# INTERLAPSE TECHNOLOGIES CORP.

*(formerly Coronado Resources Ltd.)*

## MANAGEMENT'S DISCUSSION AND ANALYSIS
## FORM 51-102F1

FOR THE YEAR ENDED FEBRUARY 28, 2019

The following Management's Discussion and Analysis ("MD&A") is dated June 28, 2019, for the year ended February 28, 2019 and should be read in conjunction with the Interlapse Technologies Corp. (formerly Coronado Resources Ltd.) ("Interlapse" or the "Company") accompanying audited consolidated financial statements for the year ended February 28, 2019 and February 28, 2018.

These audited consolidated financial statements for the year ended February 28, 2019 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 28, 2019 and the notes thereto for the year ended February 28, 2019. 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.

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## CURRENT DEVELOPMENTS

### Corporate

On August 20, 2018, 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 August 28, 2018, the Company entered into a binding share purchase agreement to acquire 100% of the outstanding common shares of Skyrun Technology Corp. ("Skyrun"), a Vancouver-based company developing a virtual currency platform, coincurve.com. Under the terms of the share purchase agreement, the Company will issue up to 660,000 common shares in exchange for 100% of the issued and outstanding shares of Skyrun. The shares of the Company will be released to the principals of Skyrun, Wayne Chen and Rod Hsu, when certain milestones are reached that are linked directly to the development, operations and overall success of the Company.

On February 27, 2019, the Company received conditional approval from the TSX Venture Exchange ("TSX-V") for the acquisition of Skyrun and the change of business to a technology issuer.

On May 28, 2019, the Company announced that the TSX-V provided final approved for the Skyrun acquisition 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 2,210,000 common shares at $0.50 per share for gross proceeds of $1,105,000. The common shares issued under this private placement are subject to resale restrictions for a period of four months from the closing date. The proceeds of this funding will be used to further advance the development of coincurve.com and planned international expansion. Wayne Chen also 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.

## 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" as of May 30, 2019 and has 8,672,822 common shares issued and outstanding.

There have been no significant changes in the composition of the Company's management and Board of Directors during the year ended February 28, 2019.

## OVERALL PERFORMANCE

The Company's objective has been to allow it to pursue value generating opportunities for the shareholders. In this regard, the Company has incurred larger expenditures on business development, legal and shareholder relations in the current year. The overall performance for the year ended February 28, 2019, reflected a net loss of $713,571 and working capital of $859,035. Interlapse can fund its operations for a further 12 months.

| | 2019 Q4 | 2019 Q3 | 2018 Q4 | Years ended February 28, 2019 | 2018 |
|---|---|---|---|---|---|
| Sales | $ - | $ - | $ - | $ - | $ - |
| Gross profit | $ - | $ - | $ - | $ - | $ - |
| Gross profit percentage | 0% | 0% | 0% | 0% | 0% |
| Loss for the period | $ (180,711) | $ (213,282) | $ (134,461) | $ (713,571) | $ (90,679) |

The Company's current quarter loss is mainly driven by the three largest expenses, business development, legal and shareholder relations of $76,722, $44,207 and $39,687 respectively. During the year, the Company hired a consulting company to explore various business and investment opportunities for the Company to consider during the year ended February 28, 2019.

## FINANCIAL RESULTS OF OPERATIONS

### Selected Annual Information

| For the years ended | February 28, 2019 | February 28, 2018 | February 28, 2017 |
|---|---|---|---|
| | $ | $ | $ |
| Net sales | - | - | - |
| Gross profit | - | - | - |
| Loss for the year | (713,571) | (90,679) | (5,442,967) |
| Loss for the year per share | (0.11) | (0.02) | (0.96) |
| Total assets | 970,983 | 1,634,422 | 1,598,037 |
| Total liabilities | 77,363 | 27,231 | 50,167 |
| Total long-term financial liabilities | - | - | - |
| Shares outstanding – end of year (millions) | 6.46 | 6.46 | 5.66 |
| Dividends declared | - | - | - |

### Loss for the Year

| For the years ended | February 28, 2019 | February 28, 2018 | February 28, 2017 |
|---|---|---|---|
| | $ (713,571) | $ (90,679) | $ (5,442,967) |

The Company's operations for the year ended February 28, 2019 produced a loss of $713,571 compared to a loss of $90,679 in the previous year.

The current loss includes the costs of maintaining the corporate operations of the Company. Included in the year were management fees of $35,227 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 28, 2018 | February 28, 2018 | February 28, 2017 |
|---|---|---|---|
| | $ 970,983 | $ 1,634,422 | $ 1,598,037 |

The Company's total assets decreased in the year by $663,439. The decrease was the result of operational expenses. Expenses increased due to the hiring of a consulting company to explore various business and investment opportunities for the Company.

**Total Liabilities**

| For the years ended | February 28, 2019 | February 28, 2018 | February 28, 2017 |
|---|---|---|---|
| | $ 77,363 | $ 27,231 | $ 50,167 |

In the current year, the Company's payables increased by $50,132.

## RESULTS FOR THE QUARTER

### Summary of Quarterly Results

| | Three Months Ended | | | |
|---|---|---|---|---|
| | **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 | $ (0.03) | $ (0.03) | $ (0.03) | $ (0.02) |
| | **February 28, 2018** | **November 30, 2017** | **August 31, 2017** | **May 31, 2017** |
| Sales | $ - | $ - | $ - | $ - |
| Gross profit | $ - | $ - | $ - | $ - |
| (Loss) income for the period | $ (134,461) | $ 81,318 | $ (21,356) | $ (16,180) |
| (Loss) income per share | $ (0.02) | $ 0.01 | $ (0.00) | $ (0.00) |

The Company's operations for the three months ended February 28, 2019 produced a loss of $180,711 compared to a loss of $134,461 for the same quarter in the previous year.

## LIQUIDITY AND CAPITAL RESOURCES

| | 2019 | 2019 | 2018 | Years ended February 28, | |
|---|---|---|---|---|---|
| | **Q4** | **Q3** | **Q4** | **2019** | **2018** |
| Cash and cash equivalents | $ 741,360 | $ 882,886 | $ 1,479,901 | $ 741,360 | $ 1,479,901 |
| Working capital | $ 859,035 | $ 1,039,810 | $ 1,572,606 | $ 859,035 | $ 1,572,606 |

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.

| | 2019 | 2019 | 2018 | Years ended February 28, | |
|---|---|---|---|---|---|
| | **Q4** | **Q3** | **Q4** | **2019** | **2018** |
| Issued and outstanding shares | 6,462,822 | 6,462,822 | 6,462,822 | 6,462,822 | 6,462,822 |
| Issued and outstanding shares, fully diluted | 6,462,822 | 6,462,822 | 6,462,822 | 6,462,822 | 6,462,822 |

On August 20, 2018, 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.

The absence of an active 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:

| | 2019 | 2019 | 2018 | Years ended February 28, | |
|---|---|---|---|---|---|
| | **Q4** | **Q3** | **Q4** | **2019** | **2018** |
| Directors fees | $ 250 | $ 250 | $ 250 | $ 1,250 | $ 1,000 |
| Management fees | - | - | - | - | 14,000 |
| | $ 250 | $ 250 | $ 250 | $ 1,250 | $ 15,000 |

During the year ended February 28, 2019, the Company was charged by a Canadian related company with similar key management personnel $35,227 (2018 - $24,593) for management fees. At February 28, 2019, $16,730 (2018 - $6,057) owing to the Canadian related company with similar key management personnel is included in accounts payable and accrued liabilities.

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.

During the year ended February 28, 2019, the Company paid $nil (2018 - $15,000) to a related party for business development purposes.

## SHARE CAPITAL

a. At February 28, 2019, there were 6,462,822 common shares, no stock options and no warrants outstanding.
b. At June 28, 2019, there were 8,672,822 common shares, 705,000 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 11, 2019, the Company issued a loan to Skyrun through which the Company lent the principal sum of $80,000 with annual interest at the Bank of Canada business prime rate plus 2%.

On May 28, 2019, the Company granted 705,000 share options at a price of $0.70 per share for five years from date of grant to directors, executive officers, employees and consultants.

## 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

### IFRS 9, Financial Instruments (effective on or after January 1, 2018)

The Company has adopted the new IFRS pronouncements as at March 1, 2018 in accordance with the transitional provisions of the standard and as described below. The adoption of these new pronouncements has not resulted in any adjustments to previously reported figures as outlined below.

The Company elected not to adopt the hedging requirements of IFRS 9, but may adopt them in a future period. IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities and supersedes the guidance relating to the classification and measurement of financial instruments in IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition: those measured at fair value through profit and loss (FVTPL), those measured at fair value through other comprehensive income (FVOCI) and those measured at amortized cost. Investments in equity instruments are required to be measured by default at FVTPL. However, there is an irrevocable option for each equity instrument to present fair value changes in other comprehensive income. Measurement and classification of financial assets is dependent on the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change relating to an entity’s own credit risk is recorded in other comprehensive income rather than the income statements, unless this creates an accounting mismatch.

IFRS 9 introduces a new three-stage expected credit loss model for calculating impairment for financial assets. IFRS 9 no longer requires a triggering event to have occurred before credit losses are recognized. An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments. In addition, IFRS 9 requires additional disclosure requirements about expected credit losses and credit risk.

The new hedge accounting model in IFRS 9 aligns hedge accounting with risk management activities undertaken by an entity.

**Classification and Measurement Changes**

The Company has assessed the classification and measurement of its financial assets and financial liabilities under IFRS 9 and has summarized the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 in the following table:

| | **Measurement Category** | |
|---|---|---|
| | **Original (IA S 39)** | **New (IFRS 9)** |
| Financial Assets: | | |
| Cash | Fair value through profit and loss | Fair value through profit and loss |
| Amounts receivable | Amortized cost | Amortized cost |
| Reclamation deposit | Amortized cost | Amortized cost |
| Marketable securities | Fair value through profit and loss | Fair value through profit and loss |
| **Financial Liabilities:** | | |
| Accounts payable and accrued liabilities | Amortized cost | Amortized cost |

**New accounting standards issued but not yet effective**

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee ("IFRIC") but not yet effective as at February 28, 2019. The Company intends to adopt these standards and interpretations when they become effective. The Company does not expect these standards to have an impact on its financial statements. Pronouncements that are not applicable to the Company have been excluded from those described below.

The following standards or amendments are effective for annual periods beginning on or after January 1, 2019:

**IFRS 16, Leases (effective on or after January 1, 2019)**

Under IFRS 16, the Company is required to review all of its contracts to determine if they contain leases or lease-type arrangements. Virtually all leases are required to be accounted for as finance leases rather than operating leases, where the required lease payments are disclosed as a commitment in the notes to the consolidated financial statements. As a result, the Company will be required to recognize leased assets ("right-of-use" assets) and the related lease liability on the consolidated statement of financial position when applicable.

**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 at February 28, 2019, 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:

| As at February 28, | | 2019 | | 2018 | |
|---|---|---|---|---|---|
| | Fair Value Level | Fair value through profit or loss | Amortized cost | Fair value through profit or loss | Amortized Cost |
| | | $ | $ | $ | $ |
| *Financial assets:* | | | | | |
| Cash and cash equivalents | 1 | 741,360 | - | 1,479,901 | - |
| Amounts receivable | | - | 74,875 | | |
| Loan receivable | | - | 100,000 | | |
| Marketable securities | 1 | - | - | 56,375 | - |
| Restricted cash | | - | 34,585 | - | 34,585 |
| Shares receivable | | - | - | - | 54,812 |
| | | 741,360 | 209,460 | 1,536,276 | 89,397 |
| *Financial liability:* | | | | | |
| Accounts payable and accrued liabilities | | - | 77,363 | - | 27,231 |
| | | - | 77,363 | - | 27,231 |

The Company's cash and cash equivalents are classified as level 1. During the years ended February 28, 2019 and 2018, 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 has no active business. The Company has adequate cash for its current obligations, but may not have sufficient cash to sustain operations indefinitely. With limited financial resources and no 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. As the Company no longer owns any significant assets and without a business or sufficient capital, the Company's common shares have been downgraded to the NEX board of the TSX-V. There can be no assurance that an active and 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, the Transaction, and 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.

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.