Blockchain Power Trust

Management's Discussion & Analysis

For the three and six months ended June 30, 2018

TABLE OF CONTENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2018
(With comparatives as at December 31, 2017 and for the three and six months ended June 30, 2017)
(Expressed in Canadian Dollars unless otherwise noted)

BASIS OF PRESENTATION

This Management's Discussion and Analysis ("**MD&A**") of Blockchain Power Trust (formerly Transeastern Power Trust, the "**Trust**" or "**Blockchain Power**") is dated as of August 28, 2018 and should be read in conjunction with the Trust's unaudited Condensed Interim Consolidated Financial Statements and related notes for the three and six months ended June 30, 2018 with comparatives as at December 31, 2017 and for the three and six months ended June 30, 2017. The unaudited Condensed Interim Consolidated Financial Statements should also be read in conjunction with the audited Consolidated Financial Statements for the year ended December 31, 2017, together with the notes thereto. The above referenced filings have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**") and interpretations issued by the IFRS Interpretations Committee.

Reference should also be made to the Trust's filings with Canadian securities regulatory authorities, which are available at www.sedar.com. This MD&A is the responsibility of management. The board of directors (the "**Board**") of Blockchain Power Administrator Inc. (the "**Administrato**r"), the administrator of the Trust, carries out its responsibility for the review and disclosure both directly and through its audit committee.

All amounts are expressed in Canadian Dollars ($) unless otherwise stated. References to Blockchain Power or the Trust in this MD&A refer to the Trust and its controlled subsidiaries taken as a whole.

The Trust has included certain non-GAAP financial measures which the Trust believes, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Trust. Non-GAAP financial measures do not have any standardized meaning prescribed under IFRS and therefore they may not be comparable to similar measures employed by other entities. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The non-GAAP financial measures included in this MD&A include:

- Operating margin - representing revenues less cost of sales excluding depreciation; and
- Adjusted EBITDA - representing earnings before interest, taxed, depreciation and amortization ("**EBITDA**") adjusted to exclude share-based compensation, fair value loss or gain on re-measurement of digital assets, fair value adjustments on debentures and conversion features, gains or losses on the settlement of debt, warrant revaluation costs associated with one-time transactions.

Definitions and reconciliations associated with the above metrics can be under "Non-GAAP Measures".

Cautionary statements regarding forward-looking information are included at the end of this MD&A.

TRUST OVERVIEW

The Trust is an unincorporated open-ended limited purpose trust established under the laws of the Province of Ontario on February 3, 2014 pursuant a declaration of trust, later replaced by the Trust Indenture (defined below). On February 4, 2014, an amended and restated trust indenture (the "**Trust Indenture**") between Equity Financial Trust Company ("**Equity**"), as trustee, and the Administrator replaced the Trust's original declaration of trust. Equity was succeeded by TSX Trust Company (the "**Trustee**") as trustee pursuant to a first supplement to the Trust Indenture dated September 26, 2016. The Trust subsequently changed its name from "Transeastern Power Trust" to "Blockchain Power Trust" pursuant to a second supplement to the Trust Indenture dated January 4, 2018. In connection with the name change of the Trust, the units in the capital of the Trust ("**Unit**s") commenced trading on the TSX Venture Exchange ("**TSXV**") under a new symbol, "BPWR.UN". In August 2018, the warrants issued on January 9, 2018 by the Trust commenced trading on the TSXV under the symbol "BPWR.WT".

The Trustee has delegated most of its powers and duties relating to the operations and governance of the Trust to the Administrator pursuant to an Administrative Services Agreement dated February 4, 2014. The Administrator carries out its responsibility for the review and disclosure both directly and through its audit committee. All of the shares of the Administrator are owned by Transeastern Management Inc. (the "**Administrator Shareholder**"), all of the shares of which are owned by Mr. J. Colter Eadie, the Chief Executive Officer and Mr. Ravi Sood, the Chairman of the Administrator, and are subject to the terms of a unanimous shareholders agreement dated May 28, 2014.

The Trust, through its subsidiaries, generates and sells electricity to licensed electricity buyers in Romania through its portfolio of two operational wind projects with a total capacity of 62 megawatts ("**MW**") (the "**Wind Projects**"), three hydro-electric generation facilities which are comprised of run-of-river hydroelectric power plants with total capacity of over 4.4 MW (the "**Hydro Projects**") and two photovoltaic solar power production plants the ("**Solar Projects**", together with the Hydro Projects and the Wind Projects, the "**Projects**") with a total capacity of 16.6 MW peak ("**MWp**"). The Wind Projects consist of Holrom Renewable Energy S.R.L. ("**Baia**") and OMV Petrom Wind Power S.R.L ("**OMV**"), the Hydro Projects consist of each of Rott Energy SA ("**Rott**"), Zagra Hidro SA ("**Zagra**") and Transeastern Vistea Hidroelectrica SPV IV SRL ("**Suha**") and the Solar Projects consist of SC Power L.I.V.E. Once SA ("**Power LIVE**") and SC Corabia Solar SRL ("**Corabia**"). All of the Projects are located in Romania.

In addition, the Trust has expanded its operations to include fully integrated cryptocurrency mining and data center operations underpinned by its renewable energy platform; leveraging its knowledge of renewable energy operations and experience in delivering large-scale infrastructure projects. The Trust's cryptocurrency mining operations currently consist of 1,550 cryptocurrency mining units and a Hashtank H40, located in Romania, with an aggregate power capacity of 2.74 MW representing 27.8 petahash per second ("PH/s").

The Trust directly and indirectly owns all of the membership rights of Transeastern Power Coöperatief U.A. ("**Netherlands Parent**"), which owns all of the issued and outstanding shares of Transeastern Power B.V. ("**Netherlands Holdco**" and, together with the Netherlands Parent, the "**Netherlands Subsidiaries**"). The Netherlands Subsidiaries jointly own, directly or indirectly, 100% of the Trust's Romanian subsidiaries which hold the Projects.

The Trust qualifies as a "mutual fund trust" and not a "SIFT trust" each as defined in the *Income Tax Act* (Canada) (the "**Tax Act**") in accordance with the restrictions set forth in the Trust Indenture. The Administrator is responsible for monitoring the Trust's investments and holdings of property to ensure the Trust is not at any time a “SIFT trust” and does not hold any “non-portfolio property” as defined in the Tax Act.

The principal head and registered office of each of the Trust, the Administrator, the Administrator Shareholder and the Trust’s Canadian subsidiaries are located at Suite 1800, 181 Bay Street, Toronto, Ontario. The Trust is currently a reporting issuer in each of the provinces of Canada, excluding Québec.

Q2 HIGHLIGHTS

- Revenue of $4.8 million for the second quarter of 2018, an increase of 43% from the second quarter of 2017. Revenue of $9.9 million for the six months ended June 30, 2018, an increase of 61% from the comparative period of 2017.

- Net earnings of $2.8 million for the second quarter of 2018, an increase of 180% over the net earnings of $1.0 million in the second quarter of 2017. Net loss of $2.6 million for the six months ended June 30, 2018.

- Earned operating margin (revenue less cost of sales excluding depreciation) of $2.8 million for the quarter, an increase of 22% over the operating margin of $2.3 million for the second quarter of 2017 (see reconciliation of operating margin under “Non-GAAP Measures”). $5.8 million in operating margin for the six months ended June 30, 2018, an increase of 33% from 2017.

- Adjusted EBITDA of $0.5 million[1] for the second quarter of 2018 and $3.7 million for the six months ended June 30, 2018 (see reconciliation of adjusted EBITDA under “Non-GAAP Measures”).

- Produced 34,778 MWh of energy for the second quarter of 2018 generating revenue of $1.6 million from the sale of electricity and $3.0 million from green certificates (“**GCs**”), a production increase of 74% from the second quarter of 2017. Produced 80,133 MWh of energy for six months generating revenue of $4.0 million from the sale of electricity and $5.7 million from GCs, a production increase of 103% from the comparative period of 2017.

- Commenced cryptocurrency mining operations in June 2018. Commissioned 1,550 mining units (2.09 MW, 21.7 PH/s) and subsequent to quarter end commissioned an additional 432 machines utilising liquid immersion cooling for aggregate 27.8 PH/s of computing capacity consuming approximately 2.8 MW.

- Mined 22 Bitcoin during the second quarter of 2018 with revenue of $0.2 million from mining operations at an average realized price of $8,720 (US$6,637) per Bitcoin.

[1] Includes foreign exchange gains (losses).

OUTLOOK AND STRATEGY

The Trust's strategic plan for building value is to invest in quality renewable power production facilities and create a vertically integrated data center, cryptocurrency mining and blockchain operations with its renewable energy platform that has the potential to become a large, efficient and environmentally sustainable cryptocurrency mining operation. Leveraging on its knowledge of renewable energy operations and experience with delivering large-scale infrastructure projects, the Trust continues to move forward as an integrated renewable energy producer, blockchain and cryptocurrency operation. This includes surveying the market for accretive acquisition opportunities.

The Trust's goals for the remainder of 2018 are to:

- develop and grow its data center and cryptocurrency mining capabilities, subject to the approval of the TSXV and unitholders of the Trust;
- optimize and improve the performance of its current renewable energy portfolio; and
- pursue new acquisitions that are accretive to the Trust and add income generating assets.

SELECTED FINANCIAL INFORMATION

The selected financial information in the table below has been derived from the unaudited Condensed Interim Consolidated Financial Statements for the three and six months ended June 30, 2018 with comparatives for the three and six months ended June 30, 2017 and as at December 31, 2017.

	For the three months ended		For the six months ended	
(in Canadian Dollars unless otherwise noted)	**June 30, 2018**	June 30, 2017	**June 30, 2018**	June 30, 2017
Revenue	**4,810,982**	3,368,019	**9,870,481**	6,147,989
Operating margin[1]	**2,847,680**	2,329,890	**5,770,006**	4,331,295
Cost of sales excluding depreciation	**(1,963,302)**	(1,038,129)	**(4,100,475)**	(1,816,694)
Depreciation	**(1,759,374)**	(995,717)	**(3,452,637)**	(1,977,505)
Total operating expenses	**(4,233,756)**	(2,456,471)	**(9,209,117)**	(4,594,962)
Other income (expenses)	**1,930,361**	(1,337,978)	**(3,630,365)**	(6,010,131)
Deferred income tax recovery	**330,342**	1,386,867	**365,620**	1,509,999
Net earnings (loss) for the period	**2,837,928**	960,437	**(2,603,381)**	(2,873,384)
Comprehensive earnings (loss) for the period	**1,903,340**	869,274	**798,589**	(3,064,668)
Basic earnings (loss) per Unit	**0.01**	0.02	**(0.01)**	(0.06)
Adjusted EBITDA	**513,589**	1,816,503	**3,732,142**	3,263,958
Adjusted EBITDA per Unit	**0.00**	0.04	**0.02**	0.07
Operating cash flow	**567,766**	2,887,743	**(6,370,076)**	1,930,370
Operating cash flow before changes in working capital	**2,423,715**	1,972,229	**3,822,887**	3,193,713

(in Canadian Dollars unless otherwise noted)	**June 30, 2018**	December 31, 2017
Total assets	99,101,945	92,552,433
Total liabilities	52,444,496	130,101,434
Equity (deficit)	46,657,449	(37,549,001)

Note:

(1) Operating margin is a non-GAAP measure calculated by deducting direct operating expenses from revenues. See "Non-GAAP Measures" section for a reconciliation to IFRS figures.

REVIEW OF OPERATING AND FINANCIAL RESULTS

Renewable Energy

Operating Performance

The Trust owns 2 wind parks consisting of 22 turbines, 2 ground-mounted photovoltaic solar parks and 3 hydro plant facilities consisting of 10 hydroelectric run-of-river plants all located in Romania with an aggregate installed power capacity of 83 MW.

Through its portfolio of wind, solar and hydroelectric power generation assets the Trust aims to partially offset seasonal variation in production impacting each type of facility. During the second quarter of 2018 total power production was 34,778 MW compared to 19,937 MW for the comparative period in 2017, representing an increase of 14,840 MW or 74%. Power production was 80,133 MW for the six months ended June 30, 2018 compared to 39,511 MW for the six months ended June 30, 2017, an increase of 40,622 MW or 103%. The increase in production for the three and six months ended June 30, 2018 compared to the same period of 2017 is mainly attributable to the acquisition of OMV in December 2017.

Wind production increased for the three and six months ended June 30, 2018 by 15,671 MW and 42,323 MW higher than the same periods of 2017, respectively or a 169% and 189% increase, respectively. The increase in production is mainly attributable to the acquisition of OMV.

Solar production for Q2 2018 was 86 MW higher or 2% higher than Q2 2017. Solar production for the six months ended June 30, 2018 was 675 MW lower or 11% lower compared to the same period of 2017.

Hydro production for the three and six months ended June 30, 2018 was 917 MW lower and 1,027 MW lower than the same period in 2017, respectively. Lower production was due to heavy rains and floods in Romania that caused damage to Suha. As a result, management is currently analyzing a plan with respect to Suha and the project has currently been put in care and maintenance. Suha represents less than 1% of the Trust's total production operating under normal conditions.

The following table summarizes production and GCs added to inventory for the three and six months ended June 30, 2018 with comparatives for the three and six months ended June 30, 2017. Production numbers for OMV included in the table below include pre-acquisition production figures for comparative purposes.

Project	Location	Installed Capacity (MW)	Power Generation (MWh) For the three months ended June 30, 2018	June 30, 2017	For the six months ended June 30, 2018	June 30, 2017	GCs received For the three months ended June 30, 2018	June 30, 2017	For the six months ended June 30, 2018	June 30, 2017
Wind Projects										
OMV[2]	Dobrogea Region, Romania	45.00	**17,300**	18,166	**46,222**	50,340	**13,371**	25,952	**37,196**	71,789
Baia[3]	Baia village, Tulcea County, Romania	17.00	**7,618**	9,247	**18,503**	22,402	**6,015**	24,906	**14,870**	35,880
Total Wind Projects		62.00	**24,918**	27,413	**64,725**	72,742	**19,386**	50,858	**52,066**	107,669
Solar Projects										
Power Live[4]	Izvoru, Giurgiu County, Romania	9.60	**4,497**	4,422	**6,637**	7,060	**25,321**	21,589	**36,238**	37,039
Corabia[5]	Corabia Municipality, Olt County, Romania	7.00	**3,197**	3,186	**4,763**	5,014	**18,028**	15,940	**26,401**	26,914
Total Solar Projects		16.60	**7,694**	7,608	**11,400**	12,074	**43,349**	37,529	**62,639**	63,953
Hydro Projects										
Rott[6]	Little Cugir River, the Şureanu Mountains, Romania	1.66	**1,269**	1,892	**2,408**	3,080	**2,473**	3,709	**4,719**	6,010
Zagra[7]	Zagra River, Rodna Mountains, Romania	0.73	**734**	730	**1,298**	1,278	**1,689**	1,678	**2,986**	2,938
Suha[8]	Suha Mare River, Dorna Mountains, Romania	2.02	**163**	461	**302**	676	**325**	922	**604**	1,352
Total Hydro Projects		4.41	**2,166**	3,083	**4,008**	5,034	**4,487**	6,309	**8,309**	10,300
TOTAL		83.01	**34,778**	38,104	**80,133**	89,850	**67,222**	94,696	**123,014**	181,922

Notes:

(1) Certain production figures have been reclassified to correct for previous misclassifications reported for the comparative period three and six months ended June 30, 2017.

(2) GC accreditation as follows:

Park	Installed capacity (MW)	Restricted GCs (GC/MWh)	Tradable GCs (GC/MWh)	Total No. of GCs available/ MWh
OMV	45	1	1	2

(3) GC accreditation as follows:

Park	Installed capacity (MW)	Restricted GCs (GC/MWh)	Tradable GCs (GC/MWh)	Total No. of GCs available/ MWh
Baia 1	2	1	1	2
Baia 2	5	0.35	1	1.35
Baia 4	10	1	1	2
TOTAL Baia Wind	17			

(4) GCs available of 6 MW. By law, two GCs will be restricted from trading until January 1, 2025, resulting in four GCs being received and immediately tradable.

(5) GCs available of 6 MW. By law, two GCs will be restricted from trading until January 1, 2025, resulting in four GCs being received and immediately tradable.

(6) GCs available of 3 MW. As a recipient of European Union ("**EU**") funding, 1.04 of every three GCs are not directly received by Rott until EU funding amount of €1,800,000 is repaid. The value attributed to each GC is based on the formula: 1.04 x yearly production x (the median of the floor and ceiling GC prices taking into

account inflation). After repayment of the EU funding, the 1.04 GCs shall be available to Rott. Additionally, by law, 0.96 GC are restricted from trading until March 31, 2017, resulting in one GC being received and immediately tradable of every three GCs awarded.

(7) GCs available of 2.3 MW.

(8) GCs available of 2.0 MW.

Power LIVE and Corabia are under full-service long-term operational and maintenance contracts with Renovatio Asset Management, one of the largest private renewable energy asset managers in Europe. Renovatio Asset Management specializes in the management, operation and maintenance services for wind farms and photovoltaic power plants. Renovatio Asset Management is a part of the Renovatio Group and an affiliate of the vendor of the Solar Projects and is the pioneer of renewable energy in Romania having built the first solar park in Romania. In Romania, Renovatio Group is the joint venture partner of EDP Renewables, the largest renewable energy company in the world. Renovatio Group has an interest in 400 MW of renewable power production facilities in partnership with EDP Renewables.

In June 2018, the Romanian government announced the approval of certain changes to the current laws governing its renewable energy sector. Certain of these changes, which will come into effect once published by the government, may impact the Trust by reducing the number of GCs that market participants are required to purchase, allowing producers to earn GCs based on the amount of energy produced rather than based on projections, altering the restricted period for GCs earned on solar projects, and permitting small projects of not more than 3MW to enter into bilateral power and GC purchase agreements. Management is currently evaluating the impact of these changes to the Trust.

Financial Performance

Revenue for the three and six month period ended June 30, 2018 was $4.8 million and $9.9 million, respectively. This compares to $3.4 million and $6.1 million of revenue recognized for the comparable three and six month period ended June 30, 2017, representing an increase of 43% and 61% respectively. The increase in revenue is mainly attributable to the addition of OMV acquired in December 2017.

Revenues are earned through energy contracts and GC offtake agreements with Renovatio Group Limited ("**RGL**").

Revenues from the sale electricity for the three and six months ended June 30, 2018 were $1.6 million and $4.0 million, respectively compared to $0.8 million and $1.6 million, respectively for the comparative period in 2017.

Revenues from restricted and tradeable GCs for the three and six months ended June 30, 2018 were $3.0 million and $5.7 million respectively. GC's were earned based on the power produced in the power generation summary above. For further details on the Romanian GC Program refer to Section *Business Risks and Uncertainties* of the Trust's MD&A for the most recently completed year ended December 31, 2017.

Operating expenses for the Projects are comprised of fixed and variable components and represent the costs of maintaining and operating the plants and equipment, including employee salaries, insurance, maintenance, repairs, utilities and supplies and are generally expected to be stable. Cost of sales excluding depreciation for the Projects were $1.8 million and $3.9 million for the three and six months ended June 30, 2018, respectively. This compares to $1.0 million and $1.8 million for the comparative periods in 2017, respectively. The increase in cost of sales excluding depreciation was due to the increase in power generation primarily from the acquisition of OMV.

Operating margin for the Projects for the three and six months ended June 30, 2018 was $2.8 million and $5.8 million, respectively, representing an increase of 17% and 35% from the three and six months ended June 30, 2017. Operating margin for the three and six months ended June 30, 2017 was $2.3 million and $4.3 million, respectively.

Cryptocurrency

The Trust commenced cryptocurrency mining in June 2018 and mined 22 Bitcoin during the quarter ended June 30, 2018 for total revenue of $0.2 million at an average realized price of $8,720 (US$6,637) per Bitcoin. Cryptocurrency mining operating margin was low and the cost of mining was high compared to management's forecasts due to the ramp-up of operations with cryptocurrency mining operations commencing in June 2018.

Revenue from digital currencies is dependent on the market price at the time of mining and the price of digital currencies is subject to highly volatile price movements. The average closing price of Bitcoin during the second quarter was US$7,767 compared to US$10,568 in the first quarter, representing a decrease of 27%. On June 30, 2018 the price of Bitcoin closed at US$6,404[2].

Bitcoin price chart for Q2 2018 (in US Dollars):

Source: https://coinmarketcap.com/currencies/bitcoin/#charts

The Trust recorded a nominal loss on the re-measurement of digital currencies for the second quarter of 2018. The loss on the re-measurement of digital currencies represents the value of the Bitcoin held in inventory revalued to the market price as at the reporting date of June 30, 2018 of US$6,404.

In April 2018, the Trust acquired 1,550 cryptocurrency mining units which were commissioned during the second quarter of 2018. The units have an aggregate power capacity of 2.09 MW representing 21.7 PH/s.

[2] Source: https://coinmarketcap.com/currencies/bitcoin

Subsequent to the quarter end, the Trust installed its HashTank H40 from Green Revolution Cooling ("**GRC**"), which is a containerized cryptocurrency mining unit that employs GRC's proprietary liquid immersion cooling system that has been paired with Bitcoin specific integrated circuits anticipated to deliver 6 PH/s against a maximum baseload consumption of 670 kilowatts of electricity. As of the date of this MD&A, the HashTank is fully commissioned and operational at of the Trust's blockchain facilities in Romania. The installation of the HashTank H40 gives the Trust both modular and traditional data center operations with a total baseload draw of 3 MW supplied by the Trust's own clean energy sources within Romania.

As of the date of this MD&A, the Trust's overall installed hashing power is an aggregate of 27.8 PH/s. The Trust has been advised by the TSXV that it must obtain approval from the TSXV and the holders of Units ("Unitholders") to further expand its business into data centers, cryptocurrency mining and other blockchain related activities

The Trust has also entered into an agreement with a company whose principals own and operate over 25 MW cryptocurrency mining operations in Romania for the acquisition of a turnkey 5 MW data center facility to be built in Romania at a price of US$1 million. The facility is expected to be commissioned by October 2018 and the Trust intends to locate its existing cryptocurrency operations inside the facility. Pursuant to the acquisition agreement, the Vendor will provide management and maintenance services in connection with the facility for a period of two years. The Vendor has also granted the Trust a short-term option to acquire an additional 5MW data center facility on the same terms as the initial facility, a further option to acquire additional 30 MW of facilities and an eight month right of first refusal to acquire operating data centers or cryptocurrency mining assets owned or acquired by the Vendor.

Other Operating Expenses and Other Expenses

Other operating expenses for the three and six month period ended June 30, 2018 include the following:

- General and administrative expenses of $0.5 million for the second quarter compared to $0.4 million for the second quarter of 2017. General and administrative expenses of $1.0 million for the six months ended June 30, 2018 compared to $0.7 million for the six months ended June 30, 2017.

- Professional fees of $0.01 million compared to $0.06 million for the second quarter of 2017 relating to ongoing reporting issuer compliance advice and services performed on behalf of the Trust. Professional fees were $0.7 million for the six months ended June 30, 2018 compared to $0.1 million for the six months ended June 30, 2017.

Other operating expenses totaled a gain of $1.9 million for the three months and an expense of $3.6 million for the six months ended June 30, 2018. This compares to an expense of $1.3 million for the three months and expense of $6.0 million for the six months ended June 30, 2017. Significant components of other operating expenses include the following:

- Mark-to-market fair value gain of $4.4 million for the second quarter of 2018 recorded in relation to Unit purchase warrants issued and outstanding warrants as at the end of the period (Q2 2017 – loss of $0.2 million). Mark-to-market fair value gain of $11.9 million for the six months ended June 30, 2018 (2017 – loss of $2.3 million)

- Interest and financing charges of $1.4 million and $3.4 million for the three and six months ended June 30, 2018, respectively, consistent with $1.4 million and $3.4 million for the comparable periods in 2017.

- Gain incurred on the settlement of debt of $0.8 million (2017 – gain of $0.3 million) for the second quarter and a loss on the settlement of debt of $13.0 million (2017 - $Nil) for the six months ended June 30, 2017. These losses were incurred in connection with the extinguishment of debt following the private placement completed by the Trust in January 2018 (the "**January 2018 Private Placement**").

- Foreign exchange loss of $1.9 million and loss of $0.08 million for the three and six months ended June 30, 2018, respectively. This compares to foreign exchange loss of $0.05 million and gain of $0.07 million for the comparable periods of 2017.

SELECTED QUARTERLY FINANCIAL INFORMATION

The following tables provide the available summary financial data for the Trust's last eight completed quarters:

For the Three Months Ended	June 30, 2018 ($)	Mar. 31, 2018 ($)	Dec. 31, 2017 ($)	Sept. 30, 2017 ($)	June 30, 2017 ($)	Mar. 31, 2017 ($)	Dec. 31, 2016 ($)	Sept. 30, 2016 ($)
Revenue								
Electricity	1,586,386	2,394,880	925,033	749,792	767,143	790,804	748,986	578,302
Green Certificates	3,032,209	2,664,619	1,909,333	2,578,892	2,600,876	1,989,166	1,752,786	1,955,862
Digital Currencies	192,387	-	-	-	-	-	-	-
Total Revenue	4,810,982	5,059,499	2,834,366	3,328,684	3,368,019	2,779,970	2,501,772	2,534,164
Operating expenses	4,233,756	4,975,360	3,790,143	2,631,818	2,456,471	2,138,491	2,960,747	1,944,660
Other expenses (income)	(1,930,360)	5,560,726	30,958,496	98,223	1,337,978	4,598,432	19,274,750	1,083,563
Tax recovery (expense)	330,342	35,278	1,357,153	(1,810,471)	1,386,867	123,132	(2,131,208)	41,965
Net earnings (loss) for period	2,837,928	(5,441,309)	(30,557,120)	(1,211,828)	960,437	(3,833,821)	(21,864,933)	(452,094)
Total comprehensive earnings (loss)	1,903,340	(1,104,752)	(31,340,941)	(1,598,288)	869,273	(3,933,941)	(13,804,770)	(1,706,490)
Basic & diluted earnings (loss) per Unit	0.01	(0.03)	(0.63)	(0.02)	0.02	(0.08)	(0.58)	(0.01)

As at	June 30, 2018 ($)	Mar. 31, 2018 ($)	Dec. 31, 2017 ($)	Sept. 30, 2017 ($)	June 30, 2017 ($)	Mar. 31, 2017 ($)	Dec. 31, 2016 ($)	Sept. 30, 2016 ($)
Total Current Assets	13,591,526	16,473,016	11,547,677	5,902,090	9,358,462	6,167,092	7,095,307	6,049,477
Total Current Liabilities	15,792,504	25,003,607	92,040,508	44,220,110	37,301,280	34,122,941	36,273,420	17,611,045
Working Captial (Deficit)	(2,200,978)	8,530,590	80,492,831	38,318,020	27,942,818	27,995,849	29,178,113	11,561,568
Total Assets	99,101,945	104,458,869	92,552,433	76,433,247	78,872,570	74,574,813	75,592,306	85,764,640
Total Liabilities	52,444,496	61,178,536	130,101,434	82,649,116	83,490,151	80,100,671	77,184,223	73,995,848
Trust Capital	113,573,114	112,099,339	35,371,094	35,363,286	35,363,286	35,324,282	35,324,282	35,433,575
Deficit	78,192,674	81,030,602	76,589,293	45,062,173	43,580,345	44,810,782	40,976,961	19,112,028
Unitholders Equity (Deficit)	46,657,449	(43,280,333)	(37,549,001)	(6,215,869)	(4,617,581)	(5,525,858)	(1,591,917)	11,768,792
Total Liabilities and Equity	99,101,945	104,458,869	92,552,433	76,433,247	78,872,570	74,574,813	75,592,306	85,764,640

LIQUIDITY AND CAPITAL RESOURCES

The Trust's objectives when managing capital are primarily to support the creation of Trust unitholder value while ensuring that the Trust is able to meet its financial obligations as they become due.

Summary of Financial Condition

The following table summarizes the cash inflows and outflows by activity for the periods indicated:

	For the three months ended		**For the six months ended**	
(in Canadian Dollars unless otherwise noted)	**June 30, 2018**	June 30, 2017	**June 30, 2018**	June 30, 2017
Cash generated by (used in)				
Operating activities	**567,766**	2,887,743	**(6,370,075)**	1,930,370
Investing activities	**(2,055,579)**	-	**(4,610,112)**	-
Financing activities	**(2,023,948)**	(3,482,554)	**10,775,426**	(2,643,786)
Net (decrease) increase in cash	**(3,252,177)**	1,006,728	**412,882**	888,821

	As at	
(in Canadian Dollars unless otherwise noted)	**June 30, 2018**	December 31, 2017
Cash and cash equivalents at end of period	**1,129,524**	(1,129,524)
Currrent assets	**13,591,526**	11,547,677
Current liabilities	**15,792,504**	92,040,508
Working capital (deficit)	**(2,200,978)**	(80,492,831)

Factors that could impact on the Trust's liquidity and cash flows from operations are monitored regularly and include production levels, the timing of GC cash inflows, the price of digital currencies and operating costs. Energy production levels are impacted by variability in the timing and velocity of wind, hydrology levels, hours of sunlight as well as the operational capability of the Projects. Mining of digital currencies is impacted by the price volatility of the digital currency being mined and the difficulty rate of mining.

Available cash (excluding restricted cash) as at June 30, 2018 was $1.5 million compared to $1.1 million as at December 31, 2017.

Working capital was a deficiency of $2.2 million as at June 30, 2018 compared to $80.5 million as at December 31, 2017. The improvement in working capital was due to the January 2018 Private Placement resulting in $38.2 million cash inflows into the treasury of the Trust and the extinguishment of debt by repayment with cash and the issuance of Units.

In June 2018, the Trust settled an aggregate of €1.1 million ($1.4 million) principal and accrued interest in respect to the Vendor Take-back Loan ("VTB") by issuing approximately 3.9 million Units in full satisfaction of the amounts outstanding of the VTB.

Summary of Cash Inflows (Outflows)

For the three months ended June 30, 2018, cash flows generated from operations were $0.6 million inclusive of a $1.9 million reduction in the working capital deficit. This compares to operating cash inflow of $2.9 million for the three months ended June 30, 2017. Cash flows generated from operations prior to net changes in working capital were $2.4 million for the three months ended June 30, 2018 compared to $2.0 million for the same period in 2017. For the six months ended June 30, 2018, operating cash flows were an outflow of $6.4 million inclusive of a $10.2 million reduction in the working capital deficit. This compares to an inflow of $1.9 million for the six months ended June 30, 2017. Cash flows generated from operations prior to net changes in working capital were $3.8 million for the six months ended June 30, 2018 compared to $3.2 million for the same period in 2017.

Net investing cash outflows for the three months ended June 30, 2018 were $2.1 million relating to the acquisition of cryptocurrency mining assets compared to $Nil for the three months ended June 30, 2017. For the six months ended June 30 net investing cash outflows were $4.6 million in 2018 compared to $Nil for the six months ended June 30, 2017.

Net financing cash outflows for the three months ended June 30, 2018 were $2.0 million compared to an outflow of $3.5 million for the three months ended June 30, 2017. Net financing cash inflow for the six months ended June 30, 2018 was $10.8 million compared to an outflow of $2.6 million for the six months ended June 30, 2017. Cash inflows from financing activities for the six months ended June 30, 2018 include net proceeds of $38.2 million from the January 2018 Private Placement and $23.7 million repayment of bridge notes of the Trust.

COMMITMENTS AND CONTINGENCIES

Commitments

The Trust had the following commitments on asset management and maintenance contract with RGL, security services and insurance (in millions):

Within 1 year	$	1.9
1 - 3 years		6.6
3 - 5 years		5.6
Greater than 5 years		5.7
	$	**19.9**

The Trust has long term financial liabilities outstanding on which there are ongoing principal and interest obligations as follows (in millions):

Within 1 year	$	7.4
1 – 3 years		11.1
Greater than 3 years		22.3
	$	**40.8**

Contingencies

Due to the nature and complexity of the Trust's operations, various legal and tax matters are outstanding from time to time. In the event that the Trust's estimates of the future resolution of these matters changes, the effects of the changes will be recognized in the unaudited Condensed Interim Consolidated Financial Statements.

Off-balance Sheet Arrangements

As of the date of this filing, the Trust does not have any material off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Apart from the transactions disclosed elsewhere in these consolidated financial statements, all transactions are in the normal course of business and are recorded at the exchange value agreed to by the related parties. Intercompany transactions and balances are eliminated upon consolidation.

Apart from the transactions disclosed elsewhere in these consolidated financial statements, all transactions are in the normal course of business and are recorded at the exchange value agreed to by the related parties. Intercompany transactions and balances are eliminated upon consolidation. Key management of the Trust consists of members of the board of directors and officers of the Trust and Administrator. During the three and six months ended June 30, 2018, the Trust expensed $0.2 million and $0.3 million, respectively (2017 - $0.2 million and $0.5 million), of salaries and benefits to the officers of the Trust in addition to an expense recovery of $0.09 million and $0.04 million, respectively (2017 - $0.03 million expense and $0.06 million expense), in directors' fees, which are included in general and administrative expenses. As at June 30, 2018, the Trust had amounts payable of $0.2 million (December 31, 2017 - $1.0 million) to related parties consisting of deferred salaries, advances to the Trust as well as reimbursement of payments of expenses incurred on behalf of the Trust.

RGL holds significant influence over the Trust and is a related party. The Trust sells power and green certificates to subsidiaries of RGL and has operations and maintenance contracts with subsidiaries of RGL. During the three and six months ended June 30, 2018, the Trust expensed $1.5 million and $2.1, respectively (2017 - $0.8 million and $1.1 million), of operations and maintenance and balancing fees and recognized $5.5 million and $8.6 million (2017 - $2.4 million and $3.0 million) in sales of power and green certificates to RGL and its subsidiaries. As at June 30, 2018, the Trust had $2.6 million (December 31, 2017 - $0.7 million) in accounts receivable from and $2.5 million (December 31, 2017 - $1.0 million) in accounts payable to RGL.

SUMMARY OF OUTSTANDING SECURITIES

The authorized capital of the Trust consists of an unlimited number of Units, of which 230,158,108 Units are issued and outstanding as of the date of this MD&A.

The Trust has 65,079,770 Unit purchase warrants issued and outstanding as follows:

Issue Date	Warrants	Type	Exercise Price ($)	Expiry
24-Jul-15	5,995,194	Normal	1.00	24-Jul-18
24-Jul-15	259,142	Broker	1.00	24-Jul-18
28-Oct-15	4,156,800	Normal	1.00	28-Oct-18
05-Apr-16	1,156,043	Normal	1.00	05-Apr-19
05-Apr-16	68,118	Broker	1.20	05-Apr-19
13-May-16	316,399	Normal	1.00	13-May-19
13-May-16	22,145	Broker	1.20	13-May-19
02-Sep-16	3,387,400	Normal	1.00	28-May-19
02-Sep-16	176,792	Broker	1.00	01-Sep-19
08-Jan-18	45,023,915	Normal/Broker	0.80	08-Jan-20
09-Jan-18	4,517,822	Normal	0.63	09-Jan-19
	65,079,770		$ 0.84	

The Trust has 75,000 Restricted Units ("**RTUs**") outstanding under the Trust's RTU plan, 400,000 options outstanding pursuant to the Trust's option plan, and 6,303,348 compensation options ("**Compensation Options**") outstanding as at June 30, 2018. The Compensation Options were issued in connection with the January 2018 Private Placement, with each such Compensation Option being exercisable into one Unit and and one-half of one Unit purchase warrant, with the same terms as the warrants issued January 8, 2018, (a "**Private Placement Unit**") at an exercise price of $0.48 per Private Placement Unit expiring January 8, 2020.

Assuming the exercise or conversion of all of the Trust's outstanding convertible securities an aggregate of 305,167,900 Units would be issued and outstanding on a fully diluted basis.

NEW ACCOUNTING PRONOUNCEMENTS

The Trust's Condensed Consolidated Interim Financial Statements are prepared in accordance with IAS 34 *Interim Financial Reporting* ("IAS 34"). The significant accounting policies applied, and recent accounting pronouncements are described in Note 2 *Significant Accounting Policies* of the Trust's Consolidated Annual Financial Statements for the year ended December 31, 2017 and of the Trust's Condensed Consolidated Interim Financial Statements for the three months ended March 31, 2018.

New Accounting Standards effective in 2018

IFRS 15 *Revenue from Contracts with Customers*

Effective January 1, 2018, the Trust adopted IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15"). IFRS 15 was issued by IASB in May 2014 and replaces IAS 18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations on revenue. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

The adoption of IFRS 15 did not result in a change in the recognition and measurement of the Trust's revenues.

IFRS 9 *Financial Instruments*

Effective January 1, 2018, the Trust adopted IFRS 9 *Financial Instruments* ("IFRS 9"), which replaces IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 provides a revised model for the recognition and measurement of financial instruments including a single forward-looking 'expected loss' impairment model, amendments to the classification and measurement model for financial assets by adding a new fair value through comprehensive income category for certain financial instruments and provides guidance on how to apply the business model and contractual cash flow characteristics test. IFRS 9 also includes significant changes to hedge accounting.

The following summarizes the nature and effect of the changes to IFRS 9:

i) Measurement and Classification of Financial Instruments

IFRS 9 largely retains the existing requirement of IAS 39 for the classification and measurement of financial liabilities. The adoption of IFR 9 did not have a significant effect on the Trust's accounting policies related to financial liabilities.

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at amortized cost if it meets both of the following conditions and not designated as FVPL: it is held within a business model whose objective is to hold assets to collect contractual cash flows; and its contractual terms give rise on specified dates for cash flows. Management reviewed ad assessed the Trust's existing financial assets as at January 2, 2018 based on the facts and circumstances that existed at that date and has classified and measured its financial assets as follows:

- Cash and restricted cash are classified as and measured at amortized cost.
- Trade receivables, GCs and certain other assets are classified as and measured at amortized cost.

The adoption of IFRS 9 did not result in a material change in the carrying values of any of the Trust's financial instruments on the transition date.

i) Impairment of Financial Assets

IFRS 9 introduced a single 'expected credit loss' impairment model, which is based on changes in credit quality since initial recognition. The 'expected credit loss' model replaced the 'incurred loss' model under IAS 39. The adoption of the expected credit loss impairment model under IFRS 9 did not have a significant impact on the carrying amounts of the Trust's financial assets on the transition date.

Amendments and Future changes to Accounting Standards not yet Effective

IFRS 16 *Leases*

In January 2016, the IASB issued IFRS 16 *Leases*, which requires lessees to recognize assets and liabilities for most leases. IFRS 16 eliminates the current dual model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. IFRS 16 becomes effective for annual periods beginning on or after January 1, 2019 and is to be applied retrospectively with early adoption permitted, provided IFRS 15 has been applied or is applied at the same date as IFRS 16. The Trust has completed the assessment of the impact of adoption of this new standard and does not expect to have a material impact on the Trust's consolidated financial statements.

IFRIC 23 *Uncertainty over Income Tax Treatments*

In June 2017, the IFRS Interpretation Committee issued IFRIC 23 *Uncertainty over Income Tax Treatments* ("IFRIC 23"), which clarifies how the recognition and measurement requirements of IAS 12 *Income Taxes* are applied where there is uncertainty over income tax treatments. IFRIC 23 becomes effective for annual periods beginning on or after January 1, 2019 and is to be applied retrospectively with early adoption permitted. The Trust is in the process of assessing the impact of IFRIC 23 on the consolidated financial statements.

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Trust's Condensed Consolidated Interim Financial Statements in accordance with IAS 34 requires management to make judgements, estimates and assumptions that affect the reported amount of assets, amounts of assets, liabilities, income and expenses, and the accompanying disclosures.

These assumptions, judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the Trust's unaudited Condensed Consolidated Interim Financial Statements.

Judgments, estimates and assumptions are periodically evaluated by management and are based on management's best knowledge of relevant facts and circumstances, having regard to previous experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes and results may differ materially from the amounts included and disclosed in the unaudited Condensed Interim Consolidated Financial Statements.

The critical judgments and key sources of estimation uncertainties in the application of accounting policies during the three months ended March 31, 2018 are consistent with those disclosed in Note 2 *Significant Accounting Policies* in the Trust's audited Consolidated Annual Financial Statements for the year ended December 31, 2017, except as otherwise noted in this MD&A.

Details of new IFRS requirements as well as their impact on the Trust's unaudited Condensed Interim Consolidated Financial Statements are described in Note 2 *Significant Account* Policies of the Trust's Condensed Consolidated Interim Financial Statements for the three months ended March 31, 2018.

BUSINESS RISKS AND UNCERTAINTIES

The Trust and its operations are subject to various business, financial and operational risks that could materially adversely affect the Trust's future business, operations and financial condition and could cause such future business, operations and financial condition to differ materially from the forward-looking statements and information contained in this MD&A. For a more comprehensive discussion on the risks faced by the Trust, please refer to the Trust's MD&A for the year ended December 31, 2017.

NON-GAAP MEASURES

The Trust has included certain non-GAAP measures to supplement its unaudited Condensed Interim Consolidated Financial Statements, which are presented in accordance with IFRS, including operating margin.

The Trust believes that operating margin, adjusted earnings before interest, taxes and depreciation (EBITDA) and adjusted earnings before interest, taxes and depreciation per share, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Trust. Non-GAAP financial measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Management's determination of the components of non-GAAP and additional measures are evaluated on a periodic basis influenced by new items and transactions, a review of investor uses and new regulations as applicable. Any changes to the measures are duly noted and retrospectively applied as applicable.

The following is a reconciliation of operating margin:

(in Canadian Dollars unless otherwise noted)	For the three months ended **June 30, 2018**	 June 30, 2017	For the six months ended **June 30, 2018**	 June 30, 2017
Total revenue	$ **4,810,982**	$ 3,368,019	$ **9,870,481**	$ 6,147,989
Less:				
Cost of sales excluding depreciation	**1,963,302**	1,038,129	**4,100,475**	1,816,694
Operating margin	$ **2,847,680**	$ 2,329,890	$ **5,770,006**	$ 4,331,295

The following is a reconciliation of adjusted EBITDA and adjusted EBITDA per share:

(in Canadian Dollars unless otherwise noted)	For the three months ended **June 30, 2018**	 June 30, 2017	For the six months ended **June 30, 2018**	 June 30, 2017
Earnings (loss) for the period	$ **2,837,928**	$ 960,437	$ **(2,603,381)**	$ (2,873,384)
Add-back:				
Interest and finance charges	**1,432,626**	1,358,088	**3,410,662**	3,387,624
Income tax recovery	**(330,342)**	(1,386,867)	**(365,620)**	(1,509,999)
Depreciation	**1,759,374**	995,717	**3,452,637**	1,977,505
Fair value gain on debentures and conversion features	**-**	-	**(1,184,249)**	-
Gain (loss) on settlement of debt	**(786,928)**	(320,254)	**12,950,322**	-
Warrant revaluation gain (loss)	**(4,399,070)**	209,382	**(11,928,230)**	2,282,212
Adjusted EBITDA	$ **513,589**	$ 1,816,503	$ **3,732,142**	$ 3,263,958
Adjusted EBITDA per Unit	$ **0.00**	$ 0.04	$ **0.02**	$ 0.07

FORWARD LOOKING INFORMATION

Certain statements contained in this MD&A constitute “forward-looking statements”. All statements other than statements of historical fact contained in this MD&A, including, without limitation, those regarding the Trust’s future financial position and results of operations, strategy, plans, objectives, goals and targets, future developments in the markets where the Trust participates or is seeking to participate and any statements preceded by, followed by or that include the words such as “anticipates”, “plans”, “proposes”, “estimates”, “intends”, “expects”, “believes”, “may” and “will” or similar expressions or the negative thereof, are forward-looking statements. The forward-looking statements are founded on the basis of expectations and assumptions made by the Trust. Details of the risk factors relating to the Trust and its business are discussed under the heading “Business Risks and Uncertainties”. These statements are not historical facts but instead represent only the Trust’s expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

Additional factors that could cause actual results, performance or achievements, to differ materially include, but are not limited to, the risk factors discussed herein under the section heading “Business Risks and Uncertainties”. Management provides forward-looking statements because it believes they provide useful information to readers when considering their investment objectives and cautions readers that the information may not be appropriate for other purposes. Consequently, all of the forward-looking statements made in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Trust. These forward-looking statements are made as of the date of this MD&A and the Trust assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

The forward-looking statements in this MD&A are based on numerous assumptions regarding the Trust's present and future business strategies and the environment in which the Trust will operate in the future, including assumptions regarding expected energy prices, business and operating strategies, future acquisitions and the Trust's ability to operate its facilities on a profitable basis.

Some of the risks which could affect future results and would cause results to differ materially from those expressed in the forward-looking statements contained herein include: risks related to foreign operations (including various political, economic and other risks and uncertainties), the interpretation and implementation of the energy law, expropriation of property rights, political instability and bureaucracy, limited operating history, lack of profitability, high inflation rates, failure to obtain bank financing, fluctuations in currency exchange rates, competition from other businesses, reliance on various factors (including local labour, importation of machinery and other key items and business relationships), risks related to seasonality (including adverse weather conditions, shifting weather patterns, and global warming), a shift in energy trends and demands, a shift in energy generation in the EU, vulnerability to fluctuations in the world market, the lack of availability of qualified management personnel and stock market volatility.

Risks may materially and adversely affect the Trust's business, financial condition, results of operations and/or the market price of the Trust's securities.