significant volatility and weakness as a consequence of this economic uncertainty. The duration and impact of the COVID-19 outbreak is unknown as this time, as is the effectiveness of interventions by governments and central banks. The full extent of the impact on the Company's future financial results is uncertain given the length and severity of these developments cannot be reliably estimated.

The current challenging economic climate relating to the effect of the Coronavirus (COVID-19) may lead to challenges in managing cash flows and the ability to raise capital. These items may have a direct adverse impact on the Company's ability to close the Transaction.

Share Purchase Agreement

On September 14, 2020 the Company entered into a share purchase agreement pursuant to which the Company and 1739001 Alberta Ltd. ("Bitcoin Solutions"), an arms length company incorporated under the laws of Alberta, intend to complete a plan of arrangement, merger, exempt takeover bid or other form of arrangement whereby the shareholders of Bitcoin Solutions will control between 93.5% to 95.5% of the issued and outstanding shares of the Company (the "Transaction"). The Transaction is intended to serve as the Company's "qualifying transaction" as that term is defined in the policies of the Exchange. Completion of the Transaction is subject to satisfactory completion of due diligence and regulatory body approvals including approval of the Exchange. Trading in the common shares of the Company has been halted and is not expected to resume trading until the Transaction is completed or until the Exchange receives the requisite documentation to resume trading.

Established in 2013, Bitcoin Solutions is a leading cryptocurrency ATM machine operator in Canada with a national network of Bitcoin ATMs.

Concurrent Brokered Private Placement

On February 12, 2021, the Company and Bitcoin Solutions announced details regarding a concurrent brokered private placement in connection with the Company's arm's length qualifying transaction (the "Transaction"), which was previously announced on June 2, 2020 and September 14, 2020.

The Company and Bitcoin Solutions have engaged Canaccord Genuity Corp. (the "Agent") to act as agent on a "commercially reasonable efforts" basis in connection with a private placement offering of up to 2,800,000

subscription receipts of Bitcoin Solutions (the "Subscription Receipts") at a price of \$2.50 per Subscription Receipt (the "Offering Price") for aggregate gross proceeds of up to \$7,000,000 (the "Offering"). Closing of the Offering is subject to minimum aggregate gross proceeds of \$6,234,000.

Each Subscription Receipt will entitle the holder thereof to receive, without payment of any additional consideration or further action on the part of the holder, one unit of Bitcoin Solutions (a "Unit"). Each Unit will be comprised of one class "I" common share of Bitcoin Solutions (a "Common Share") and one-half of one Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will entitle the holder thereof to purchase one Common Share (a "Warrant Share") at an exercise price equal to \$3.75 per Warrant Share for a period of 24 months from the satisfaction of certain escrow release conditions and conversion of the Subscription Receipts in connection with the closing of the Transaction. In connection with the Transaction, each Common Share and Warrant will be adjusted by the Conversion Ratio (defined below), resulting in an effective issue price of \$0.25 per Resulting Issuer Share and effective exercise price of \$0.375 per Resulting Issuer Warrant (as defined below).

The Offering is being completed in conjunction with the Transaction, pursuant to which the Company (the "Resulting Issuer") will acquire all of the shares of Bitcoin Solutions in exchange for common shares of the Company (the "Resulting Issuer Shares"). In connection with closing of the Transaction, all of the Common Shares and Warrants comprising the Units issued upon the conversion of the Subscription Receipts will be exchanged for Resulting Issuer Shares and common share purchase warrants of the Resulting Issuer ("Resulting Issuer Warrants"), respectively, on a ten for one basis in each case (the "Conversion Ratio"). The Resulting Issuer Warrants will have the same terms and conditions as the Warrants, except that the exercise price will be adjusted to \$0.375 per underlying Resulting Issuer Share in accordance with the Conversion Ratio, and they will entitle the holders thereof to purchase Resulting Issuer Shares in lieu of Common Shares.

Selected Financial Information

Selected Statement of Financial Position Data

	As at December 31, 2020
Net working capital	\$ 59,870
Total current assets	205,656
Total current liabilities	145,786
Total shareholders' equity	59,870

Selected Statement of Operations Data

	Three months Ended December 31, 2020	Nine months Ended December 31, 2020
Interest income	\$ 659	\$ 2,268
Expenses	22,444	165,736
Net loss for the period	21,785	163,468
Net loss per share (basic & diluted)	(0.01)	(0.05)

Liquidity and Capital Resources

As at December 31, 2020, the Corporation had working capital of \$59,870, including sufficient cash to meet its ongoing obligations to complete its Qualifying Transaction.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as at December 31, 2020.

Critical Accounting Estimates and Policies

The Corporation's significant accounting policies are disclosed in the unaudited interim financial statements for the three and nine month period ended December 31, 2020.

Financial Instruments and Other Instruments

The Corporation's financial instruments consist of cash and accounts payable and accrued liabilities. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair value of these financial instruments approximates their carrying values, as applicable.

Disclosure of Outstanding Share Data

Authorized Share Capital

Unlimited number of voting Common Shares, without nominal or par value

Unlimited number of non-voting Preferred Shares, without nominal or par value

ISSUED	Number Of Shares	\$
At incorporation, issued for cash	2,500,000	125,000
Initial public offering	3,000,000	300,000
Share issue costs	-	(110,730)
Balance as at December 31, 2020	5,500,000	314,270

On January 10, 2018 the Company issued 2,500,000 common shares to directors of the Company at a price of \$0.05 per share. All 2,500,000 common shares are subject to an escrow agreement whereby 10% of the shares will be released upon completion and approval of the Company's qualifying transaction. An additional 15% of the escrowed common shares will be released on each six month anniversary thereafter unless otherwise permitted by the Exchange. Common shares issued upon the exercise of options held by officers and directors are subject to the same escrow conditions. Common shares issued upon the exercise of the Agent's warrants are restricted such that only 50% of the issued shares on exercise of such warrants may be sold prior to the Company completing a qualifying transaction.

The Company has adopted an incentive stock option plan which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares. However, other than in connection with a Qualifying Transaction, during the time that the Company is a CPC, the aggregate number of Common Shares issuable upon exercise of all options granted under the Option Plan shall not exceed 10% of the Common Shares of the Company issued and outstanding at the closing of the Company's initial public offering. Such options will be exercisable for a period of up to five years from the date of grant.

As part of the close of the Initial Public Offering (IPO), the Company granted 550,000 options at \$0.10 per share to the directors and officers of the Company exercisable for a period of 5 years that all vested at the time of the grant. The fair value is recognized as stock based compensation expense at the time of vesting. The estimated fair value of these options as calculated using the black Scholes pricing model is \$69,300 and was charged to operations in the period ended September 30, 2018.

The Contributed Surplus balance is comprised of:

	Total
Officers & directors options	\$ 69,300
Agents options	12,900
Balance, end of period	\$ 82,200

The assumptions for the Black-Scholes Pricing Model for all the stock options:

	Directors & Officers	Agent
Stock price	\$0.10	\$0.10
Exercise price	\$0.10	\$0.10
Risk free interest rate	2.19%	2.05%
Expected life (years)	5	2
Expected annual volatility	116%	78%
Expected dividend yield	0%	0%
Expected forfeiture rate	0%	0%

The following table reflects the continuity of options granted under the Plan:

	December 31, 2020	
	Number of Options	Fair Value Recorded
Balance, beginning of period	-	
Issued to directors & officers	550,000	\$ 69,300
Balance, end of period	550,000	\$ 82,200

As at December 31, 2020 the remaining contractual life for options outstanding to directors and officers is 2.5 years.

Expiry Date	Exercise Price	Outstanding June 30, 2020	Exercisable	Remaining Contractual Years
July 2023	\$ 0.10	550,000	550,000	2.25

Risks and Uncertainties

The Corporation has a limited history of existence. There can be no assurance that a Qualifying Transaction will be completed. Equity or debt financing may be required to complete a Qualifying Transaction. There can be no assurance that the Corporation will be able to obtain adequate financing to continue. The securities of the Corporation should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Corporation's securities:

- a) until completion of a Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;
- b) the Corporation has had no business activity and has not acquired any material assets since its incorporation other than cash;
- c) the Corporation does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the completion of the Qualifying Transaction;
- d) the Corporation has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Corporation will be able to identify a suitable Qualifying Transaction;
- e) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction;
- f) the proposed Qualifying Transaction is to be financed in all or part by the issuance of additional securities by the Corporation and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Corporation;

- g) there can be no assurance that an active and liquid market for the common shares will develop and an investor may find it difficult to resell its common shares;
- h) the Corporation did not complete its Qualifying Transaction within 24 months of listing, and accordingly, the TSX Venture Exchange may suspend trading of the common shares of the Corporation until such time as the Qualifying Transaction has been completed. The shares are currently halted until completion or cancellation of the proposed Qualifying Transaction. Further, in the event that the Corporation fails to complete a Qualifying Transaction, the common shares of the Corporation will be delisted from the TSX Venture Exchange. An interim cease trade order may be issued against the Corporation's securities by an applicable securities commission if its common shares are suspended from trading on or delisted from the TSX Venture Exchange or otherwise; and
- i) the Corporation competes with many Capital Pool Companies that are seeking suitable Qualifying Transactions. In addition, other Capital Pool Companies may have substantially greater financial and technical resources than the Corporation.

Related Party Transactions

There were no related party transactions during the period other than those disclosed elsewhere in the report.

Other Information

The policies of the TSX Venture Exchange prohibit Capital Pool Companies from carrying on formal investor relations activities. The Directors of the Corporation handle corporate communications and investor inquiries. Additional information about the Corporation is available on SEDAR at www.sedar.com.