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

(the "Company")

MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended January 31, 2019

The following Management Discussion and Analysis ("MD&A") has been prepared by management as of May 31, 2019, should be read in conjunction with the audited consolidated financial statements and related notes of the Company for the years ended January 31, 2019 and 2018. The 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 proposed a fundamental change of business to a blockchain company and a change of its name from Cascadia Consumer Electronics Corp. to Cascadia Blockchain Group Corp. The proposed change of business and change of name was approved by the CSE on September 7, 2018. The corresponding listing statement is filed on both the CSE and SEDAR websites.

Subsidiaries

1. Tianjin Bocui Technology Limited

   The Company incorporated a Wholly Foreign Owned Enterprise ("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. CK Fintech Corp.

   "CK Fintech Corp." ("CK Fintech") is a wholly owned subsidiary incorporated on December 22, 2015. CK Fintech owns the intellectual property of a trading platform to provide various transaction capabilities for selected blockchain technology based digital assets, utility tokens, and cryptocurrencies.

3. Beijing Cascadia Technology Limited

   A Chinese subsidiary "Beijing Cascadia Technology Limited" ("Beijing Cascadia") was incorporated under Bocui on February 17, 2016. This subsidiary developed the digital assets trading platform for CK Fintech and provided software developments services to external customers.

   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. CK Blockchain Lab Corp.

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

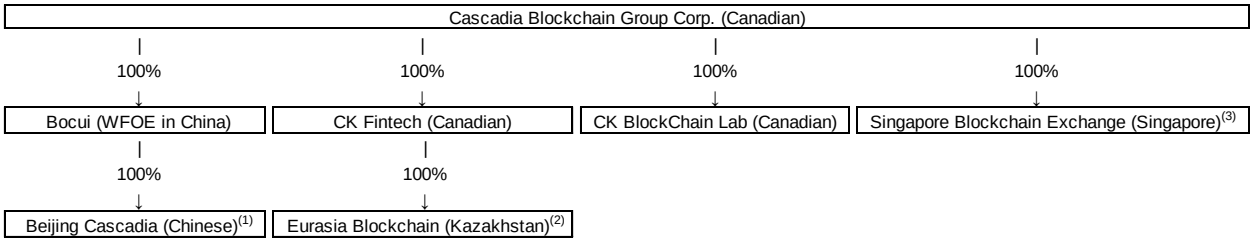
5. Singapore Blockchain Exchange PTE Ltd.

   On December 10, 2018, the Company dissolved the wholly owned subsidiary "Singapore Blockchain Exchange PTE Ltd." ("Singapore Exchange") that was incorporated on December 19, 2017 with the potential to operate the potential digital assets exchange in Singapore.

6. Eurasia Blockchain Fintech Group Limited

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
(3) On December 10, 2018, Cascadia incorporated dissolved its 100% owned subsidiary Singapore Blockchain Exchange

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 Kazakhstan Cascadia, which are Chinese Renminbi ("RMB") and Kazakhstani Tenge ("KZT"), respectively.

DISCONTINUED OPERATIONS AND DISPOSAL OF BUSINESS

To streamline the Company's plan to focus on developing other blockchain projects and improve its balance sheet, in January 2018, management of the Company decided to sell 100% of its equity interest of Beijing Cascadia. On February 9, 2018, the Company completed the sale of Beijing Cascadia in consideration for RMB1 with the assumption of debt of $2,035,322.

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 year ended January 31, 2019 (2018: $1,239,682). Beijing Cascadia also had a net loss of $75,866 from February 1, 2019 to February 9, 2019, presented as discontinued operation (2018: $1,293,069).

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

	Three Months Ended January 31,		**Years Ended January 31,**	
	2019	2018	**2019**	2018
Results from discontinued operations				
Revenue, net of cost of revenue	**$ -**	$ (550,084)	**$ -**	$ 225,408
Operation expenses	**-**	92,588	**75,866**	1,518,477
Net loss from discontinued operations	**$ -**	$ (642,672)	**$ (75,866)**	$ (1,293,069)

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

	Three Months Ended January 31,		Years Ended January 31,	
	2019	2018	**2019**	2018
Cash flows from (used in)				
Operating activities	**$ -**	$ (634,814)	**$ (199,596)**	$ (626,160)
Investing activities (additions to equipment)	**-**	(32,227)	**-**	(46,027)
Financing activities	**-**	-	**340,930**	634,590
Net cash flows from (used in) discontinued operations	**$ -**	$ (667,041)	**$ 141,334**	$ (37,597)

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**

SELECTED ANNUAL FINANCIAL INFORMATION

Certain of the following financial information of Cascadia has been derived from, and should be read in conjunction with, the audited consolidated financial statements for the years ended January 31, 2019 and 2018, and the related notes.

	Years Ended January 31		
	2019	**2018**	**2017**
	$	$	$
Total revenues	203,226	-	-
Loss for the year	(3,683,563)	(4,666,272)	(2,736,445)
Loss per share – basic and diluted	(0.05)	(0.08)	(0.05)
Total assets	1,752,441	7,200,225	2,595,442
Total long-term liabilities	-	1,786,571	-
Shareholder's equity (deficiency)	1,560,238	5,211,114	2,215,022
Cash dividends declared - per share	-	-	-

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 year ended January 31, 2019, the Company incorporated a wholly owned subsidiary, Eurasia Blockchain and set up an office in Astana, Kazakhstan to develop business opportunities to provide blockchain solutions to various organizations.

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 9, 2018. Please refer to the "Discontinued operation and disposal of business" section for detail.

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 licensee has not been able to make the first payment due to the crash of cryptocurrency market. Subsequent to the year ended January 31, 2019, the balance has not yet been collected. The Company considers the licensing fee receivable to be in default and estimates that the life-time expected credit loss for the receivable is $203,226. No licensing fee is recognized as revenue after August 31, 2018 until the licensee is able to demonstrate its ability to pay again.

2019 FOURTH QUARTER RESULT

	Three Months Ended January 31, 2019	2018	Variance $
REVENUE	**$ -**	$ -	-
EXPENSE			
Salaries and benefits	**217,734**	208,673	9,061
Provision for expected credit losses	**359,534**	-	359,534
Consulting and professional fees	**150,621**	86,924	63,697
Travel	**42,234**	106,505	(64,271)
Office and miscellaneous	**41,123**	142,600	(101,477)
Rent	**25,840**	10,444	15,396
Listing and transfer agent expenses	**3,385**	3,348	37
Bank charges	**4,511**	984	3,527
Amortization	**1,016**	224	792
OPERATING LOSS	**(845,998)**	(559,702)	(286,296)
OTHER INCOME (LOSS)			
Interest income	**315**	6,438	(6,123)
Foreign exchange gain (loss)	**(7,252)**	(90,280)	83,028
Change in fair value of cryptocurrency	**918,680**	(2,516,392)	3,435,072
Loss on sale of cryptocurrency	**(2,535,861)**	-	(2,535,861)
LOSS FROM CONTINUING OPERATIONS	**$ (2,470,116)**	$ (3,159,936)	689,820
DISCONTINUED OPERATIONS			
Loss from discontinued operations	**-**	(642,672)	642,672
LOSS FOR THE YEAR	**$ (2,470,116)**	$ (3,802,608)	1,332,492
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will be reclassified to net income / loss:			
Foreign exchange from discontinued operations	**-**	(17,116)	17,116
COMPREHENSIVE LOSS FOR THE YEAR	**$ (2,470,116)**	$ (3,819,724)	1,349,608

During the three months ended January 31, 2019, the Company reported a net loss of $2,470,116 (2018: $3,802,608). The details are listed as in the table.

This is mainly attributable to the combination result of the followings:

From the continuous operation:

1. an increase of $359,534 in provision for expected credit losses for the three months ended January 31, 2019 compared with $Nil for the same period in 2018, due to the significant increase in credit risk related to the licensing fee receivable and other receivables;
2. an increase of $63,697 in consulting and professional fee from $86,924 for the three months ended January 31, 2018 to $150,621 in the three months ended January 31, 2019 due to the increase of legal fee and consulting fee;

3. a decrease of $64,271 in travel expenses from $106,505 for the three months ended January 31, 2018 to $42,234 for the three months ended January 31, 2019, due to reduced travelling activities in 2019;
4. a decrease of $101,477 of office and miscellaneous expense from $142,600 in the three months ended January 31, 2018 to $41,123 in the same period in 2019, due to management's cost-cutting effort and reduced marketing activities;
5. an increase of $15,396 in rent from $10,444 in the three months ended January 31, 2018 compared to $25,840 for the three months ended January 31, 2019, due to the Toronto office which is terminated subsequent to January 31, 2019;
6. a decrease of $83,028 in foreign exchange loss from $90,280 loss for the three months ended January 31, 2018 to $7,252 loss for the three months ended January 31, 2019, because the US dollar is relatively stable during the three months period ended January 31, 2019;
7. $918,680 of gain in fair value of cryptocurrency was recorded in the three months ended January 31, 2019 compared to $2,516,392 loss in the same period of 2018 due to the increase of bitcoin price as at January 31, 2019;
8. $2,535,861 loss on sale of cryptocurrency was recorded in the three months ended January 31, 2019 from the sale of 325 bitcoins during the three months ended January 31, 2019;

From discontinued operation:

As Beijing Cascadia was disposed on February 9, 2018, the revenue and operation expenses for the three months ended January 31, 2019 are both nil.

	Three Months Ended January 31,		**Variance**
	2019	2018	$
Results from discontinued operations			
Revenue, net of cost of revenue	**$ -**	$ (550,084)	550,084
Operation expenses	**-**	92,588	(92,588)
Net loss from discontinued operations	**$ -**	$ (642,672)	642,672

2019 YEAR END RESULT

During the year ended January 31, 2019, the Company reported a net loss of $3,683,563, compared to a net loss of $4,666,272 during the year ended January 31, 2018. The details are listed in the table as below.

	Years Ended January 31, 2019	2018	Variance $
REVENUE	**$ 203,226**	$ -	203,226
EXPENSE			
Salaries and benefits	**765,507**	289,275	476,232
Provision for expected credit losses	**461,147**	-	461,147
Consulting and professional fees	**382,750**	140,113	242,637
Travel	**315,655**	106,505	209,150
Office and miscellaneous	**209,887**	176,400	33,487
Rent	**82,106**	16,522	65,584
Listing and transfer agent expenses	**27,613**	16,105	11,508
Bank charges	**9,796**	1,364	8,432
Amortization	**3,552**	224	3,328
OPERATING LOSS	**(2,054,787)**	(746,508)	(1,308,279)
OTHER INCOME (LOSS)			
Interest income	**315**	9,021	(8,706)
Foreign exchange gain (loss)	**92,528**	(119,324)	211,852
Change in fair value of cryptocurrency	**(772,472)**	(2,516,392)	1,743,920
Loss on sale of cryptocurrency	**(2,535,861)**	-	(2,535,861)
Gain on disposal of business	**1,662,580**	-	1,662,580
LOSS FROM CONTINUING OPERATIONS	**(3,607,697)**	(3,373,203)	(234,494)
DISCONTINUED OPERATIONS			
Loss from discontinued operations	**(75,866)**	(1,293,069)	1,217,203
LOSS FOR THE YEAR	**$ (3,683,563)**	$ (4,666,272)	982,709
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will be reclassified to net income / loss:			
Foreign exchange from discontinued operations	**(28,492)**	(32,687)	4,195
Reclassification to net income of cumulative translation adjustments related to business disposal	**61,179**	-	61,179
COMPREHENSIVE LOSS FOR THE YEAR	**$ (3,650,876)**	$ (4,698,959)	1,048,083

The decrease in loss from the year ended January 31, 2019 to 2018 is mainly attributable to the combination result of the followings:

For the continuous operation:

1. an increase of $203,226 in revenue for the year ended January 31, 2019 compared with $nil for the year ended January 31, 2018, due to the licensing fee for our exchange platform to a third-party. The licensing fee has been stopped being recognized as revenue since August 31, 2018 because there was a significant increase in credit risk;

2. an increase of $476,232 of salary and benefits expense from $289,275 for the year ended January 31, 2018 to $765,507 for the year ended January 31, 2019, because more senior level officers are hired in the fourth quarter of the year ended January 31, 2018 to transform the Company from consumer electronic business to blockchain technology;
3. provision for expected credit losses in the amount of $461,147 for year ended January 31, 2019 is related to the significant increase in credit risk related to the licensing fee receivable and other receivable;
4. an increase of $242,637 in consulting and professional fees with $382,750 for the year ended January 31, 2019 compared to $140,113 for the year ended January 31, 2018, due to the change of business application with CSE and more legal work was conducted in 2019;
5. an increase of $209,150 of travel expense in the year ended January 31, 2019 from $106,505 for the year ended January 31, 2018 to $315,655 in 2019, due to more business activities in Cascadia starting from the fourth quarter of 2018;
6. an increase of $33,487 in office and miscellaneous expense from $176,400 for the year ended January 31, 2018 to $209,887 for the year ended January 31, 2019, due to expansion of the Company's operation;
7. an increase of $65,584 in rent with $82,106 in the year ended January 31, 2019 compared to $16,522 for the year ended January 31, 2018, due to the new office in Toronto which was terminated subsequent to the year ended January 31, 2019;
8. foreign exchange gain of $92,528 for the year ended January 31, 2019, mainly due to the appreciation of the US dollar during the year ended January 31, 2019;
9. loss of $772,472 from change in fair value of cryptocurrency in year ended January 31, 2019 is related to the change in bitcoin price of the remaining bitcoins;
10. loss on sale of cryptocurrency in the amount of $2,535,861 in the year ended January 31, 2019 is from sale of 325 Bitcoins;
11. a gain of $1,662,580 for the year ended January 31, 2019 due to the disposal of Beijing Cascadia on February 9, 2018, whereas $nil for the year ended January 31, 2018;

From discontinued operation:

As Beijing Cascadia was disposed on February 9, 2018, the operation results for the year ended January 31, 2019 only included a short period of 8 days, compared to 365 days of the operation results for the year ended January 31, 2018.

	Years Ended January 31,		**Variance**
	2019	2018	$
Results from discontinued operations			
Revenue, net of cost of revenue	**$ -**	$ 225,408	(225,408)
Operation expenses	**75,866**	1,518,477	(1,442,611)
Net loss from discontinued operations	**$ (75,866)**	$ (1,293,069)	1,217,203

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				For the Three Months Ended			
	Fiscal 2019				Fiscal 2018			
	Jan. 31, 2019	Oct. 31, 2018 (restated)*	July 31, 2018 (restated)*	Apr. 30, 2018	Jan. 31, 2018	Oct. 31, 2017	July 31, 2017	Apr. 30, 2017
	$	$	$	$	$	$	$	$
Income (loss) from continuous operations	(2,470,116)	(1,338,828)	(915,289)	1,116,536	(3,159,936)	(41,028)	(254,392)	82,153
Income (loss) from discontinued operations	-	-	-	(75,866)	(642,672)	(362,188)	(210,480)	(77,729)
Income (loss)	(2,470,116)	(1,338,828)	(915,289)	1,040,670	(3,802,608)	(403,216)	(464,872)	4,424
Earning (loss)								
Per share - basic	(0.03)	(0.02)	(0.01)	0.01	(0.06)	(0.01)	(0.01)	0.00
per share - diluted	(0.03)	(0.02)	(0.01)	0.01	(0.06)	(0.01)	(0.01)	0.00

* 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 July 31, operations for the three months ended 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 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 from continuing operation during the three months ended January 31, 2019 was mainly from the loss on sale of cryptocurrency.

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

The significant gain 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 private placement close date on December 29, 2017.

For the discontinued operation, the loss is related to the operation in Beijing Cascadia.

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 January 31, 2019, the Company had a cash balance of $1,267,970 compared to a cash balance of $1,198,511 as at January 31, 2018. The Company had a working capital surplus of $1,555,863 as at January 31, 2019 compared to the working capital surplus of $6,830,115 as at January 31, 2018. Among which, the Company has 99.1872 bitcoins with fair value of $444,799 as at January 31, 2019 (January 31, 2018 - $5,188,659). The Company has sufficient working capital for the next 12 months.

OFF-BALANCE SHEET ARRANGEMENTS

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

RELATED PARTY TRANSACTIONS

The salaries and benefits compensation to key management personnel of the Company is $331,821 for the year ended January 31, 2019 (2018: $200,740).

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

The amount due to directors and officers of $41,964 (2018 - $125,250) is included in accounts payable and accrued liabilities.

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

Galen Cheng	Independent Director and Chairman of Audit Committee
Xiaochuan Guo	Acting Chief Executive Officer and Director
Shanshan Zhu	Director
Garry Wong	Chief Financial Officer

OUTSTANDING SHARE DATA AS AT JANUARY 31, 2019

	Number Outstanding (#)	Exercise Price ($)	Expiry Date
Common shares	71,977,438		
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 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 cryptocurrency as intangible assets;
- The ability of the Company to continue as a going concern; and
- Revenue recognition for new customer.

FINANCIAL INSTRUMENTS

The Company classifies its cash and cash equivalents as financial asset 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 (including assets and liabilities associated with assets held for sale):

	January 31, 2019	January 31, 2018
	$	$
Financial assets at fair value through profit or loss (i)	**1,267,970**	1,239,311
Financial assets measured at amortized cost (ii)	**136**	676,066
Financial liabilities measured at amortized cost (iii)	**192,203**	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 equivalent are classified as Level 1. There were no transfers into or out of Level 2 or Level 3 during the year ended January 31, 2019.

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.

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 and cryptocurrency 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 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 and deficit would decrease / increase by approximately $13,144, 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 consolidated statement of financial position at January 31, 2019 and 2018 is the carrying value of each class of financial assets disclosed in the 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 12. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. As January 31, 2019, the Company had a working capital surplus of $1,555,863. All of 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 is not exposed to significant interest rate risk.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Changes in accounting policy

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, 2018

The Company has adopted these standards on February 1, 2018.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: recognition and measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and

measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

- Classification and measurement

  The adoption of IFRS 9 has no change in the measurement categories below:

	IAS 39 and IFRS 9
Cash and cash equivalents	Fair value through profit or loss
Accounts receivable and other receivables (excluding taxes receivable)	Amortized cost
Accounts payable (excluding taxes payable)	Amortized cost

- Impairment

  The adoption of IFRS 9 has changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Company to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL.

  ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. For trade and other receivables, the Company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Company consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

The Company has applied IFRS 9 on a modified retrospective approach, with the initial application date of February 1, 2018. The adoption of the ECL requirements of IFRS 9 did not result in any change on the carrying amounts of the Company's financial instruments at the transition date.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers, and introduces new contract cost guidance. Under IFRS 15, revenue is recognized at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Company elected to adopt IFRS 15 using the modified retrospective method.

The Company's revenue is from the three-year licence agreement to allow the customer to use its proprietary trading platform. As there is no significant financial penalty for early termination, the license agreement is treated as a month-to-month contract under IFRS 15. The Company accounts for the promise to provide the right to use the Company's trading platform as a performance obligation satisfied at a point in time because the Company does not have obligations to provide support or future development of the trading platform to the customer. The Company recognizes the monthly licensing fee on the first date of each month after the three-month free period.

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

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all

leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The Company will apply IFRS 16 on its effective date of February 1, 2019 retrospectively, with the cumulative effect of initially applying the standard as an adjustment to retained earnings and no restatement of comparative information. The Company has elected to measure its right of use assets at amounts equal to the associated lease liabilities; as such, the adjustment to retained earnings will be nil. Upon adoption, the Company has elected to apply the available exemptions as permitted by IFRS 16 to recognize a lease expense on a straight-line basis for short term leases and low value assets. The Company has also elected to apply the practical expedient whereby leases whose term ends within 12 months of the date of initial application would be accounted for in the same way as short-term leases.

Based on the Company's assessment of the impact of IFRS 16, the Company expects that the adoption of the new standard will result in no additional right of use assets and lease liabilities because the Company's leases are all short-term leases. The Company does not expect there will be any impact to the consolidated statement of profit or loss or the consolidated statement of cash flows.

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 May 31, 2019.