Interbit Ltd.
Management's Discussion and Analysis
For the Three Months Ended March 31, 2020
Expressed in Canadian Dollars
Dated May 22, 2020

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Interbit Ltd. ("Interbit", or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three months ended March 31, 2020. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended December 31, 2019 as well as the unaudited interim consolidated financial statements for the three months ended March 31, 2020, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. Information contained herein is presented as at May 22, 2020 unless otherwise indicated.

Description of Business

The Company was incorporated on March 28, 2011 and organized under the laws of Alberta, Canada. The registered office of the Company is located at 1600, 421 - 7 Avenue SW, Calgary, Alberta T2P 4K9. The Company has been an enterprise technology provider that has since 2016 dedicated itself to building blockchain technologies, specifically the Interbit™ platform.

On March 20, 2020 the Company announced that it proposed to complete a "Change of Business" transaction (the "COB Transaction") to become a mining issuer listed on the TSX Venture Exchange (the "Exchange"). Under the proposed COB Transaction, the Company entered into an option agreement (the "Agreement") to acquire 100% of twenty–seven (27) mineral claims known as the Mike Leahy Property (collectively "the Property") totaling approximately 500 hectares located in the Larder Lake Mining Division in the Province of Ontario.

The Company also announced on March 20, 2020 that it will continue to advance the patenting process in the United States and China that was underway for the Company`s blockchain technologies. The Company has filed for six provisional patents in the United States and related *Patent Cooperation Treaty* ("**PCT**") applications for its Interbit™ platform directed at:

1. "Chain Joining" - method and system for facilitating data transfer between blockchains,
2. "Hypervisor" – virtualization technology for blockchains.
3. "Chainception" –the process of hosting a new blockchain using an existing blockchain node.
4. "Hyperconvergence" – controlling resources attached to other Interbit blockchains.
5. "Payload Layer" – storing multiple Gbytes of data in conjunction with a blockchain.
6. "Side Effects" – allowing the blockchain to interact with sensors and other hardware in a distributed blockchain denominated manner.

While the Company received commercial encouragement on the patent front during 2019, it halted any further development of the Interbit™ platform in late 2019. The Company is currently focused on advancing the proposed COB Transaction and its patent strategy.

Highlights and Outlook

During the first quarter of 2020 the Company continued to reduce its monthly overhead and simplify its corporate structure by advancing the wind-up various international subsidiaries.

On February 21, 2020 the Company announced that it had received independent feedback regarding its Interbit™ platform code and design. The conclusions received indicate that while the potential technological ambitions of the Interbit™ platform and its associated patent applications seek to address the strategic challenges that the blockchain industry continues to face (such as scalability), the design and architecture employed in building the Interbit™ platform had structural challenges. The reviews identified that the Interbit™ platform would require significant additional architectural and development work before it would have the potential to generate any commercial returns. Subsequent to receiving this feedback the Company continued with its strategic review and exploring and evaluating opportunities to maximize shareholder value.

On March 16, 2020, the Company closed a non-brokered private placement of 11,499,996 common shares of the Company ("Common Shares") at an issue price of $0.15 per share, for aggregate gross proceeds of $1,724,999. Cash costs of issue amounted to $114,551 in aggregate.

Subsequent to completion of the non-brokered private placement on March 16, 2020, the Company made the determination that the results of the third party technology review, combined with the economic developments surrounding the COVID-19 pandemic, necessitated it initiating the proposed COB Transaction with the result that the Company will become a Tier 2 mining issuer under the policies of the Exchange and will initially be engaged in the exploration and development of prospective mineral properties. On May 8, 2020, the Company received conditional approval from the Exchange for the proposed COB Transaction.

Under the proposed COB Transaction, on March 20, 2020, the Company entered into the Agreement with Mr. Mike Leahy ("Optionor"), whereby the Company has been granted the option (the "Option") to acquire a 100% interest in and to the Property. The Optionor is the sole registered owner of the Property.

In order to exercise the Option and keep it in good standing, the Company will be required to make total cash payments of $35,000, issue a total of 100,000 Common Shares and incur exploration expenditures of no less than $250,000 as follows:

(a) paying the Optionor $35,000 upon issuance of a Technical Report (as defined in Agreement) that is to the satisfaction of the Company, in its sole discretion;
(b) issuing to the Optionor 50,000 Common Shares effective upon issuance of the Technical Report, recognizing that those Common Shares is subject to the approval of the Exchange and such approval may not be received until the closing of the COB Transaction;
(c) incurring $100,000 of exploration expenditures on the Property on or before the second anniversary of the closing of the COB Transaction, and issuing to the Optionor 50,000 Common Shares once such $100,000 of exploration expenditures have been incurred; and
(d) incurring $150,000 of exploration expenditures on the Property on or before the fourth anniversary of the closing date of the COB Transaction. The Company intends to use its working capital to make the cash payments required under the terms of the Agreement.

In connection with the COB Transaction it is also proposed that the Company complete a name change to "North Peak Resources Ltd." or another name as the board of directors of the Company deems appropriate and as is acceptable to regulators having jurisdiction over the Company.

Lastly, in connection with the COB Transaction it is also proposed that the Company complete a consolidation of the issued and outstanding Common Shares on the basis of one (1) post-consolidation Common Share for each two (2) pre-consolidation Common Shares (the "Consolidation"). A special resolution for the approval of the Consolidation will be put to the Company's shareholders for consideration at the Company's shareholder meeting, as described below.

Shareholder approval for the proposed COB Transaction, the Consolidation, the proposed name change, and annual meeting matters will be sought by the Company at its Annual and Special Meeting of Shareholders called for June 24, 2020.

As at March 31, 2020, the Company reported a cash position of $7,318,354 and working capital of $7,397,500.

Expressed in Canadian Dollars

Summary of Quarterly Results

For the Period Ended	Revenue ($)	Net Earnings (Loss)		Total assets ($)
		Total ($)	Basic and diluted earnings per share ($)	
2020 – March 31	Nil	24,499	(0.00)	7,609,757
2019 – December 31	Nil	(1,066,843)	(0.05)	6,561,824
2019 – September 30	Nil	(1,212,294)	(0.05)	7,291,261
2019 – June 30	Nil	(1,532,556)	(0.06)	9,222,754
2019 – March 31	Nil	(1,546,885)	(0.06)	10,154,925
2018 – December 31	Nil	(2,738,255)	(0.12)	11,367,760
2018 – September 30	Nil	(1,972,836)	(0.08)	13,055,956
2018 – June 30	Nil	(3,168,373)	(0.13)	14,679,966

Three Months Ended March 31, 2020 vs Three Months Ended March 31, 2019

The Company reported net income of $24,499 for the three months ended March 31, 2020, compared with a loss for the three months ended March 31, 2019 of $1,546,885.

The reported loss consists primarily of the following:

- Management and developer salaries of $nil (three months ended March 31, 2019 - $436,224), In the comparative period, this was representative of the Company's investment in human capital supporting the development of the Interbit™ platform. Staffing reductions and closure of the remaining office occurred during 2019 as the Company began to cut costs and reposition the Company.
- Programming and Contractor fees of $21,417 decreasing from $420,559 during the three months ended March 31, 2020, with variance attributable to the engagement of third party developers in Belarus, commencing in the fourth quarter of 2018, having been substantially wound down in the third quarter of 2019.
- Travel expenses declined to $32,350 during the three months ended March 31, 2020 from $93,381 during the three months ended March 31, 2019. Travel expenses consisted of marketing, and executive travel.
- Professional fees were $137,350 during the three months ended March 31, 2020, up from $65,000 for the three months ended March 31, 2019 as legal costs associated with patent registration and general corporate matters.
- Stock-based compensation declined for the three months ended March 31, 2020 to a recovery of $317,439. During the three months ended March 31, 2020, 1,060,000 options were cancelled, resulting in a credit to stock based compensation of $379,099, representing the value of the unvested portion of the cancelled options. This included with graded vesting of the remaining issued and outstanding options of $61,660, yielded the current period recovery of $317,439.

The Comparative period ended March 31, 2019 saw a stock based compensation expense of $323,456, reflective of the graded vesting of options granted to staff and consultants.

- Office and general expenses declined to $129,739 for the three months ended March 31, 2020, from $260,509 for the three months ended March 31, 2019. The closure of the Vancouver office in January 2019 yielded significant cost reductions in the subsequent months.
- Interest income declined to $30,074 in the three months ended March 31, 2020 from $52,334 for the three months ended March 31, 2019, representing interest earned on the Company's cash accounts.

Liquidity and Capital Resources

The Company reported working capital as at March 31, 2020 of $7,397,500 (December 31, 2019 - $6,079,992), and cash of $7,318,354 (December 31, 2019 - $6,299,125).

The cash on hand as at March 31, 2020 is expected to be sufficient to meet the Company's liquidity requirements for the next twelve months.

Should the Company`s remaining options have been exercised at March 31, 2020, a further $1,418,750 would be have been available to fund the Company`s treasury.

On March 16, 2020, the Company closed a non-brokered private placement of 11,499,996 Common Shares at an issue price of $0.15 per share, for aggregate gross proceeds of $1,724,999. Cash costs of issue amounted to $114,551 in aggregate.

Critical Accounting Estimates

Application of the Company's accounting policies in compliance with IFRS requires the Company's management to make certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Share-based Payments

Management is required to make certain estimates when determining the fair value of stock options awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as stock-based compensation in the statement of operations based on estimates of forfeiture and expected lives of the underlying stock options.

Several variables are used when determining the value of stock options using the Black-Scholes valuation model:

- The expected term: the Company used the expected term of the stock of five years, which is the maximum term ascribed to these stock options, for the purposes of calculating their value. The Company chose the maximum term because it is difficult to determine with any reasonable degree of accuracy when these stock options will be exercised.
- Volatility: the Company used historical information of the Company on the market price of its common shares to determine the degree of volatility at the date the stock options were granted. Therefore, depending on when the stock options were granted and the period of historical

information examined, the degree of volatility can be different when calculating the value of different stock options.
- Risk-free interest rate: the Company used the interest rate available for government securities of an equivalent expected term as at the date of the grant of the stock options. The risk-free interest rate would vary depending on the date of the grant of the stock options and their expected term.
- Dividend yield: the Company has not paid dividends in the past because it is in the development stage and has not yet earned any sufficient operating income. Therefore, a dividend rate of 0% was used for the purposes of the valuation of the stock options.

Critical Judgments Used in Applying Accounting Policies

In the preparation of the financial statements management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the financial statements.

Income taxes and recovery of deferred tax assets

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

Estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

a) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

Financial Risk Factors

The Company’s activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including interest rate risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash consists of cash at banks and on hand. The cash has been invested and held with reputable financial institutions, from which management believes the risk of loss to be remote.

Liquidity Risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they become due, or can only do so at excessive cost. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in market conditions generally or as a result of conditions specific to the Company. As at March 31, 2020, the Company had a cash balance of $7,318,354 to settle current liabilities of $212,257. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Extreme market volatility and stressed conditions resulting from COVID-19 and the measures implemented to control its spread could limit our access to capital markets and our ability to generate funds to meet out capital requirements. Sustained global economic uncertainty could result in more costly or limited access to funding sources. In addition, while the company currently has sources of liquidity, such as cash balances, there can be no assurance that these sources will provide us with sufficient liquidity on commercially reasonable terms in the future. Extreme market volatility may leave the Company unable to react in a manner consistent with our historical practices.

Market Risk

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances no debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks.

COVID-19

The pandemic and resulting economic downturn have created significant volatility and declines in financial and commodity markets. Central banks have announced emergency interest rate cuts, while governments are implementing unprecedented fiscal stimulus packages to support economic stability. The pandemic could result in a global recessionary environment with continued market volatility, which may continue to impact the Company's financial condition.

Capital Management

The Company manages its capital with the following objectives:

(i) To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
(ii) To maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, contributed surplus and deficit, which at March 31, 2020, totaled $7,397,500 (December 31, 2019 - $6,079,997). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. Information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the three months ended March 31, 2020.

Related Party Transactions

As at March 31, 2020, amounts due to related parties totaled $20,054 (December 31, 2019 - $10,900) pertaining to amounts payable for key management remuneration, and reimbursement of expenses paid on behalf of the Company included in accounts payable.

During the three months ended March 31, 2020, three directors were paid fees as follows:, Mr. Brian Hinchcliffe: $40,785, (three months ended March 31, 2019 - $39,635); Mr. John Thomson: $nil (three months ended March 31, 2019 - $25,881). Ms. Chelsea Hayes: $32,506. As at March 31, 2020, $nil (December 31, 2019 - $nil) was included in accounts payable and accrued liabilities in relation to these fees.

During the three months ended March 31, 2020, the Company expensed $12,335 (three months ended March 31, 2019 - $13,097) to Marrelli Support Services Inc. ("Marrelli Support") and DSA Corporate Services Inc. (the "DSA"), together known as the "Marrelli Group" for:

(i) Robert D.B. Suttie, President of Marrelli Support, to act as Chief Financial Officer of the Company;
(ii) bookkeeping and office support services; and
(iii) regulatory filing services.

The Marrelli Group is also reimbursed for out of pocket expenses.

As of March 31, 2020, the Marrelli Group was owed $12,545 (December 31, 2019 - $10,646). These amounts are included in accounts payable and accrued liabilities.

The above noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

Events Occurring After the Reporting Period

As of the date of this document there are no reportable events occurring after the reporting period which are not otherwise included in this document.

Risks and Uncertainties

The success of the Company is dependent, among other things, on obtaining sufficient funding to enable the Company to develop or exploit its technology and intellectual property. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further development. The Company will require new capital to continue to operate and there is no assurance that capital will be available when needed, if at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

The Company does not have a historical track record of operating upon which investors may rely. Consequently, investors will have to rely on the expertise of the Company's management. The Company does not have a history of earnings or the provision of return on investment, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

Dependence on Key Employees

The Company's business and operations are dependent on retaining the services of a small number of key employees. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these employees. The loss of one or more of these employees could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key employees.

Potential Dilution

The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional option and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

Current Global Financial Conditions and Trends

Securities of technology companies in public markets have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in Canada and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of Companies in the technology sector are also significantly affected by proposed and newly enacted laws and regulations, currency exchange fluctuation and the political environment in the local, provincial and federal jurisdictions in which the Company does business.

During the three months ended March 31, 2020, an outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat its spread. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods.

Due to the worldwide COVID-l9 outbreak, material uncertainties may come into existence that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Global oil prices;
- The severity and the length of potential measures taken by governments to manage the spread of the virus and their effect on labour availability and supply lines;
- Availability of essential supplies;
- Purchasing power of the Canadian dollar; and
- Ability to obtain funding.

At the date of the approval of these consolidated financial statements, the Canadian government has not introduced measures which impede the activities of the Company. Management believes the business will continue and accordingly, the current situation bears no impact on management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Management’s Responsibility for Financial Information

The Company's financial statements are the responsibility of the Company's management and have been approved by the Board of Directors. The financial statements were prepared by the Company’s management in accordance with Canadian generally accepted accounting principles. The financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

Disclosure of Outstanding Share Data

As of the date of this document, the Company had 35,418,912 common shares, 567,500 options, and no warrants outstanding.

Forward Looking Statements

Except for the historical statements contained herein, this Management’s Discussion and Analysis presents “forward-looking statements” within the meaning of Canadian securities legislation that involve inherent risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to requirements for additional capital, government regulation of its operations, environmental risks, or claims and limitations on insurance coverage. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “proposed” “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”.

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to international operations, risks related to the integration of acquisitions; risks related to joint venture operations; changes in project parameters as plans continue to be refined; failure of equipment or processes to operate as anticipated; accidents, labour disputes and other risks; and delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the management and officers of the Company believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

Additional Information

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