TSXV: INLA | OTCQB: INLAF

INTERLAPSE TECHNOLOGIES CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FORM 51-102F1

FOR THE YEAR ENDED FEBRUARY 29, 2020 AND FEBRUARY 28, 2019

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The following Management's Discussion and Analysis ("MD&A") is dated June 29, 2020, for the year ended February 29, 2020 and should be read in conjunction with the Interlapse Technologies Corp. ("Interlapse" or the "Company") accompanying audited consolidated financial statements for the years ended February 29, 2020 and February 28, 2019.

These audited consolidated financial statements for the year ended February 29, 2020 have been prepared in accordance with and comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and its interpretation of the International Financial Reporting Interpretations Committee ("IFRIC"). These consolidated financial statements have been prepared on a historical cost basis and have been prepared using the accrual basis of accounting, except for cash flow information. The MD&A supplement does not form part of the audited consolidated financial statements for the year ended February 29, 2020 and the notes thereto for the year ended February 29, 2020. All amounts are expressed in Canadian dollars unless otherwise indicated. In addition, readers are directed herein to discussions under the headings "*Forward-Looking Statements*", "*Critical Accounting Estimates*" and "*Risk Factors*".

Interlapse management is responsible for the integrity of the information contained in this report and for the consistency between the MD&A and the financial statements.

CURRENT DEVELOPMENTS

CORPORATE

On May 28, 2019, the Company announced that the TSX Venture Exchange ("TSX-V") provided final approval for the acquisition of Skyrun Technology Corp. ("Skyrun") and change of business to a technology issuer. To reflect the transformation into the technology sector, the Company changed its name to "Interlapse Technologies Corp." The Company also completed a non-brokered private placement of 4,420,000 common shares at $0.25 per share for gross proceeds of $1,105,000.

On June 19, 2019, the Company released 120,000 common shares in accordance with the terms of the agreement to purchase Skyrun, as a milestone was reached.

On August 29, 2019, the Company's outstanding share capital was forward split on the basis of two (2) new common shares for each one (1) old common share.

On September 10, 2019, the Company released 60,000 common shares in accordance with the terms of the agreement to purchase Skyrun, as a milestone was reached.

On December 20, 2019, the Company completed a non-brokered private placement of 7,500,000 common shares at $0.10 per share for gross proceeds of $750,000.

On February 5, 2020, the Company released 220,000 common shares in accordance with the terms of the agreement to purchase Skyrun, as a milestone was reached.

On March 31, 2020, the Company acquired BuyBitcoinCanada.com, a virtual currency brokerage platform from Canadian blockchain company, Bitaccess Inc., in exchange for 233,333 common shares of the Company.

On April 22, 2020, the Company issued 200,000 common shares to two officers of the Company at a price of $0.16 per share in accordance with the terms of the agreement to purchase Skyrun.

On June 2, 2020, the Company issued 100,000 common shares to two officers of the Company at a price of $0.17 per share in accordance with the terms of the agreement to purchase Skyrun.

COMPANY OVERVIEW

The Company was incorporated under the *Business Corporations Act* (British Columbia) and its head office is in Vancouver, British Columbia, Canada. Interlapse is a technology company that is focused on developing various web-based platforms, solutions and applications. The Company's common shares trade on the TSX-V under the symbol "INLA" and on the OTCQB market under the symbol "INLAF" and has 25,778,977 common shares issued and outstanding.

As a result of the acquisition and change of business to a technology issuer, Wayne Chen joined the Board of Directors and the executive team of the Company is as follows:

- Wayne Chen - Chief Executive Officer;
- Rod Hsu - Chief Operating Officer;
- Giuseppe (Pino) Perone - President and Corporate Secretary; and
- Barry MacNeil - Chief Financial Officer.

OVERALL PERFORMANCE

The Company's objective for the fiscal 2020 year has been to allow it to pursue value generating opportunities for the shareholders. During the fiscal year, the Company completed a change of business to the technology sector and acquired Skyrun, and subsequently acquired BuyBitcoinCanada.com.

To support this effort, the Company raised $1,836,430 from private placement financings and ended the year with $985,162 in cash, amounting to an increase of $243,802 over the prior fiscal year. The Company recorded revenue of $52,631 from transaction fees from its coincurve.com platform for the portion of the year that it was in operation.

The Company incurred its largest cash expenditures during the fiscal year in support of transitioning into the technology sector, which included consulting and milestone fees of $240,600(1), legal fees of $152,112, business development fees of $123,241, marketing fees of $121,080, and transfer and filing fees of $119,614. The Company recorded total non-cash expenses of $476,939 for share-based compensation, consulting and milestone fees, amortization of intangible assets, and amortization of property and equipment.

For the year ended February 29, 2020, the Company closed the year with working capital of $1,004,663 and recorded a net loss of $1,449,331. Interlapse can fund its operations for a further 12 months and will continue to support the growth of its coincurve.com platform.

(1) - The expense of $240,600 includes a non-cash portion of $110,500.

				Years ended	
	2020 Q4	**2020 Q3**	**2019 Q4**	**February 29, 2020**	**February 28, 2019**
Revenue	$ 19,726	$ 19,649	$ -	$ 52,631	$ -
Loss for the period	$ (173,016)	$ (394,677)	$ (180,711)	$ (1,355,713)	$ (713,571)

The Company's current quarter loss is mainly driven by the four largest expenses, consulting and milestone fees, salaries and benefits, amortization of intangible assets and marketing of $46,876, $41,137, $35,888 and $23,495 respectively. During the year ended February 29, 2020, the Company has had an increase in costs due to the completion of the change of business and acquisition and operation of Skyrun.

FINANCIAL RESULTS OF OPERATIONS

Selected Annual Information

For the years ended	**February 29, 2020**	**February 28, 2019**	**February 28, 2018**
	$	$	$
Net sales	52,631	-	-
Gross profit	52,631	-	-
Loss for the year	(1,355,713)	(713,571)	(90,679)
Loss for the year per share	(0.08)	(0.06)	(0.01)
Total assets	1,732,865	970,983	1,634,422
Total liabilities	76,560	77,363	27,231
Total long-term financial liabilities	-	-	-
Shares outstanding – end of year (millions)	25.25	12.93	12.93
Dividends declared	-	-	-

Loss for the Year

For the years ended	February 29, 2020	February 28, 2019	February 28, 2018
	$ (1,355,713)	$ (713,571)	$ (90,679)

The Company's operations for the year ended February 29, 2020 produced a loss of $1,355,713 compared to a loss of $713,571 in the previous year.

The current loss includes the additional costs of regulatory and legal cost of transitioning to the technology sector and business development, consulting, and marketing costs to support the acquired IT platform. Included in the year were management fees of $62,324 incurred for services provided by a Canadian related company. These services are provided as needed on a cost-plus basis for operational support.

Total Assets

For the years ended	February 29, 2020	February 28, 2019	February 28, 2018
	$ 1,732,865	$ 970,983	$ 1,634,422

The Company's total assets increased in the year by $761,882. This is accounted for by the increase in cash as a result of financing from private placements and the addition of intangible assets on the completion in the year of the acquisition of Skyrun.

Total Liabilities

For the years ended	February 29, 2020	February 28, 2019	February 28, 2018
	$ 76,560	$ 77,363	$ 27,231

SUMMARY OF QUARTERLY RESULTS

	Three Months Ended			
	February 29, 2020	November 30, 2019	August 31, 2019	May 31, 2019
Sales	$ 19,726	$ 19,649	$ 13,256	$ -
Gross profit	$ 19,726	$ 19,649	$ 13,256	$ -
Loss for the period	$ (173,016)	$ (394,677)	$ (519,828)	$ (268,192)
Loss per share	$ (0.01)	$ (0.02)	$ (0.03)	$ (0.02)
	February 28, 2019	November 30, 2018	August 31, 2018	May 31, 2018
Sales	$ -	$ -	$ -	$ -
Gross profit	$ -	$ -	$ -	$ -
Loss for the period	$ (180,711)	$ (213,282)	$ (192,352)	$ (127,226)
Loss per share	$ (0.01)	$ (0.02)	$ (0.01)	$ (0.01)

The Company's operations for the three months ended February 29, 2020 produced a loss of $173,016 compared to a loss of $180,711 for the same quarter in the previous year.

LIQUIDITY AND CAPITAL RESOURCES

	2020 Q4	2020 Q3	2019 Q4	Years ended February 29, 2020	Years ended February 28, 2019
Cash and cash equivalents	$ 985,162	$ 792,920	$ 741,360	$ 985,162	$ 741,360
Working capital	$ 1,004,663	$ 773,468	$ 859,035	$ 1,004,663	$ 859,035

As at the date of this report, the Company has adequate cash and working capital to fund its operations and planned capital expenditures for the next 12 months. Any additional material capital expenditures or commitments may require a source of additional financing, which may come from funds through equity financing.

	2020 Q4	2020 Q3	2019 Q4	Years ended February 29, 2020	Years ended February 28, 2019
Issued and outstanding shares	25,245,644	17,525,644	12,925,644	25,245,644	12,925,644
Issued and outstanding shares, fully diluted	27,075,644	19,035,644	12,925,644	27,075,644	12,925,644

On August 29, 2019, the Company's outstanding share capital was forward split on the basis of two (2) new common shares for each one (1) old common share.

During the three months ended February 29, 2020, the Company issued 7,720,000 common shares and did not issue or grant any stock options.

During the year ended February 29, 2020, the Company issued 12,320,000 common shares and granted 1,510,000 stock options and subsequently cancelled 600,000 stock options.

The technology business may affect the Company's ability to raise capital to acquire properties and/or pursue other opportunities in the future.

RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel were as follows:

	2020 Q4	2020 Q3	2019 Q4	Years ended February 29, 2020	Years ended February 28, 2019
Business development	$ -	$ -	$ -	$ 75,000	$ -
Consulting fees	40,000	15,000	-	130,000	-
Directors fees	250	500	250	1,250	1,250
Share-based compensation	39,662	21,856	-	121,830	-
	$ 79,912	$ 37,356	$ 250	$ 328,080	$ 1,250

During the year ended February 29, 2020, the Company was charged $62,324 (February 28, 2019 - $35,227) by a Canadian related company with similar key management personnel for management fees. At February 29, 2020, $35,027 (February 28, 2019 - $16,730) is owing to the Canadian related company with similar key management personnel and is included in accounts payable and accrued liabilities.

During the year ended February 29, 2020, the Company issued 400,000 common shares to two officers of the Company at an average price of $0.276 per share in accordance with the terms of the agreement to purchase Skyrun.

All transactions and balances are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

SHARE CAPITAL

a. At February 29, 2020, there were 25,245,644 common shares, 910,000 stock options and no warrants outstanding.
b. At June 29, 2020, there were 25,778,977 common shares, 910,000 stock options and no warrants outstanding.

The Company has one class of common shares. No class A or class B preference shares have been issued.

SUBSEQUENT EVENTS

On March 31, 2020, the Company acquired BuyBitcoinCanada.com, a virtual currency brokerage platform from Canadian blockchain company, Bitaccess Inc., in exchange for 233,333 common shares of the Company.

On April 22, 2020, the Company issued 200,000 common shares to two officers of the Company at a price of $0.16 per share in accordance with the terms of the agreement to purchase Skyrun.

On June 2, 2020, the Company issued 100,000 common shares to two officers of the Company at a price of $0.17 per share in accordance with the terms of the agreement to purchase Skyrun.

CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support future business opportunities. The Company defines its capital as shareholders' equity, loans and advances payable. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

COMPETITION

Competitors for acquisition opportunities include well-capitalized companies, independent companies and other companies having financial and other resources far greater than those of Interlapse, thus a degree of competition exists between those engaged in acquiring attractive assets.

CRITICAL ACCOUNTING ESTIMATES

Management is required to make decisions with respect to estimates and assumptions for certain accounting policies that affect the reported amounts of assets, liabilities, revenues and expenses. These accounting policies are discussed below and are included to highlight the critical accounting policies and practices used by the Company. Note the use of different policies and practices could create different results being reported. The Company's management reviews these estimates regularly. New information and changes in circumstance may result in changes to estimated amounts that differ materially from current estimates.

The following assessment of significant accounting policies and associated estimates is not meant to be exhaustive. In the future, the Company might realize different results from the application of new accounting standards issued by regulatory bodies.

To recognize the share-based payment expense, the Company estimates the fair value of stock options granted using assumptions related to interest rates, expected life of the option, volatility of the underlying security and expected dividend yields. These assumptions may vary over time.

The accrual method of accounting requires management to incorporate certain estimates of costs as at a specific reporting date.

CHANGES IN ACCOUNTING POLICIES

LEASES

On March 1, 2019, the Company adopted the provisions of IFRS 16, Leases ("IFRS 16") using the modified retrospective approach. Accordingly, comparative information has not been restated.

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and

- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either: (a) the Company has the right to operate the asset; or (b) the Company designed the asset in a way that predetermines how and for what purpose it will be used.

If the contract contains a lease, a right-of-use asset and a corresponding lease liability are set-up at the date at which the leased asset is available for use by the Company. The lease payments are discounted using either the interest rate implicit in the lease, if available, or the Company's incremental borrowing rate. Each lease payment is allocated between the liability and the finance cost so as to produce a constant rate of interest on the remaining lease liability balance. The Company accounts for the lease and non-lease components separately. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis

PROPOSED TRANSACTIONS

The Company has no proposed transactions that have not been disclosed.

FINANCIAL INSTRUMENTS RISK

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

Credit Risk

Credit risk is the risk of financial loss to the Company if counterparties do not fulfill their contractual obligations.

Cash and cash equivalents consist of cash bank balances and short-term deposits. The Company's short-term investments are held with a Canadian chartered bank and are monitored to ensure a stable return. The Company's short-term investments currently consist of term deposits as it is not the Company's policy to utilize complex, higher-risk investment vehicles.

The carrying amount of accounts receivable and cash and cash equivalents represents the maximum credit exposure. The Company does not have an allowance for doubtful accounts. As of February 29, 2020, there were no significant amounts past due or impaired.

Market Risk

Market risk is the risk that changes in foreign exchange rates and interest rates will affect the Company's cash flows, net income and comprehensive income. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its purchases and capital commitments, and other financial obligations as they are due. The Company's approach to managing liquidity is to ensure, to the extent possible, that it will have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking harm to the Company's reputation.

The Company's liquidity is dependent upon maintaining its current working capital balances, operating cash flows and ability to raise funds. To forecast and monitor liquidity, the Company prepares operating and capital expenditure budgets which are monitored and updated as considered necessary. Considering these circumstances and the Company's cash balance liquidity risk is assessed as low.

Interest Rate Risk

The Company is exposed to interest rate risk on its cash and cash equivalents. The majority of these deposits have been in discounted instruments with pre-determined fixed yields. Interest rate movements will affect the fair value of these instruments, so the Company manages maturity dates of these instruments to match cash flow needs, enabling realization at no loss in almost all cases.

Fair Value of Financial Instruments

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value classification of the Company’s financial instruments are as follows:

	Fair Value Level	February 29, 2020 Fair value through profit or loss	February 29, 2020 Amortized cost	February 28, 2019 Fair value through profit or loss	February 28, 2019 Amortized cost
		$	$	$	$
Financial assets:					
Cash and cash equivalents	1	985,162	-	741,360	-
Amounts receivable		-	65,455	-	74,875
Loan receivable		-	-	-	100,000
Restricted cash		-	39,688	-	34,585
		985,162	105,143	741,360	209,460
Financial liability:					
Accounts payable and accrued liabilities		-	76,560	-	77,363
		-	76,560	-	77,363

The Company’s cash and cash equivalents are classified as level 1. During the years ended February 29, 2020 and February 28, 2019, there were no transfers between level 1, level 2, and level 3.

FINANCIAL INSTRUMENTS

The Company’s financial instruments consist of short-term investments; cheques issued in excess of funds on deposit, accounts payable and accrued liabilities. Terms of the financial instruments, where relevant, are fully disclosed in the Company’s financial statements. It is management’s opinion that the Company is not exposed to significant currency, or credit risks but is exposed to interest rate cash flow risk arising from its financial instruments and that their fair values approximate their carrying values unless otherwise noted.

RISKS

The Company is a technology business and has adequate cash for its current obligations but may not have sufficient cash to sustain operations indefinitely. With limited financial resources and limited revenue, there is no assurance that future funding will be available to the Company to pursue future endeavours. There is a risk that the Company could be forced to cease operations and become insolvent.

There is no guarantee that the Company will be able to attract interest to participate in an acquisition or another business opportunity. The Company’s common shares are now trading on the TSX-V under the symbol “INLA” and on the OTCQB market under the symbol “INLAF”. There can be no assurance that the Company’s current activity and the liquid market for the Company's securities will develop and shareholders may find it difficult to resell the securities of the Company.

The factors identified above are not intended to represent a complete list of the risks faced by Interlapse. Interlapse’s management believes that the foregoing risks and uncertainties are a fair indication of the risks and uncertainties material to Interlapse’s business; however, additional risks and uncertainties, including those currently unknown to Interlapse or not considered to be material by Interlapse, may also adversely affect the business of Interlapse.

OFF-BALANCE SHEET ARRANGMENTS

None noted.

ADDITIONAL INFORMATION

Additional information relating to the Company and results of its operations may be found under Interlapse's SEDAR profile at www.sedar.com or on Interlapse's website at www.interlapse.com.

FORWARD LOOKING STATEMENTS

The foregoing information contains forward-looking statements within the meaning of securities laws. Forward-looking statements are statements that are not historical fact and often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or states that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking information by its nature requires assumptions and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Interlapse to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information.

Forward-looking statements in this MD&A include, but are not limited to, Interlapse's overall strategic plan for assessing acquisition opportunities. In making the forward-looking statements in this MD&A, Interlapse has applied certain factors and assumptions that are based on information currently available to Interlapse as well as Interlapse's current beliefs and assumptions made by Interlapse, including that Interlapse will maintain its business plan for the near and mid-term range. Although Interlapse considers these beliefs and assumptions to be reasonable based on information currently available to it, they may prove to be incorrect, and the forward-looking statements in this release are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking statements. Such risk factors include, among others, that Interlapse will be unable to fulfill or will experience delays in fulfilling a strategic plan for the near and mid-term range. Additional risk factors are noted under the heading "*Risks*". The factors identified above and in the "*Risks*" section of this MD&A are not intended to represent a complete list of the factors that could affect Interlapse. Although Interlapse has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended.

Because forward-looking information addresses future events and conditions, it involves risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking information. These risks and uncertainties include, but are not limited to access to capital, commodity price volatility, well performance and marketability of production, transportation and refining availability and costs.

There can be no assurance that such information 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 information. Interlapse does not undertake to update any forward-looking information, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.