

SQUIRE MINING LTD.

MANAGEMENT'S DISCUSSION & ANALYSIS for the fourteen months ended December 31, 2018

Date of Report: April 30, 2019

The following Management's Discussion & Analysis ("MD&A") for Squire Mining Ltd. ("Squire" or the "Company") should be read together with the audited annual financial statements and accompanying notes for the fourteen months ended December 31, 2018 and related notes thereto, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). Readers should also refer to the Company's audited financial statements and accompanying notes for the year ended October 31, 2017 and the Company's accompanying annual MD&A dated February 9, 2018. All amounts are stated in Canadian dollars unless otherwise indicated.

This MD&A includes certain statements that may be deemed "forward-looking statements", including, but not limited to, statements regarding the CoinGeek Transaction (defined below), and the exclusivity and right of first refusal with CoinGeek (as defined below), including the timing and completion thereof (on the terms presently contemplated or otherwise), statements regarding the negotiation and completion of the proposed CoinGeek Transaction including the acquisition of the CoinGeek Assets (as defined below), together with CoinGeek's exclusive distribution agreement, and the consideration and timing thereof, the future hash rate, energy consumption performance of the ASIC cloud computing equipment included in the CoinGeek Assets and the Company's ability to successfully integrate such assets into its current ASIC chip and associated equipment development business, the estimated timing for development, completion and mass production tests run of the Company's initial ASIC chip and cloud computing system relating to SHA256 associated distributed information technologies, and the potential operating performance, sales volume and revenue generating potential thereof.

Often, but not always, forward-looking statements and information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "aims", "anticipates", "will", "projects", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events, results or conditions "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements, by their very nature, are subject to numerous risks and uncertainties, some of which are beyond the Company's control, and are not guarantees of future performance. Forward-looking statements and information are based on the opinions and estimates of management at the date the statements are made, as well as a number of assumptions made by, and information currently available to, the Company concerning, among other things, anticipated market demand for ASIC chips and computing systems and the market for and trading price of Bitcoin SV, Bitcoin and other cryptocurrencies in general, proposed design, development, manufacturing and marketing plans and the costs and timing thereof, the expected operating performance and costs associated with the CoinGeek Assets, the availability of additional capital to finance growth and future research and development, anticipated revenue and cash flow from the sale of products, the Company's ability to obtain necessary governmental permits and approvals in a timely manner and on commercially reasonable terms, access to and availability of components (including personnel) to develop and manufacture the Company's chips and mining systems, the Company's ability to successfully operate and integrate the CoinGeek Assets and personnel into its current operations, all of which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement of the Company to be materially different from any future results, performance or achievements expressed or

implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those in forward-looking statements include risks related to the Company's limited operating history, general business, economic, competitive, political and social uncertainties, uncertain and volatile equity and capital markets, lack of available capital, future demand for Bitcoin SV, Bitcoin Core and other cryptocurrencies and risks related to the mining thereof, integration issues, personnel and staffing requirements, risks related to chip and mining system design, development and manufacturing (including design flaws, software/programming errors, hardware/software integration issues, performance failures, manufacturing delays, inability to source components on a timely basis or at all, etc.), technological change, obsolescence, lack of market acceptance or demand for the Company's products, the need for significant additional capital, changes in government legislation, changes in ownership interest in a project, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, future prices and volatility of Bitcoin SV, Bitcoin and other cryptocurrencies, environmental risks and hazards, infrastructure and/or operating costs, labor and employment matters, inability to secure necessary permits and approvals on a timely basis or at all, government regulation, uncertainties involved in interpreting marketing and sales data, defects in the Company's title to its intellectual property, third party infringement claims, cost increases, exchange rate fluctuations, the Company's dependence on key personnel, as well as those factors discussed in the sections "Forward-Looking Information", "Risk Factors" and elsewhere in the Listing Statement available for review on SEDAR. To the extent any forward-looking information in this MD&A constitutes future-oriented financial information or financial outlook, within the meaning of applicable securities laws, such information is being provided to demonstrate the potential of the Company and readers are cautioned that this information may not be appropriate for any other purpose. The Company undertakes no obligation to update or revise these forward-looking statements to reflect new information, future events or circumstances.

Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

Change in Fiscal Year End

Following the Company's recently completed Change of Business (as defined below), from mineral resource exploration to the development, operation and manufacture of data mining infrastructure and system technology to support global enterprise blockchain applications, including ASIC chips and next generation mining rigs to mine Bitcoin SV (BSV), Bitcoin Core (BTC) and other associated SHA-256 distributed information technologies and in order to better align the Company's fiscal year end with industry norms in the blockchain and cryptocurrency industries, the Company has changed its fiscal year end from October 31 to December 31, effective for the period ended December 31, 2018.

Nature of Business and Overall Performance

The Company was incorporated under the *Business Corporations Act* (British Columbia) on March 23, 2011 under the name "0906251 B.C. Ltd.". The Company changed its name to "Squire Mining Ltd." effective January 13, 2015. The Company is listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "SQR". Effective April 5, 2018, the Company's common shares commenced trading on the Frankfurt Stock Exchange in Germany under the symbol "9SQ". Effective September 19, 2018, the Company's common shares commenced trading on the OTCQB Venture Marketplace in the United States under the symbol "SQRMF".

The Company is engaged in the business of developing and operating cloud computing and data mining infrastructure and system technology to support global blockchain applications. The Company is currently developing its initial next generation ASIC chip and computing equipment to mine Bitcoin SV (BSV), Bitcoin Core (BTC) and other associated SHA-256 derived cryptocurrencies and anticipates completing the initial manufacture and assembly of a pilot production test run of such chip and rig by the fourth quarter of 2019.

Management would like to highlight that towards the end of 2018, there has been significant volatility in the global digital-asset and blockchain technology sector and that differences in planned capex and operational forecasts are a direct result of ongoing business adjustments based on market conditions. These adjustments are most evident in potential reductions to the scale of the development and production of the initial ASIC chips and computing equipment. This is to ensure that the Company is able to release a competitive product that can be assessed by the market at a time where deployment can be scaled rapidly. This will likely occur when general market conditions improve in the digital-asset and blockchain sector.

As part of the operational diversification strategy, the Company is establishing low cost cloud computing operations to enhance its operating business over the ensuing 12 months. This is currently dependent on the CoinGeek Transaction closing. The completion of the entire CoinGeek Transaction is subject to shareholder approval and the approval of the CSE. Management is actively reviewing distributed information and cloud computing opportunities that may be available for acquisition.

Change of Business

In March 2018, Squire began investigating opportunities in the blockchain and digital asset sectors in the belief that recent rapid growth in such sectors presented opportunities for new providers developing next generation data mining infrastructure and system technology including application specific integrated circuit (ASIC) chips and computing equipment for Bitcoin SV (BSV), Bitcoin Core (BTC) and other associated SHA-256 derived digital assets; one of the central foundations underpinning the blockchain industry. Such investigation resulted in the Company entering into an agreement with Peter Kim, to undertake, on an exclusive basis, the development of ASIC chips for Bitcoin SV (BSV), Bitcoin Core (BTC) and other associated SHA-256 derived digital asset computing. Since that time, the Company has undergone a change of business from mineral exploration to developing and operating data mining infrastructure and system technology to support global enterprise blockchain applications, including next generation ASIC chips and computing equipment in connection with Bitcoin SV (BSV), Bitcoin Core (BTC) and other associated SHA-256 computing (the “**Change of Business**”).

In March 2018, Squire formed Aracore Technology Corp. (“**Aracore**”) as a joint venture company with Peter Kim to develop ASIC chips for Bitcoin SV (BSV), Bitcoin Core (BTC) and other associated SHA-256 computing, pursuant to which the Company owns a 75% interest with Peter Kim owning the remaining 25% interest.

In May 2018, Squire completed non-brokered private placement financing of 13,174,500 units (the “**First Units**”) at a price of \$0.25 per First Unit for gross proceeds of \$3,293,625 to fund the design and development of next generation ASIC chips. Each First Unit consisted of one common share and one-half (1/2) of a share purchase warrant, each whole warrant entitling the holder to purchase an additional common share at a price of \$0.50 for a period of two years. Finder's fees totaling \$180,600 cash, 115,815 finder's First Units and 838,215 finder's warrants, on the same terms as the warrants forming part of the First Units, were paid to certain finders in connection with this private placement.

In August 2018, the Company:

- Entered into a design service agreement (the “**Design Service Agreement**”) with an arm’s length design fabrication company for back-end design, testing and mass production test run of initial next generation ASIC chip for Bitcoin SV (BSV), Bitcoin Core (BTC) and other associated SHA-256 computing.
- Completed a \$25,500,000 financing of 63,750,000 units (the “**Second Units**”) at a price of \$0.40 per Second Unit to fund the Change of Business and development and manufacture of next generation ASIC chips and computing equipment (the “**Change of Business Financing**”). Each Second Unit consisted of one common share and one-half (1/2) of a share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at a price of \$0.80 on or before August 10, 2020. Each purchaser of Second Units was also granted the right to participate, on a pro rata basis, in any future private placement or public financing of equity or convertible debt securities of the Company or any material subsidiary or joint venture company of the Company until the later of (a) August 10, 2021, and (b) for so long as such purchaser owns 10% or more of the issued and outstanding shares of the Company from time to time. In addition, APMS Investment Fund Ltd. (“**APMS**”), as lead purchaser under the Change of Business Financing, has the right to appoint of one nominee to the board of directors of the Company (the “**Board**”) and each material subsidiary or joint venture company of the Company until the later of (a) August 10, 2021, and (b) for so long as APMS owns 10% or more of the issued and outstanding shares of the Company from time to time. The Company also issued 956,250 Second Units to an arm’s length third party as a finder’s fee in connection with the Change of Business Financing.
- Received CSE approval of the Change of Business and filed a Form 2A Listing Statement dated July 31, 2018 (the “**Listing Statement**”) with the CSE and on SEDAR. Refer to the Listing Statement for further details of the Change of Business and a description of certain material agreements entered into by the Company in connection therewith.
- On August 10, 2018, Squire entered into an exclusive worldwide distributor agreement with an associate of CoinGeek.com (the “**Distributor**”), the world’s largest miner of Bitcoin SV (BSV), Bitcoin Core (BTC) and other associated SHA-256 derived digital assets. Upon completion of the development and manufacture of the Company’s initial ASIC chip and mining rig, the Distributor will have the exclusive worldwide right to market, promote, solicit, sell and distribute the chip and computing equipment for SHA-256 cloud computing operations under the CoinGeek.com brand, subject to certain minimum purchase requirements.
- On August 14, 2018, Squire formed a new joint venture company, Arasystems Technology Corp. (“**Arasystems**”), with Future Farm Developments Ltd. (“**Future Farm**”), a Hong Kong based technology company, to manage the development, manufacture and assembly of the Company’s next generation SHA-256 computing systems to be sold globally under the CoinGeek.com brand. The Company owns 75% of Arasystems with Future Farm owning the remaining 25%.
- On October 3, 2018, the Company announced that Aracore unveiled and tested a working prototype SHA-256 computing system comprised of a newly engineered FPGA (field programmable gate array) ASIC microchip.
- On November 30, 2018, as updated on March 25, 2019, the Company announced a non-binding agreement to acquire specific assets from Bigfoot Holdings Group Ltd. (c.o.b. as CoinGeek Mining & Hardware) (together with its affiliates, “CoinGeek”). The CoinGeek

Transaction is described in detail below and is expected to be the first of many that the Squire management team is considering as part of an industry consolidation strategy.

The Company's corporate objectives for 2019 are as follows:

1. Complete the necessary legal, tax and regulatory work required to complete the CoinGeek Transaction.
2. Enter into a formal development and assembly agreement with a global technology team to design and assemble the Company's initial SHA-256 computing equipment.
3. Integrate new staff and consultants that will join the Company as part of the CoinGeek Transaction.
4. Partner with a technology team or developer to distribute SHA-256 cloud computing solutions by third quarter of 2019.
5. Operate its cloud computing assets in Kazakhstan to achieve neutral or positive cash flow by the end of 2019.
6. Establish necessary infrastructure and support systems to facilitate the distribution of ASIC chips and cloud computing technology including a network of customer support centers in key markets.
7. Create market presence and establish a reputation as an innovative supplier and operator of high quality, next generation cloud computing solutions for SHA-256 based applications.
8. Continue to work with relevant and qualified financial advisors to identify other potential favorable transactions either in the crypto computing sector or the ASIC hardware space, including relevant software assets.

Proposed Acquisition of CoinGeek.com and Cloud Computing Assets

By news release dated November 30, 2018, as updated on March 25, 2019, Squire announced that it had entered into a non-binding letter of intent (the "Agreement") and exclusivity with CoinGeek to purchase cloud computing assets owned by CoinGeek and certain of its affiliates representing approximately 3 million terahash/s of computing power (or approximately 3 exahash/s) and other blockchain related assets (the "CoinGeek Assets"), for total consideration to be determined by negotiation between the parties and paid in common shares of the Company based on a price of \$0.45 per share (the "CoinGeek Transaction").

The CoinGeek Assets consist of ASIC mining rigs, representing approximately 3 exahash/s, or over 270 MW of power consumption, which, upon closing of the CoinGeek Transaction, would make Squire the largest publicly traded SHA-256 derived crypto-asset mining company globally, as measured by terahash/s. The CoinGeek Assets are all operated by leading hosting providers and allocated across the United States, Canada, China, Russia and Kazakhstan.

As part of the CoinGeek Transaction, the Company would be acquiring the existing prepayments made to and deposits with the respective hosting partners, as well as CoinGeek's outstanding global distribution agreement for the Company's ASIC chips and cloud computing equipment.

Furthermore, as part of the CoinGeek Transaction, Squire would have a twelve-month exclusivity and right of first refusal to acquire CoinGeek's remaining SHA-256 computing assets.

CoinGeek would, subject to definitive agreements, receive common shares of the Company as part of the consideration for the Assets. CoinGeek has agreed to enter into a voluntary one-year lock up on any common shares received.

In addition to the negotiation and execution of definitive agreements between Squire and CoinGeek, the CoinGeek Transaction would be subject to a number of conditions, including, among others, (i) the Company being satisfied, in its sole and absolute discretion, with the results of its due diligence review in respect of the CoinGeek Assets, (ii) receipt of the conditional approval of the CSE, (iii) the receipt of shareholder approval, and (iv) receipt of required consents. Although the exclusivity and right of first refusal is binding, there is no assurance that the CoinGeek Transaction contemplated by it will be completed as proposed or at all.

On March 22, 2019, the Company entered into a definitive share purchase agreement to acquire all of the outstanding shares of Freschette Limited (“Freschette”). Freschette owns and operates a fleet of cloud computing assets in Kazakhstan. The purchase price for Freschette is \$22,500,000 (subject to adjustment) to be financed by way of an unsecured convertible debenture accruing interest at 15% per annum and due on May 1, 2020. The debenture may be satisfied on maturity or at any time after the date that is nine months following closing, in whole or in part, at the option of the holder, by common shares of the Company at a value of \$0.45 per share or, at the option of the Company at any time after March 27, 2020, pursuant to a formula based on its then current trading price and subject to a floor of \$0.30 per share.

Canaccord Genuity Corp. is acting as exclusive financial advisor to the Company in respect of the CoinGeek Transaction.

Investment Assets

In January 2018, the Company acquired, on an arm's length basis, an 18% minority interest in an exclusive 8 year license to commercially exploit a patented communications technology designed to create fully autonomous wireless communication networks without the need to connect to the internet, cellular or other communications infrastructure solely for commercial applications within the mining resource industry worldwide. The purchase price for the 18% interest was \$225,000. Under the terms of the assignment, the vendor must incur, within one year, a minimum of \$50,000 in qualified expenditures to develop SHA-256 computing related uses for the technology, failing which the Company's interest in the license, as it relates solely to resource mining applications, will automatically increase to 25%. At such time as the vendor has incurred its minimum expenditure, the parties will reassess the technology and, if warranted, determine a mutually agreeable plan to further fund and advance its development.

In February 2018, the Company purchased 430,000 units of Universal mCloud Corp. (“**mCloud**”) at \$0.35 per unit for a total subscription price of \$150,500. In May 2018, the Company purchased a further 300,000 units of mCloud at \$0.35 per unit for an additional subscription price of \$105,000. Each unit consisted of one common share and one-half (1/2) of one common share purchase warrant. Each whole warrant entitles the Company to purchase an additional common share at \$0.45 exercisable for 36 months, subject to early acceleration by mCloud if the 10 day weighted average trading price of mCloud's common shares is at any time greater than \$0.80 per share. mCloud is a technology company building the next generation IoT platform for asset and smart energy management listed on the TSX Venture Exchange (symbol – MCLD). The Company purchased the units of mCloud for investment purposes only and has no present intention to acquire further securities of mCloud, although the Company may in the future increase or decrease its investment in mCloud by acquiring or disposing of securities of mCloud through the market, privately or otherwise, depending on market conditions and any other relevant factors.

Summary of Quarterly Results

The following is a summary of the Company's financial results for the nine most recently completed reporting periods:

	Two months ended	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	Dec. 31,	Oct. 31,	July 31,	April 30,	Jan. 31,	Oct. 31,	July 31,	April 30,	Jan 31,
	2018	2018	2018	2018	2018	2017	2017	2017	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total revenues	-	-	-	-	-	-	-	-	-
Loss before other items:									
Total	(604,357)	(2,419,504)	(835,064)	(422,887)	(766,504)	(84,644)	(74,554)	(4,905)	(5,779)
Net Loss and Comprehensive Loss:									
Total	(1,194,490)	(5,745,844)	(1,671,525)	(401,387)	(766,504)	(86,616)	(75,054)	(2,242)	(54,987)
Basic and diluted loss per share	(0.01)	(0.05)	(0.05)	(0.01)	(0.02)	(0.00)	(0.00)	(0.00)	(0.00)

The Company's net loss and comprehensive loss from operations rose sharply in the fourteen months ended December 31, 2018 compared to the twelve months ended October 31, 2017 as a result of the Change of Business that was completed during the fourteen months ended December 31, 2018.

Results of Operations

The Company has yet to generate any revenue from its planned operations and has, to date, incurred net losses from operating and administrative expenses.

Fourteen month period ended December 31, 2018 (audited) compared to twelve month period ended October 31, 2017 (audited).

The Company incurred significantly higher net and comprehensive losses of \$9,779,750 for the fourteen month period ended December 31, 2018 ("FY 2018") (audited) compared to net and comprehensive losses of only \$218,899 for the twelve month period ended October 31, 2017 ("FY 2017") (audited).

The higher losses in FY 2018 resulted from the Company actively investigating and pursuing its Change of Business from mineral exploration to the development of data mining infrastructure and system technology to support global blockchain applications in the mining space including next generation ASIC chips and SHA-256 computing hardware for Bitcoin and other digital assets. The largest increases related to higher management fees/bonuses, consulting fees, project investigation costs, travel expenses and legal fees associated with the Change of Business. The Company also incurred significant share-based compensation expense in FY 2018.

The following table detail changes in major expenditures between the fourteen month period ended December 31, 2018 (audited) and the twelve month period ended October 31, 2017 (audited):

Nature of Expenses	Fourteen Months ended December 31, 2018 (audited)	Increase from Twelve Months ended October 31, 2017 (audited)	Explanation for Change
Management bonuses	\$368,000	\$368,000	Increase due to increased corporate activities during fiscal 2018 associated with investigation of new business opportunities and hiring of additional executive officers and increased fees paid thereto in connection with Change of Business and significantly increased activities associated therewith. Such increase also included management bonuses (including signing bonuses) paid to certain executive officers.
Consulting fees	\$456,196	\$406,196	Increase due to hiring of additional consultants to assist in the investigation of new business opportunities and due diligence and implementation of Change of Business.
Equity loss of joint venture operation	\$4,261,405	\$4,261,405	Costs incurred in connection with the investigation and preliminary design of the Company's initial next generation ASIC chip for Bitcoin SV (BSV), Bitcoin Core (BTC) and other associated SHA-256 applications. 75% interest in Aracore and Arasystems losses accounted in Squire books and booked as equity loss of joint venture in the income statement and same amount decreased the investment in Aracore and Arasystems account in the balance sheet for the period ended December 31, 2018.
Travel	\$314,686	\$312,273	Increase due to investigation of potential new business opportunities including numerous trips by management to Asia, Europe and other destinations for chip and equipment development and capital raising activities in connection with Change of Business.
Legal fees	\$352,595	\$327,238	Increase due to legal fees associated with and drafting material agreements in connection with Change of Business, Change of Business Financing and Listing Statement for CSE and regulatory approvals
Administrative, rent, office and miscellaneous	\$204,185	\$197,419	Increase due to higher office expenses and administration services associated with increased corporate activities and Change of Business.

Share-based compensation	\$1,493,333	\$1,483,333	Increase due to stock options granted to newly appointed executive officers, directors and consultants during the period.
Management fees	\$918,702	\$873,702	As a result of the change of management in October, severance payments were made to certain outgoing management personnel.

As a result of the foregoing, the Company incurred a basic and diluted loss per share of \$0.14 for the fourteen month period ended December 31, 2018, compared to a loss of \$0.01 per share for the twelve month period ended October 31, 2017.

The Company's cash used in operating activities during the fourteen month period ended December 31, 2018 (\$3,718,530) was much higher than the twelve month period ended October 31, 2017 (\$136,113) due primarily to the Company's increased activities as discussed above, in particular, the Change of Business. Also, the Company's cash flow used in investing activities during the fourteen month period ended December 31, 2018 increased to \$7,231,399 compared to \$10,000 for the period ended October 31, 2017, primarily as a result of the Company's 75% investment in Aracore. Finally, as a result of three financings carried out during the period, the Company's cash flow from financing activities for the fourteen month period ended December 31, 2018 was \$29,660,968, compared to \$382,000 for the twelve months period ended October 31, 2017.

Trends

The use of Bitcoin SV (BSV), Bitcoin Core (BTC) and other associated SHA-256 derived cryptocurrencies to, among other things, buy and sell goods and services and complete other transactions, is part of a new and rapidly evolving industry that employs digital assets based upon a computer-generated mathematical and/or cryptographic protocol. The growth of this industry in general, and the use of Bitcoin SV (BSV), Bitcoin Core (BTC) and other associated SHA-256 derived cryptocurrencies in particular, is subject to a high degree of volatility and uncertainty, and the slowing or stopping of the development or acceptance of developing protocols may adversely affect the demand for Bitcoin Cash, Bitcoin and other cryptocurrencies and consequently the demand for the ASIC chips incorporated into the "mining rigs" used to mine such currencies. Factors affecting further development of the industry include, but are not limited to, continued worldwide growth in the adoption and use of cryptocurrencies, governmental and quasi-governmental regulation of cryptocurrencies and their use, or restrictions on or regulation of access to and operation of the network or similar cryptocurrency systems, changes in consumer demographics and public tastes and preferences, the availability and popularity of other forms or methods of buying and selling goods and services and general economic conditions and the regulatory environment relating to digital assets, each of which is beyond the reasonable control of the Company and could materially adversely affect the market for the ASIC chips and mining rigs that the Company is currently developing.

The digital-asset computing industry is also highly competitive and the Company will be competing with many other companies and entities in the development, manufacture and sale of ASIC chips and SHA-256 computing equipment for Bitcoin SV, Bitcoin Core and other digital-asset applications, many of which have vastly greater resources, capital and personnel. The ability of the Company to develop and manufacture ASIC chips and SHA-256 computing equipment in the future will depend not only on its ability to develop, manufacture and sell its initial next generation chip and SHA-256 computing platform, but also on its ability to design, develop, market and sell subsequent generation chips and equipment for Bitcoin SV, Bitcoin Core and other digital-assets. The trends and risks which are likely to impact the Company are detailed in Item 20 *Risk Factors* of the Company's Form 2A - Listing Statement dated July 31, 2018 filed with the CSE and on SEDAR.

Liquidity and Capital Resources

As a result of the Change of Business, the Company's operations now consist primarily of designing, operating and developing data mining infrastructure and system technology (including ASIC chips and SHA-256 computing equipment) to support global blockchain applications in the digital-asset mining space. The Company's financial success and continuation as a going concern will be dependent on, among other things, the extent to which it can develop and successfully market, distribute and sell its products in sufficient quantities to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations.

As at December 31, 2018, the Company had current assets of \$19,540,770 consisting primarily of cash and cash equivalents of \$19,244,095, marketable securities of \$211,700, amounts receivable of \$58,205 and prepaid expenses of \$26,770. The Company's working capital as at December 31, 2018 was \$19,454,006.

Squire intends to use a portion of its working capital as at December 31, 2018 to fund the design, development and manufacture of the Company's initial ASIC chip and SHA-256 computing platform, operation and maintenance of digital-asset mining machines, ongoing research and development and related general and administrative expenses and working capital expenditures, as set out below:

Description	Allocated C\$
Fund balance of design, development and manufacture of the Company's initial ASIC chip including initial mass production run (US\$3,620,000) ⁽¹⁾	\$4,938,404
Fund design, development and testing of the Company's initial mining platform including manufacture and assembly of pilot production test run (US\$1,475,000) ⁽¹⁾	\$2,012,195
Reserve for 12 months of manufacturing, marketing, promotion and product support (i.e. warranty) for ASIC chips and mining equipment (US\$2,600,000) ⁽¹⁾	\$3,546,920
General and Administrative expenses for ensuing 12 months (US\$1,590,000) ⁽¹⁾	\$2,169,078
Unallocated working capital	\$6,787,409
TOTAL	\$19,454,006

(1) Where applicable, amounts payable in US dollars have been converted to Canadian dollars using the US/Canada dollar exchange rate of US\$1.00 = C\$1.3642 as reported by the Bank of Canada on December 31, 2018.

The Company intends to spend the available funds as set out above. There may be circumstances, however, where, for sound business reasons, a reallocation of funds may be necessary. Pending such use, the Company intends to invest the available funds in short-term, investment grade, interest-bearing securities and other marketable securities.

As part of the Change of Business as well as the proposed CoinGeek Transaction, the Company anticipates that it will be generating digital-asset related revenue in 2019. The Company anticipates that in its digital-asset computing activities it will be applied to the most profitable SHA-256 asset at the time of computing activity. This may change over time and management will affect the appropriate operational decisions to ensure that computing power adapts and is allocated based on current market conditions. As a general policy, revenues generated over and above the cash operating expenses to maintain the digital-asset computing operations may be invested in other SHA-256 derived digital-assets at the discretion of the management and/or Board of Directors.

Thereafter, if the Company has not yet attained positive cash flow, the Company will require additional capital to maintain operations including, but not limited, researching and developing next generation ASIC chips and SHA-256 computing equipment and other new products and technologies. The Company's ability to arrange financing in the future will depend, in part, upon the prevailing capital market conditions, the market and demand for Bitcoin SV, Bitcoin Core and other digital assets as well as its business performance. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to it or at all. If the Company raises additional financing through the issuance of common shares from its treasury, control of the Company may change and existing shareholders will suffer additional dilution.

Off Balance Sheet Arrangements

There are no off balance sheet arrangements to which the Company is committed.

Key Management

The Company considers its executive officers and directors to be key management. During the fourteen month period ended December 31, 2018, the Company incurred management fee, administrative fees, bonuses and share-based payments totaling \$1,870,368 in respect of services provided to the Company by the following executive officers and directors or private companies controlled by same:

Name of Officer/Director	Position	Nature of Fees	Fees Charged
Taras Kulyk	Director and CEO until January 2019	Salaries and wages	\$72,353
		Share-based payment	\$40,000
Yevgeniy Meshcherekov	CFO	Salaries and wages	\$31,500
		COO until 2019/ currently interim CEO	\$27,000
Simon Moore	Former President and CEO	Salaries and wages	\$115,368
		Management fees	\$75,000
		Bonus	\$280,000
		Severance pay	\$180,000
Rich Wheelless	Former CFO	Share-based payment	\$75,647
		Financial management fees	\$75,000
		Bonus	\$180,000
		Severance pay	\$130,000
Owen King	Former Director	Share-based payment	\$40,250
		Management fee	\$25,000
		Bonus	\$83,000
Tibor Gajdics	Former interim President and CEO	Share-bases payment	\$75,750
		Management fees	\$40,000
		Bonus	\$52,000
Kevin Hanson	Former CFO	Share-based payment	\$32,500
David Rokoss	Former Director	Financial management fees	\$48,000
Gary Stock	Former Director	Share-based payment	\$46,000
Stefan Matthews	Director	Share-based payment	\$106,000
Marco Strub	Director	Share-based payment	\$40,000
TOTAL			\$1,870,368

Transactions with Related Parties

During the fourteen months ended December 31, 2018:

- Management fees, which include reimbursable travel, consulting and management fees incurred by Squire, of \$627,674 were charged to Aracore in consideration for the time and effort devoted by Squire's management and other personnel in furtherance and ongoing administration of Aracore.
- APMS, a related party of the Company by virtue of owning more than 10% of the issued and outstanding shares of the Company, acquired a total of 7,750,000 Second Units at a price of \$0.40 per Second Unit for an aggregate subscription price of \$3,100,000 pursuant to the Change of Business Financing. As of the date of this MD&A, to management's knowledge, APMS owns a total of 15,750,000 common shares or approximately 12.78% of the issued and outstanding shares of the Company.

Proposed Transactions

Except for those disclosed herein, as of the date of this MD&A, there are no proposed asset or business acquisitions or dispositions which are expected to have a material effect on the financial condition, financial performance or cash flows of the Company.

Critical Accounting Policies and Estimates

The Company has prepared the financial statements in accordance with IFRS. Significant accounting policies are described in Note 3 of the Company's financial statements as at and for the period ended December 31, 2018.

The preparation of financial statements in conformity with IFRS requires to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

The Company's significant judgements are detailed in Note 4 to the audited financial statements for the fourteen month period ended December 31, 2018 and include: joint arrangements, exploration and evaluation expenditures, income taxes, and going concern.

The Company's significant estimates are detailed in Note 4 to the audited financial statements for the fourteen month period ended December 31, 2018 and include: share-based compensation.

Financial Instruments and Other Instruments

The Company holds a number of financial instruments which are recorded on the balance sheet at fair value with gains and losses in each period included in other comprehensive income (loss) in the period on the statement of loss and comprehensive loss. The most significant of these instruments are marketable securities. Further information about our financial instruments and associated risks is outlined in Note 10 to our 2018 audited annual financial statements.

The Company's financial instruments are exposed to the following risks:

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices and are comprised of foreign currency risk and interest rate risk.

Foreign Currency Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and other foreign currencies will affect the Company's operations and financial results. The Company does not have significant exposure to foreign exchange rate fluctuation.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions. The risk that the Company will realize a loss as a result of a decline in the fair value of the cash is limited because of the short-term nature of the investments.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consists primarily of cash. Cash are maintained with financial institutions of reputable credit and may be redeemed upon demand. The Company considers this risk to be minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases. The Company manages liquidity risk through the management of its capital structure.

Disclosure of Outstanding Share Data

The following table summarizes the maximum number of common shares outstanding as at December 31, 2018, and as of the date of this MD&A, if all outstanding stock options and warrants were converted to common shares.

	As at December 31, 2018	As at the date of this MD&A
Common shares	123,455,172	123,736,639
Options to purchase common shares	4,605,893	2,200,000
Share purchase warrants	54,732,330	54,732,330

If all the Company's options and warrants were exercised as of the date of this MD&A, the Company would receive \$31,596,353 in total gross proceeds on those exercises. For further information and details concerning outstanding share data, options, and warrants, refer to the audited consolidated statements for the year ended December 31, 2018.

Risks and Uncertainties

An investment in securities of the Company involves a high degree of risk, should be considered highly speculative due to the nature of the Company's business and should only be made by persons who can afford the risk of loss of their entire investment. The trends and risks which are likely to impact the Company are detailed in Item 20 *Risk Factors* of the Company's Form 2A - Listing Statement dated July 31, 2018 filed with the CSE and on SEDAR.

Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com.