**CALYX VENTURES INC.**
**MANAGEMENT DISCUSSION AND ANALYSIS**
**YEAR ENDED DECEMBER 31, 2018**

This Management Discussion and Analysis ("MD&A") of Calyx Ventures Inc. (the "Company") provides an analysis of the Company's financial results for the year ended December 31, 2018. The following information should be read in conjunction with the accompanying audited financial statements and the notes to the audited financial statements for the year ended December 31, 2018.

The Company reports in accordance with International Financial Reporting Standards ("IFRS") and the following disclosure, and associated unaudited financial statements, are presented in accordance with IFRS. These statements are filed with the relevant regulatory authorities in Canada. All monetary amounts are expressed in Canadian dollars, unless otherwise specified.

## FORWARD LOOKING INFORMATION AND DATE OF REPORT MAY 31, 2019

Certain statements contained in this document constitute "forward looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward- looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward- looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments except as required by law.

The consolidated financial statements have been prepared on a going concern basis which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. The ability of the Company to continue as a going concern is dependent upon obtaining ongoing financing and there can be no assurance that the Company will be able to raise any capital through any type of offering or similar financial arrangement. For more information on the Company, investors should review the Company's continuous disclosure filings that are available under the Company's profile at www.sedar.com.

## NATURE OF BUSINESS AND OVERALL PERFORMANCE

Calyx Ventures Inc. (formerly Calyx Bio-Ventures Inc.) (the "Company" or "Calyx") was incorporated under the Business Corporations Act (British Columbia) on June 10, 2008. The registered address of the Company is located at 1111 – 1590 West Georgia Street, Vancouver, BC, V6E 4G2.

Through its wholly owned subsidiary, Cannigistics Agri-Solutions Corp. ("Cannigistics"), the Company is in the business of bringing technology solutions to advanced indoor agriculture. On November 30, 2016, the Company incorporated LEAFHub Technologies Inc. as a wholly-owned subsidiary of Calyx.

Calyx operates a software development business which produces custom software for enterprises and innovative start-up companies. Calyx operates through its wholly-owned subsidiaries, Cannigistics Agri-Solutions Corp., a software development business that has created a software platform originally designed for advanced indoor agriculture, and has now evolved to serve a wider range of industries, LeafHub Technologies Inc., a media and marketing company that provides online access to information and products for the legal cannabis and hemp industries, and Canada Blockchain Holdings Corp., ("CBH") a company operating in the blockchain technology and cryptocurrency sector which is in the process of discontinuing activities related to the sale of hash-power to a third party. Calyx also owns a portfolio of proprietary intellectual property with applications in crop enhancement, as well as messaging software assets.

**DISCONTINUED OPERATIONS**

On December 31, 2018, the Company reassessed the profitability of its subsidiary CBH and the sale of hash-power to a crypto hash power broker.

. It was determined due to the costs of providing power and the management of assets, the operations did not meet profit expectations and the Company began the process to cease all activities related to the sale of power.

In December of 2018, management initiated a plan to dispose of the assets relating to the provision of hash rate. As a result of this decision, CBH's results for the year ended December 31, 2018 have been classified as loss from discontinued operations in the consolidated statement of income and comprehensive income. The assets and liabilities have been classified as assets held for sale and liabilities of assets held for sale, respectively, in the consolidated statement of financial position as of December 31, 2018. In accordance with IFRS, management has estimated the fair value less costs to sell. During the month of December, management actively searched for a buyer to purchase the net assets of CBH. As at December 31, 2018, this resulted in an impairment on the equipment held for sale of $45,325.

Assets and liabilities related to the Company's operations have been reclassed as assets held for sale and liabilities associated with assets held for sale:

| For the year ended December 31, | | **2018** |
|---|---|---|
| Investment in cryptocurrency | **$** | 24,821 |
| Equipment | | 480,850 |
| Accounts payable | | (178,611) |
| Provision | | (363,513) |
| Net assets held for sale | **$** | **(36,453)** |

Subsequent to year-end, the Company's equipment was transferred in a settlement agreement and the remaining cryptocurrency was applied against an outstanding accounts payable balance.

The Company's focus has been on the development of its IndustryCast Platform and the development of applications based on its software, including the LeafHub platform. The LeafHub platform is expected to launch in April of 2019.

**HIGHLIGHTS & RECENT DEVELOPMENTS**

On January 15, 2018, the Company announced that its wholly-owned subsidiary Canada Blockchain Hosting Corp. has changed its name to Canada Blockchain Holdings Corp. ("CBH") to better reflect its purpose as the holding company for all cryptocurrency and blockchain operations of the Company. This includes the provision of hash rate, data validation and assets, data acquisition, cryptocurrencies and other blockchain-related assets. As of December 31, 2017, CBH reported that it had recognized revenue of approximately $50,000 USD in its first full month of operation, utilizing one-quarter of its owned capacity, based on the market value of both Bitcoin and Ethereum at the time and the total amount of cryptocurrency owned. CBH has subsequently revised this amount to recognize revenues of $34,048 during the same time period, based on the accepted accounting practices employed by the auditors of the Company. CBH will continue to use these principals in any further reporting situations.

On January 31, 2018, the Company announced that it will undertake a corporate rebranding and name change to "Calyx Ventures Inc." This name change will better reflect the focus of the Company as a diversified provider of software solutions to the indoor agriculture, cannabis, and blockchain technology sectors. The change of name was effective at the open of markets on Monday, February 5, 2018. There was no change to the Company's ticker symbol in connection with the name change.

On February 26, 2018, the Company provided an update on the development status of its Canadian Cannabis Exchange Platform. Calyx's wholly-owned subsidiary, Cannigistics Agri-Solutions Corp. is both on schedule and on budget in building out its commercial platform which when completed will facilitate mass commercial cannabis and derivative transactions in an orderly market-based fashion.

On June 28, 2018, the Company closed a non-brokered private placement issuing 9,285,700 units at a price of $0.07 per unit for gross proceeds of $650,000. Each unit consists of one common share and one half of one common share purchase warrant. Each warrant is exercisable to acquire one additional common share at a price of $0.15 per share for a period of 12 months.

On October 9, 2018, the Company announced the grant of 2,500,000 incentive stock options to directors, officers, and consultants of the Company. The options are exercisable at a price of $0.10 per share for a period of twelve months.

On November 20, 2018, the Company announced the completion of the development of its Canadian Cannabis Exchange Platform. The wholesale component of the application was completed and the Company began to proceed with the identification of third-party partners for the testing of the platform. In addition to the Company's extensive development and customization of this model to date, the final application framework includes a private distributed ledger to handle and track contracts and transactions.

On March 5, 2019, the Company provided an updated to announce the redesign and upgrade of its LeafHub platform. The Company has built a fully integrated cannabis and hemp online portal which can facilitate both retail and wholesale transactions from a single interface. The new version of LeafHub has been significantly redesigned and engineered to include many new features as well as a "fully integrated" messaging application.

## SELECTED ANNUAL INFORMATION

The following is the consolidated financial data for the last three fiscal periods:

| | **Years Ended December 31 (audited)** | | |
|---|---|---|---|
| Fiscal year | **2018** | **2017** | **2016** |
| | **$** | **$** | **$** |
| Revenue | 2,400 | 128,375 | 105,438 |
| Loss for the year | 1,679,505 | 1,060,598 | 696,340 |
| Loss from discontinued operations | 812,250 | 391,730 | - |
| Loss per share | 0.03 | 0.023 | 0.013 |
| Total assets | 666,195 | 2,333,183 | 877,366 |
| Total non-current liabilities | - | 5,500 | 5,500 |
| Total liabilities | 801,388 | 610,778 | 191,425 |
| Dividends | Nil | Nil | Nil |

## RESULTS OF OPERATIONS

### *For the Year Ended December 31, 2018*

Net loss for the year ended December 31, 2018 was $1,679,505 (2017 - $1,060,598), comprised of the following significant items:

- Revenue of $2,400 (2017 - $93,050); decrease in revenue as the Company focused on its operations pertaining to the provision of hash ratein fiscal 2018 and contracts relating to hosting services were not renewed;
- Depreciation of $32,481 (2017 - $6,642); increased due to leasehold improvements on the Company's office lease in 2018;

- Development expenses of $95,921 (2017 - $130,743); Consistent with prior year, development was focused on the Company's software applications;
- Office and administrative expenses of $187,525 (2017 – $87,564) which includes rent expense, travel and license renewal fees. Increases in the current year relate to increased rent due to a new lease agreement and increases in utilities.
- Personnel costs of $179,117 (2017 - $309,172 lower due to decreased operating and administrative activities.
- Professional and regulatory expenses of $187,565 (2017 - $93,686); increased accounting fees, and audit fees.
- Share-based compensation of $69,592 (2017 - $344,169) was incurred due to stock options being granted.

Discontinued operations for the year ended December 31, 2018 was $812,250 (2017 - $391,730) relating to the Company's operations pertaining to the provision of hash rate.

- Revenue of $331,650 (2017 - $32,325) consists of the revenue earned on the sale of hash-power to a crypto hash power broker beginning in Q4 of 2017;
- Cost of sales of $690,323 (2017 - $13,845) consisting of utilities and hosting fees related to operations pertaining to the provision of hash rate;
- Depreciation of $226,250 (2017 - $10,358) relates to rigs used for the provision of hash rate acquired in Q4 of 2017l
- Impairment of equipment $45,325 (2017 - $Nil) was incurred on the Company's cryptocurrency rigs to reflect the recoverable amount of the equipment.

## FOURTH QUARTER

***For the Fourth Quarter Ended December 31, 2018***

Net loss for the fourth quarter ended December 31, 2018 was $1,852,043 (2017 - $1,010,783), comprised of the following significant items:

- Revenue of $Nil (2017 – $51,725); the Company ceased all revenue activities aside from cryptocurrency in the period;
- Development expenses of $44,840 (2017 – $50,902); costs were comparable to the prior period and relate to the development of software applications;
- Share-based compensation of $69,592 (2017 - $344,169); was incurred due to stock options being granted.

## SUMMARY OF QUARTERLY RESULTS

| | Dec 31, 2018 | Sept 30, 2018 | June 30, 2018 | Mar 31, 2018 | Dec 31, 2017 | Sept 30, 2017 | June 30, 2017 | Mar 31, 2017 |
|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ |
| Revenues | - | - | - | 2,400 | 16,400 | 19,200 | 41,550 | 15,900 |
| Net loss – continuing operations | (1,134,192) | (250,099) | (140,444) | (154,770) | (619,129) | (146,338) | (148,577) | (146,630) |
| Net loss – discontinued operations | (717,851) | (4,448) | (37,659) | (52,292) | (391,654) | - | - | - |
| Net income (loss) | (1,852,043) | (254,547) | (178,103) | (207,062) | (1,010,783) | (146,338) | (148,577) | (146,630) |
| Income (loss) per share (basic and diluted) | (0.03) | (0.003) | (0.002) | (0.002) | (0.016) | (0.002) | (0.002) | (0.002) |

The financial data for the quarters have been prepared in accordance with IFRS. All figures are stated in Canadian dollars.

## LIQUIDITY AND CAPITAL RESOURCES

Cash used in operating activities during the year ended December 31, 2018 was $1,017,299 (2017 - $462,163). Cash flow provided by operating activities relating to discontinued operations was $81,312 during the year ended December 31, 2018 and cashflows used in discontinued operations $401,574 in 2017.

Cash generated from financing activities during the year ended December 31, 2018 was $670,021 (2017 - $1,515,324) from subscriptions received for a private placement financing and offset by the repayment of a promissory note of $52,000.

Cash used in investing activities during the year ended December 31, 2018 was $126,985 (2017 - $2,843) for leasehold improvements compared to the acquisition of computer and other office equipment in 2017. Cash used in investing activities during the year ended December 31, 2018 related to discontinued operations was $335,000 (2017 - $443,725) relating to the purchase of GPU mining rigs.

The Company had a working capital deficiency of $254,276 at December 31, 2018 (December 31, 2017 - $62,832) and cash and cash equivalents of $726 (December 31, 2017 - $393,676).

The Company's primary source of funding comes from raising capital through the equity markets.

## OFF-BALANCE SHEET ARRANGEMENTS

At December 31, 2018, the Company had no off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

## TRANSACTIONS WITH RELATED PARTIES

**Transactions**:

Key management personnel include directors and senior management members. The Company paid or accrued the following amounts to key management personnel or companies controlled by them:

| | Year ended December 31, 2018 | Year ended December 31, 2017 |
|---|---|---|
| Bonus | $ - | $ 25,000 |
| Consulting and management fees | 159,000 | 132,000 |
| | $ 159,000 | $ 157,000 |

During the year ended December 31, 2018, the Company reimbursed a company controlled by an officer $54,000 (2017 – $39,000) for cloud hosting costs incurred on behalf of the Company.

**a) Due to (receivable from) related parties:**

As at December 31, 2018, receivables includes $1,164 owed from the CEO and a company controlled by the CEO (December 31, 2017: $50,218 owed included in accounts payable and other liabilities). These balances bear no specific terms of interest or repayment.

As at December 31, 2018, accounts payable and accrued liabilities includes $12,000 owed to a director of the Company (December 31, 2017: $3,000). These balances bear no specific terms of interest or repayment.

During the year ended December 31, 2017, CBH, a wholly owned subsidiary of the Company, purchased $400,000 of computer equipment and software from a company controlled by the CEO.

## PROPOSED TRANSACTIONS

There is currently no proposed transaction.

## CRITICAL ACCOUNTING ESTIMATES

The Company's accounting policies are presented in Note 2 of the December 31, 2018 audited annual financial statements. The preparation of financial statements in accordance with IFRS requires management to select accounting policies and make estimates. Such estimates may have a significant impact on the financial statements. Actual amounts could differ materially from the estimates used and, accordingly, affect the results of the operations. These include:

- Depreciation of tangible and intangible assets;
- Recoverability of tangible and intangible assets; and
- Valuation of share-based compensation and brokers' warrants.

## NEW STANDARDS NOT YET ADOPTED

**Leases**
In January 2016, the IASB published a new accounting standard, IFRS 16 – Leases ("IFRS 16") which supersedes IAS 17 – Leases. IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted if IFRS 15, has also been applied. The Company plans to adopt this standard on January 1, 2019 and is currently evaluating its impact on the financial statements.

Other new standards or amendments are either not applicable or not expected to have a significant impact on the Company's financial statements.

## FINANCIAL INSTRUMENTS AND OTHER RISKS

The Company's financial instruments consist of cash, receivables and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair market values of these financial instruments approximate their carrying values, unless otherwise noted.

***Credit Risk***
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts and accounts and other amounts receivable. The cash consists of operating funds with two commercial banks. This risk is managed by using major banks that are high credit quality financial institutions, as determined by rating agencies.

***Liquidity risk***
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. At December 31, 2018, the Company had a cash balance of $726 (December 31, 2017 - $393,676) to settle current liabilities of $801,388 (December 31, 2017 - $605,278).

***Market risk***
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

a) Interest rate risk

The Company has cash balances held with financial institutions. The Company's current policy is to invest excess cash in short-term treasury bills issued by the Government of Canada and its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

b) Foreign currency risk

The Company is not currently exposed to significant foreign currency risk as most transactions are denominated in Canadian dollars.

***Capital Management***

The Company manages its cash and common shares as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue its strategic plan. The Company manages and performs regular review of financial information. The Company does not have any externally imposed capital requirement to which it is subject.

There was no change in the Company's approach to capital management during the period.

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Company's management is responsible for presentation and preparation of the interim financial statements and the Management's Discussion and Analysis. The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

The financial statements and information in the MD&A necessarily include amounts based on informed judgments and estimates of the expected effects of current events and transactions with appropriate consideration to materiality. In addition, in preparing the financial information, we must interpret the requirements described above, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information.

The MD&A also includes information regarding the impact of current transactions and events, sources of liquidity and capital resources, operating trends, risks and uncertainties. Actual results in the future may differ materially from our present assessment of this information because future events and circumstances may not occur as expected.

## OUTSTANDING SHARE DATA

As at the date of the MD&A, the following common shares and options were outstanding:

| | Number of Shares | Exercise Price | Expiry Date |
|---|---:|:---:|:---:|
| Issued and outstanding common shares | 94,781,658 | | |
| Share purchase warrants | 6,728,571 | $0.150 | November 10, 2019 |
| | 4,656,850 | $0.150 | June 28, 2019 |
| Stock options | 900,000 | $0.115 | October 24, 2021 |
| | 1,650,000 | $0.210 | November 19, 2022 |
| | 2,500,000 | $0.100 | October 9, 2019 |
| Fully diluted at June 3, 2019 | 111,217,079 | | |

## SUBSEQUENT EVENTS

On January 2, 2019, $25,953 in bitcoin from redirected miners was applied against the Company's outstanding balance related to the Services Agreement.

On April 8, 2019, a Notice of Civil Claim was filed against the Company. The claim asserts that the Company is in breach of its Services Agreement (Note 5) and the vendor is seeking payment of outstanding balances of $142,337 and further damages due to breach of contract.

On April 21, 2019, the Company entered into a settlement agreement and the Civil Claim was formally discontinued. Under the terms of the settlement, the Company agreed to issue 1,000,000 in common shares of the Company at $0.05 per share, and to dispose all equipment pertaining to the provision of hash rate with a carrying value of $480,850 to the vendor in exchange for the early termination of the Services Agreement. The termination agreement represents settlement of all obligations under the Services Agreement.