



LISTING APPLICATION

**BITGOLD INC.
COMMON SHARES**

May 8, 2015

No securities regulatory authority or the TSX Venture Exchange has expressed an opinion about the securities that are the subject of this application.

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GLOSSARY

“**Agency Agreement**” means the agency agreement between Old BitGold and the Agents dated February 19, 2015, entered into in connection with the Financing;

“**Agents**” means a syndicate of agents in connection with the Financing co-led by Dundee Securities Ltd. and Clarus Securities Inc., and including GMP Securities L.P. and Canaccord Genuity Corp.;

“**Agent Warrant**” means a warrant entitling the holder thereof to acquire one Common Share and one-half of one Warrant on terms and conditions identical to the terms and conditions of the BitGold Agent Warrants;

“**Amalgamation Agreement**” means the amalgamation agreement dated for reference February 23, 2015, between Loma Vista and BitGold, a copy of which is available on Loma Vista’s profile on SEDAR at www.sedar.com;

“**Amalgamation**” means the amalgamation of Loma Vista and BitGold pursuant to the provisions of the CBCA and the terms of the Amalgamation Agreement, completed on April 29, 2015;

“**AML**” means anti-money laundering;

“**Application**” means this listing application of BitGold Inc., dated May 8, 2015;

“**Associate**” shall have the meaning ascribed to such term in the *Securities Act* (Ontario);

“**ATM**” means automated teller machine;

“**Audit Committee**” means the audit committee of the Board;

“**BBO**” means best bid or best offer;

“**BitGold Agent Warrant**” means a warrant of BitGold issued as compensation to the agents pursuant to the Financing, each entitling the holder to acquire one BitGold Unit at a price of \$0.90 per BitGold Unit at any time before February 19, 2017, whereupon the BitGold Agent Warrants will expire;

“**BitGold Unit**” means a unit of securities comprised of one BitGold Share and one-half of one BitGold Warrant;

“**BitGold Share**” means a common share without par value in the capital of Old BitGold;

“**BitGold Shareholder**” means a former holder of BitGold Shares;

“**BitGold Warrant**” means a warrant entitling the holder thereof to acquire one BitGold Share at a price of \$1.35 until August 19, 2016, whereupon the BitGold Warrants will expire, provided, however, that if the volume-weighted average trading price (VWAP) of the BitGold Shares on the principal exchange upon which they trade exceeds \$2.00 for 20 consecutive trading days, BitGold shall have the right to deliver notice to the warrant holders accelerating expiry of the BitGold Warrants to the date that is 30 days after delivery of such notice;

“**Board**” means the board of directors of the Company;

“**Brink’s**” means The Brink’s Company, operating through Brink’s Global Vault Services International, Inc.;

“**Brink’s Agreement**” means the agreement between the Company and Brink’s Global Vault Services International, Inc., effective October 10, 2014;

“**Business Day**” means any day other than a Saturday or Sunday or other day on which Canadian Chartered Banks located in the City of Toronto are required or permitted to close;

“**Canadian Securities Laws**” means the *Securities Act* (or equivalent legislation) in each of the provinces and territories of Canada and the respective regulations under such legislation together with applicable published rules,

regulations, policy statements, national instruments and memoranda of understanding of the Canadian Securities Administrators and the securities regulatory authorities in such provinces and territories.

“**CBCA**” means the *Canada Business Corporations Act*, or its successor legislation and the regulations made thereunder;

“**COMEX**” means The Commodity Exchange, Inc.;

“**Common Share**” means a common share without par value in the capital of the Company;

“**Company**” means BitGold Inc., the resulting company formed upon the amalgamation of Loma Vista and BitGold;

“**CRA**” means the Canada Revenue Agency;

“**CSE**” means the Canadian Stock Exchange;

“**Debentures**” means the convertible debentures worth an aggregate total of \$800,000 issued by Old BitGold on December 11, 2014, which as a result of the Amalgamation converted automatically to Common Shares in accordance with their terms at a conversion price of approximately \$0.211 per Old BitGold Share, being a rate of 4,737 Old BitGold Shares per \$1,000 principal amount;

“**Depository**” means Capital Transfer Agency Inc. at their offices at 121 Richmond Street West, Suite 401, Toronto, Ontario M5H 2K1;

“**Effective Date**” means the effective date of the Amalgamation;

“**Effective Time**” means 12:01 a.m. (Toronto time) on the Effective Date;

“**Eligible Persons**” means persons and entities eligible to receive grants of options pursuant to the Option Plan, including (i) directors, officers, employees and consultants of the Company, and (ii) entities that control or are controlled by such persons;

“**Escrow Agreement**” means the escrow agreement to be entered into between Capital Transfer Agency Inc., as escrow agent, the Company, and certain securityholders of the Company;

“**Exchange Act**” means the United States *Securities Exchange Act of 1934*, as amended;

“**Exchange**” means the TSX Venture Exchange;

“**Financing**” means the brokered private placement of 7,777,777 Subscription Receipts at \$0.90 per Subscription Receipt for minimum gross proceeds of approximately \$7,000,000, completed on February 19, 2015;

“**FINTRAC**” means the Financial Transactions and Reports Analysis Centre of Canada;

“**IFRS**” means the International Financial Reporting Standards promulgated by the International Accounting Standards Board;

“**KYC**” means Know Your Customer;

“**LBMA**” means London Bullion Market Association;

“**Loma Vista Options**” means the 650,000 non-transferrable stock options of Loma Vista issued and outstanding prior to the Amalgamation;

“**Loma Vista Share**” means a common share without par value in the capital of Loma Vista;

“**Loma Vista Shareholder**” means a former holder of Loma Vista Shares;

“**Loma Vista**” means Loma Vista Capital Inc.;

“**MSSI**” means Marrelli Support Services Inc.;

“**NEO**” of a company means a “NEO” or “named executive officer” as such term is defined in Form NI 51-102F6 – *Statement of Executive Compensation* of the Canadian Securities Administrators, and includes,

- (a) a Chief Executive Officer;
- (b) a Chief Financial Officer;
- (c) each of the three highly compensated executive officers of the applicable company, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 – *Statement of Executive Compensation* for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the applicable company, nor acting in a similar capacity, at the end of that financial year;

“**NI 51-102**” means National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators;

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators;

“**NP 58-101**” means National Policy 58-101 – *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators;

“**OBCA**” means the *Business Corporations Act* (Ontario), or its successor legislation and the regulations made thereunder;

“**Old BitGold**” means BitGold Inc., a private corporation, and a predecessor corporation to the Company prior to the Amalgamation;

“**Option Plan**” means the incentive stock option plan to adopted by the Board pursuant to which the Board, or a committee thereof, may, from time to time, at their discretion, and in accordance with Exchange requirements and applicable law, grant options to directors, officers, employees, consultants and service providers of the Company, a copy of which is set out in Schedule “B” to this Application;

“**Option**” means the options to purchase Common Shares;

“**PCMLTFA**” means the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), or its successor legislation and the regulations made thereunder;

“**person**” includes a corporation, partnership, limited liability company or partnership, joint venture, trust, unincorporated association or organization, business, enterprise or other entity; an individual; and a government;

“**Sprott**” means Sprott Inc.;

“**Stock Split**” means the amendment of BitGold’s articles of incorporation to split BitGold’s then-existing common shares on the basis of 30 post-split shares for each 1 pre-split share, which occurred on December 3, 2014;

“**Subscription Receipt**” means a subscription receipt of BitGold entitling the holder thereof, for no additional consideration, to receive one unit of BitGold securities comprised of one BitGold Share and one BitGold Warrant immediately prior to completion of the Amalgamation;

“**Tax Act**” means the *Income Tax Act* (Canada), as amended and all regulations thereunder;

“**U.S. Securities Act**” means the United States *Securities and Exchange Act of 1933*, as amended; and

“**Warrant**” means a warrant entitling the holder thereof to acquire one Common Share on terms and conditions identical to the terms and conditions of the BitGold Warrants.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION AND RISKS

This Application contains or refers to certain forward-looking information. Forward-looking information can often be identified by forward-looking words such as “anticipate”, “believe”, “expect”, “plan”, “intend”, “estimate”, “may”, “potential” and “will” or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. All information, other than information regarding historical fact, that addresses activities, events or developments BitGold believes, expects or anticipates will or may occur in the future is forward-looking information. Such forward-looking information relates to, without limitation, the future activities and performance of the Company, the value of the Common Shares, estimates relating to the amount of funds available to the Company and the manner in which such funds will be used.

Forward-looking information does not constitute historical fact but reflects the current expectations the Company regarding future results or events based on information that is currently available. With respect to the forward-looking information contained in this Application, the Company has made certain assumptions. Although the Company believes that the assumptions inherent in any forward-looking information are reasonable, forward-looking information is not a guarantee of future events or performance and, accordingly, readers are cautioned not to place undue reliance on such information due to the inherent uncertainty therein.

By its nature, forward-looking information is subject to a number of inherent risks and uncertainties, both general and specific, that could cause actual results to differ materially from those suggested by the forward-looking information. Even if such results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to: global economic climate; dilution; the limited operating history of the Company; future capital needs and uncertainty of additional financing; the competitive nature of the internet technology industry; currency exchange risks; the need for the Company to manage its planned growth and expansion; the effects of product development and need for continued technology change; protection of proprietary rights; the effect of government regulation and compliance on the Company and the industry; network security risks; the ability of the Company to maintain properly working systems; theft and risk of physical harm to personnel; reliance on key personnel; global economic and financial market deterioration impeding access to capital or increasing the cost of capital; and volatile securities markets impacting security pricing unrelated to operating performance, as well as those risk factors discussed in this Application. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake any obligation to update or revise any forward-looking information other than as required by law.

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ITEM 3 – SUMMARY

The following is a summary of information relating to the Company and should be read together with the more-detailed information and financial data and statements contained elsewhere in this Application. Capitalized words and terms in this summary have the same meanings as set forth in the Glossary and elsewhere in this Application.

Business of the Company

BitGold is a development-stage internet technology business that facilitates the buying and selling of bullion-grade gold for customers. BitGold operates a platform, hosted on www.bitgold.com, that enables users to purchase gold using various electronic payment methods. The Company's platform once fully operational is intended to provide various transaction capabilities, including instant cross-border gold payments, merchant invoicing and processing for gold, debit card spending of gold at traditional points of sale, conversions to a customer's external digital wallet or bank, and physical gold redemptions. BitGold also plans to operate a network of ATMs allowing users to open accounts or deposit local currency in exchange for vaulted gold, which will be accessible for digital transactions. All physical gold acquired through the platform is owned by the customer, stored in vaults administered by The Brink's Company, acting through Brink's Global Vault Services International, Inc. ("**Brink's**"), which insures gold through third party insurance providers. BitGold accounts are low-cost and convenient to open by anyone in eligible countries as long as applicable regulatory requirements such as Anti-Money Laundering ("**AML**") and Know Your Customer ("**KYC**") requirements are met.

See "*Item 5 – Description of the Business*".

Amalgamation

The Company is the resulting issuer of the amalgamation of BitGold Inc. ("**Old BitGold**") and Loma Vista Capital Inc. ("**Loma Vista**") under the CBCA, which was completed on April 29, 2015. All of the issued and outstanding securities of Old BitGold were exchanged for comparable securities of the Company at a 1 to 1 ratio, and securities of Loma Vista were exchanged for comparable securities of the Company at a 16.485587 to 1 ratio. Upon completion of the Amalgamation, the Company continued under the name "BitGold Inc." to reflect its continuation of Old BitGold's business.

Securities of the Company

The Company's authorized share capital consists of an unlimited number of Common Shares without par value. As at the date of this Application, there were 36,619,885 Common Shares issued and outstanding. Additionally, the Company has 3,888,888 Warrants, 462,346 Agent Warrants, and 1,974,428 options outstanding. The Company has applied for the listing of its Common Shares on the Exchange as described herein.

See "*Item 9 – Disclosure of Outstanding Security Data*" and "*Item 10 – Description of Securities to be Listed*".

Use of Funds

The working capital available to the Company will be used to rapidly expand the Company's user base through marketing campaigns and expansion of its network of BitGold ATMs, and to support and develop the BitGold technology platform.

See "*Item 6 – Financings – Available Capital*" and "*Item 6 – Financings – Principal Purposes*".

Risk Factors

The Company's principal activity is its internet technology business which provides a platform for the purchase, storage, and sale of gold. Due to the nature of the Company's business and its present stage of development, the Company's securities are subject to significant risk factors. While risk management cannot eliminate the impact of these risks, the Company strives to manage them to the extent possible and practicable. Prospective investors should carefully consider certain risks involved in an investment in the securities of BitGold including: (i) BitGold's absence of any operating history; (ii) future capital needs and uncertainty of additional financing; (iii) the

competitive nature of the industry; (iv) unproven market for BitGold’s services; (v) BitGold’s ability to evaluate and respond to market conditions; (vi) volatility of gold prices and public interest in gold investment; (vii) the need for BitGold to manage its planned growth and expansion; (viii) action taken by governments or regulatory authorities may limit BitGold’s business and operations; (ix) lack of regulation and consumer protection; (x) the effects of product development and need for continued technology change; (xi) dependence on technical infrastructure; (xii) foreign growth restrictions; (xiii) gold trading risks; (xiv) protection of intellectual property rights; (xv) the effect of government regulation and compliance on BitGold and the industry; (xvi) use and storage of personal information and compliance with privacy laws; (xvii) network security risks; (xviii) the ability of BitGold to maintain properly working systems; (xix) market expansion risks; (xx) use of BitGold’s services for improper or illegal purposes; (xxi) theft and risk of physical harm to personnel; (xxii) reliance on key personnel; (xxiii) customer complaints and negative publicity; (xxiv) global economic and financial market deterioration impeding access to capital or increasing the cost of capital; (xxv) volatile securities markets impacting security pricing unrelated to operating performance; (xxvi) dividend policy; (xxvii) concentration of control of BitGold; and (xxviii) uninsurable risks. The foregoing list is not intended to be a definitive list of all risks associated with the Company’s operations.

See “Item 21 – Risk Factors”.

Selected Financial Information

The following is a summary of selected unaudited *pro forma* consolidated financial information of the Company after giving effect to the Amalgamation. Such information is derived from the unaudited *pro forma* consolidated financial statements and the notes thereto attached to this Application as Schedule “E”, which should be read in conjunction with the unaudited condensed interim financial statements of Loma Vista for the three and six months ended March 31, 2014, which are available under Loma Vista’s SEDAR profile at www.sedar.com, and the audited consolidated financial statements of BitGold for the period from August 14, 2014 to March 31, 2015 attached to this Application as Schedule “D”.

	As at March 31, 2015
	(CAD\$)
Pro Forma Consolidated Balance Sheet	
Total current assets	10,232,906
Non-current assets	176,327
Total assets	10,409,233
Accounts payable and accrued liabilities	812,781
Shareholders’ capital	10,062,329
Contributed surplus	11,449
Warrants	1,178,566
Deficit	(1,655,892)
Total Liabilities and Shareholders’ Equity	10,409,233

As at March 31, 2015, the Company’s approximate working capital (calculated as current assets less current liabilities, and including \$6,999,999 in restricted cash representing the gross proceeds from the Financing held in escrow by Capital Transfer Agency Inc. pending satisfaction of certain escrow release conditions, but excluding the current liability for subscription receipts which were released on April 27, 2015) was \$9,420,125. See “Item 16 – Financings – Available Funds”. The Company intends to use this capital for the purposes described herein at “Item 16 – Financings – Principal Purposes”.

Conditional Listing Approval

On April 27, 2015, the Exchange conditionally accepted the listing of the Common Shares, subject to BitGold Inc. fulfilling all of the requirements of the Exchange on or prior to July 27, 2015.

ITEM 4 – CORPORATE STRUCTURE

Name, Address and Incorporation

The Company, BitGold Inc., is a corporation amalgamated under the federal laws of Canada. Its head and registered office is 334 Adelaide St. West, 3rd Floor, Toronto, Ontario M5V 1R4, and its website is www.bitgold.com.

The Company was first incorporated as BitGold Inc. (“**Old BitGold**”) on August 14, 2014 under the laws of the Province of Ontario.

Pursuant to articles of amendment dated December 3, 2014, Old BitGold removed restrictions on the transfer of the common shares of Old BitGold (“**BitGold Shares**”), removed the limit on the number of shareholders, and to split its then-existing common shares on the basis of 30 BitGold Shares for each 1 pre-split common share (the “**Stock Split**”).

On March 11, 2015, Old BitGold was continued from the laws of Ontario to the federal laws of Canada.

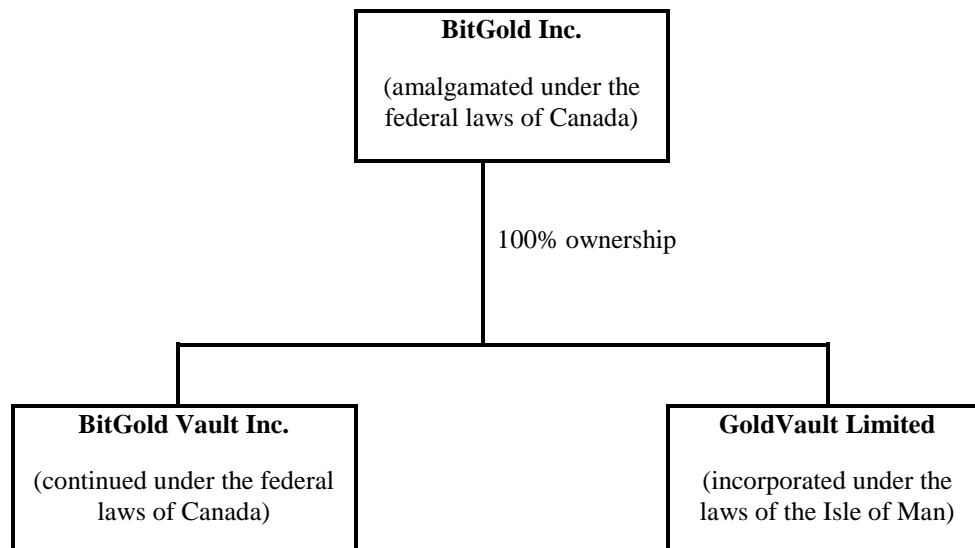
On April 29, 2015, Old BitGold amalgamated with Loma Vista Capital Inc. (“**Loma Vista**”) under the CBCA to form the Company (the “**Amalgamation**”). Pursuant to the Amalgamation, securities of Old BitGold were exchanged for comparable securities of the Company at a 1 to 1 ratio, and securities of Loma Vista were exchanged for comparable securities of the Company at a 16.485587 to 1 ratio. Upon completion of the Amalgamation, the Company continued under the name “BitGold Inc.” See “*Item 6 – Description of the Business – Reorganizations*”.

Intercorporate Relationships

The Company has two wholly-owned subsidiaries: BitGold Vault Inc. and GoldVault Limited.

BitGold Vault Inc. was incorporated under the OBCA on September 16, 2014, and was continued under the CBCA on March 11, 2015. The registered and head office of BitGold Vault Inc. is located at 390 Bay Street, Suite 806, Toronto, Ontario M5H 2Y2. BitGold Vault Inc. manages the vault operations of BitGold.

GoldVault Limited was incorporated under the *Companies Act 1931 to 2004* (Isle of Man) on January 15, 2015. The registered and head office of GoldVault Limited is located at Clinch’s House, Lord Street, Douglas, Isle of Man, IM99 1RZ. GoldVault Limited is a payment processing intermediary between debit card processors and segregated GoldVault Limited bank accounts.



ITEM 5 – DESCRIPTION OF THE BUSINESS

Summary

BitGold is a development-stage internet technology business that aims to make gold accessible and useful in digital payments and secure holdings of gold. BitGold’s globally-scalable internet platform uses proprietary technology to combine a gold-vault service with payment processing infrastructure in an “online banking” like environment, providing innovative solutions to the challenge of transacting with fully allocated and securely vaulted gold.

BitGold services customers through the internet with a platform to purchase vaulted gold using a variety of electronic payment methods, while also providing transaction capabilities through gold to gold payments and physical redemption services, and plans to launch debit card spending and merchant invoicing services.

Gold acquired by customers through the BitGold platform is stored in vaults administered by Brink’s, which insures gold through third party insurance providers. Customers can chose from six different Brink’s vault locations to securely store gold between transactions: Toronto, London, Hong Kong, Singapore, Zurich, or Dubai, with other global locations to be added in the future. All gold is “allocated”, meaning that it is acquired as physical pieces of gold, which are owned by the customer, as opposed to “unallocated” gold, which is an entitlement to receive gold upon demand. For more information, see “*Item 27 – Material Contracts*”.

BitGold accounts are low-cost and convenient to open by customers in eligible markets as long as applicable regulatory requirements, such as AML and KYC requirements, are met. The BitGold platform is being developed in 20 languages with compatibility for 160 global reference currencies.

The BitGold platform is BitGold’s sole product, and was publicly launched on May 4, 2015. Results of operations, including information about revenues generated and numbers of customers acquired will be reported in the interim financial statements of the Company for the nine months ended June 30, 2015.

BitGold is a Canadian corporation with offices in Toronto, Canada, and Milan, Italy. BitGold has partnered with established professionals in auditing, vault security and web security, and bullion dealing, and is committed to maintaining high legal and regulatory compliance standards, including AML and KYC compliance.

Business Strategy

BitGold believes there to be a significant market potential across geographic, demographic, and income categories for a transaction-accessible gold vaulting service. By using its proprietary technology platform to link existing global payment settlement infrastructure to a secure gold vault storage service, BitGold makes gold accessible in micro amounts that are easy to acquire, store, and spend, thereby making it useful for everyday transactions and accessible to a broader market.

The BitGold platform has dual functionality in holding gold and making payments, and BitGold intends to grow its customer base and assets in both market segments in eligible markets.

The market for global payments and money transfers is large and growing, primarily driven by increasing globalization of economies and cross-border movement of people, capital, and technology based services. BitGold believes that gold as a globally recognized, globally liquid commodity with low storage costs, is well positioned to be a limited counterparty asset used in payments nearly anywhere on the planet. BitGold aims to unlock and grow the market potential of gold and eliminate short-comings that have traditionally made it impractical to use for everyday transactions, through a unique combination of physical security, technological innovation, and convenience. Management believes that the BitGold brand and platform have the potential to attract a wide variety of customers, and to become seamlessly integrated into its users’ overall financial transaction and investment activities.

BitGold is not a bank and does not fractionally reserve assets or engage in lending or credit of debt-based sovereign monies. BitGold provides customers simplicity in acquiring, storing, and transacting in gold. Because the gold market is global in nature, including significant gold market share in key emerging markets such as China and India, BitGold expects to benefit from the scalability of Internet based services, and the reach of Internet based marketing and traffic acquisition. BitGold’s ability to expand internationally will depend in part on its ability to satisfy

applicable legal and regulatory requirements in countries where it proposes to offer its services. See “*Item 21 – Risk Factors*”.

BitGold’s revenue model is driven by internet-scalable transaction velocity, where BitGold makes small gold conversion fees through the embedded “best bid or offer”, or “**BBO**” markup every time gold is bought and sold (account funding, withdrawal, and when implemented, debit card purchases and ATM deposits), and when implemented, through merchant fees.

BitGold Platform Features and Functionality

The BitGold technology platform is BitGold’s sole product. It builds on the existing financial infrastructure of gold-bullion vaults, online bank accounts, interbank payment systems, debit cards, and digital currency infrastructure. BitGold delivers a product that it believes is suited for individuals, small businesses, online merchants, and others it currently believes to be underserved by traditional savings security or payment mechanisms. The BitGold platform is comprised of the following services (including both current and anticipated services):

- **Vault Account and Free Gold Storage.** BitGold users create and fund their accounts by purchasing physical gold through BitGold’s website (www.bitgold.com). Upon conversion of fiat or digital currency into gold, the BitGold customer acquires ownership of a specifically allocated piece of physical gold, which becomes the customer’s legal property. Customers’ allocated gold is held in custody and managed by Brink’s in one of six global locations (Toronto, London, Hong Kong, Singapore, Zurich, or Dubai, at the customer’s option). Brink’s insures gold through third party insurance providers. This legal and physical chain of custody is believed as essential to establish BitGold as a trusted platform for both digital values and vaulted physical gold. Users may purchase gold using a variety of electronic payment methods, send and receive gold payments to and from other users within the platform, and redeem gold physically or redeem (i.e. sell) gold back with multiple payment options. BitGold plans to offer users the ability to spend gold with a BitGold debit card through the debit card payment network.
- **Account Funding Methods.** Through the BitGold online platform, users are able to acquire or redeem (sell) gold through a variety of direct deposit and credit card payment networks, international and bank wire transfers, Bitcoin (and other major crypto currencies to be determined). See “*Item 5 – Description of the Business – Flow of Funds to a BitGold Account*”.
- **BitGold Debit Cards.** BitGold plans to offer users the ability to spend directly with debit cards sponsored by BitGold at accepted debit card vendor point-of-sale (POS) locations. BitGold also plans to offer users the ability to withdraw local currency from any conventional ATM servicing the debit card issuer network. At the time of a transaction, a user’s vault balance will be automatically debited in BitGold, corresponding to the conversion or exchange rate between gold and the currency in which the user is using their BitGold debit card to complete the transaction. Once launched, the BitGold debit card will allow users to shop online, withdraw funds from traditional ATMs and use their debit card around the world in exactly the same manner as a conventional debit card.
- **Physical Gold Redemptions and BitGold GoldCubes.** Users are able to redeem their physical gold from BitGold vaults in the form of kilogram bars, or order gold for insured delivery in the form of 10 g cubes.
- **BitGold for Payments.** BitGold users are able to send and receive payments to and from other platform users with minimal transaction charges. Users are also able to send gold as payments to non-BitGold users via email and, when implemented, by text message, with the payment pending transfer until new-user signup.
- **BitGold for Sellers and Merchants.** The BitGold merchant and invoicing service will allow users to earn gold in their BitGold account by billing for time, labour, goods or services when launched. Merchants will be able to send an invoice and collect payments from users from all connected funding methods.
- **BitGold Automated Teller Machines (ATMs).** BitGold plans to offer users the ability to purchase gold in up to 100 different fiat currencies into gold at select BitGold ATMs, which will be instantaneously credited

to their vault balance. BitGold is seeking co-venture arrangements with non-financial institution ATM operators, which it expects to conclude starting in mid- to late-2015.

- **BitGold Digital Currency Transactions, Physical Gold Storage for Digital Values.** The BitGold platform allows the users to participate in the Bitcoin electronic currency system, with support for other digital currencies planned. Conversions to virtual currencies may be made to BitGold and back again, to allow for payments and receipts in virtual currencies, and to provide a physical and offline value storage mechanism for the digital currency economy.
- **Review Platform Transactions.** BitGold users can log onto their accounts and instantaneously review platform transaction history in a fast and convenient “online banking” like environment.
- **Tax Compliance.** BitGold is a tax and anti-money laundering compliant platform that provides users with a tool for end of year profit and loss calculations on their gold position.
- **User Support.** The BitGold platform provides all-encompassing User Support Solutions related to accounts, website navigation and technical questions. There are four main initial service funnels: telephone support, live chat, email, and online content.

Flow of Funds to a BitGold Account

In order to make any deposits and electronic withdrawals from a BitGold account, customers require access to conventional online banking, BitGold-sponsored ATMs, when deployed, which are subject to the money laundering and security measures of those financial institutions and the jurisdictions in which they operate, or to other “virtual wallets” (such as PayPal, Bitcoin, Ripple, and others), which may or may not be regulated. See “*Item 21 – Risk Factors*”.

BitGold deals in following currencies: Canadian Dollar, US Dollar, Mexican Peso, Euro, British Pound Sterling, Swiss Franc, Danish Krone, Norwegian Krone, Swedish Krona, Japanese Yen, New Zealand Dollar, Australian Dollar, Hong Kong Dollar, and Saudi Arabian Riyal. Any transactions into or out of a BitGold account must take place in those currencies, which the Company can settle through its foreign currency accounts. The BitGold platform provides a “software layer” for 160 global currencies, which is superimposed to reflect gold values in any given local currency. However, users wishing to fund accounts using other currencies must first convert their funds into one of the 14 currencies listed above, and users may only require redemption into one of BitGold’s 14 currencies, though they may subsequently convert the proceeds into their local currency of choice.

It is not possible to directly deposit cash to a BitGold account. Any currency used to fund a BitGold account through the BitGold platform (e.g. via electronic funds transfer, wire transfer, or when implemented, via BitGold ATM) is used to purchase physical gold bullion on a customer’s behalf, which BitGold then holds on the customer’s behalf as bailee. BitGold does not take deposits, and BitGold does not offer contracts for difference, foreign exchange contracts or over-the-counter derivatives as described in OSC Staff Notice 91-702 – *Offering of Contracts for Difference and Foreign Exchange Contracts to Investors in Ontario*. Transactions with a BitGold account are for the purchase of gold which is owned by the customer. With respect to the business of BitGold: (i) gold bullion held in the account of a customer is not a deposit with BitGold and a BitGold account is not a bank account; (ii) the amount in a BitGold account does not constitute evidence of indebtedness or liability by BitGold to a customer, except to comply with instructions from the customer in relation to transactions initiated by the customer as provided for in such customer agreement as is in effect from time to time; (iii) there is no interest payable to the customer on any amount in the customer’s BitGold account; and (iv) the amount in a customer’s BitGold account is not insured by the Canada Deposit Insurance Corporation or any such other deposit insurance. The website operated by BitGold and the services provided by BitGold do not constitute a trading of, or an exchange in, securities, investment contracts or any document, instrument or writing commonly known as a “security”, at law or otherwise. See “*Item 21 – Risk Factors*”.

Gold Trading Protocols, Methods & Revenue Model

AURUM technology is BitGold’s patent-pending Internet platform. AURUM functions as a consolidated order-book and trade engine obtaining pricing feeds from precious metals dealers, bullion banks, and refiners that quote bid/ask

spreads in various vaults around the world. The consolidated feed results in a best bid or best offer (“**BBO**”) which is then distributed to the BitGold platform for all transaction events.

The BBO includes a markup which is the profit BitGold earns on each transaction. BitGold provides a price guarantee that this markup will be no more than 1% over the Commodity Exchange, Inc. (“**COMEX**”) quoted gold spot price at any given time when COMEX price feeds are available. BitGold provides a price guarantee for any transactions executed from Sunday from 6:30 PM EST to Friday at 5:00 PM EST. This price guarantee maintains that the fee added to the BBO will be one percent (1%) or less. Given that gold trades on a 24/5 schedule, BitGold can only provide a price guarantee during those days. For transactions occurring from Friday at 5:01 PM EST to Sunday at 6:29 PM, the AURUM prices will reflect the internal liquidity provided by the BitGold market making operations. During these times, BitGold will maintain its own BBO using best efforts but makes no guarantee as to the price above or below the last quoted COMEX spot price.

The physical gold is stored free of charge in a vault operated by Brink’s at a location chosen by the customer. Brink’s insures customer gold through third party insurance providers. Each customer can redeem their BitGold into gold bullion in person at one of BitGold’s vaults by following steps outlined on www.bitgold.com.

BitGold’s physical gold bullion is provided by recognized commodity traders licensed for trading on COMEX and the London Bullion Market Association (“**LBMA**”), the London-based trade association that acts as the coordinator for activities conducted on behalf of its members and other participants in the London bullion market.

BitGold’s revenue model is driven by internet-scalable transaction velocity, where BitGold makes small gold conversion fees through the imbedded BBO markup every time gold is bought and sold (account funding, withdrawals, and when implemented, debit card purchases and ATM deposits), and, when implemented, through merchant fees. The BitGold merchant invoicing feature will charge the merchant 1% of invoice value, and will allow merchants to accept debit card transactions, China Union Pay, Sepa, Bitcoins, or gold payments from BitGold users using online invoicing technology.

Technology and Development

BitGold has assembled a team of skilled engineers and computer scientists with broad technical expertise to develop and maintain AURUM, its key technology, and other elements of its platform. AURUM is a proprietary, customizable web-based software application, which also functions as an on-line compliance and risk management tool. The trade secrets associated with AURUM are protected via copyright and a patent application has been filed. AURUM source code is maintained at BitGold’s head office in Toronto.

BitGold intends to grow by continuing to invest in its technology platform and enhancing customer services. BitGold is advancing multiple patent applications that relate to various aspects of BitGold’s products and technology. It is expected that future research and development will focus on enhancing existing products and services and on developing new products, including enhanced mobile capabilities.

Product Development Strategy

BitGold has invested substantial time, effort and financial resources on the development of its technology infrastructure including transaction processing, web reporting engine, and software. BitGold believes that this investment has resulted in a competitive advantage. BitGold is committed to further enhancing its technology and believes that it will be an important component of its continued success in retaining and attracting new customers.

AURUM is updated regularly and system development and enhancement is a core activity at BitGold. Significant investments in product and feature development, data and security management technologies, and scalable infrastructure are made as follows:

- **Product and Feature Development.** Ongoing innovation is the product development philosophy of BitGold. BitGold continuously improves and enhances existing products and develops new products for users. The objective is to enable customers to securely hold and manage their assets with features and functionality which maximize the user experience.

- **Data Management Technologies.** To provide each user with a fluid experience, BitGold’s systems must process and analyze a vast amount of data that will enable users to instantly convert digital value or cash payments into gold, and back again, provide real-time quotes for the spot price and gold and corresponding exchange rates, and instantaneously credit or debit accounts when transactions are completed.
- **Large-Scale Systems and Scalable Infrastructure.** The AURUM products are built on a shared computing infrastructure. A combination of off-the-shelf and custom software running on a network of computers is used to achieve substantial computing capability. AURUM was built for scale using the Scala programming language. Scala is a functional programming language that was designed specifically for scalable web applications. At its root, the language’s scalability is the result of a careful integration of object-oriented and functional language concepts. Scala’s scripting language allows for concise web site development and it is used by such companies as Twitter, LinkedIn, and Intel. The AURUM infrastructure has enabled the storage and processing of large datasets and facilitated the deployment of BitGold products on a global scale. As the user base grows, computing needs will expand. BitGold’s objective is to provide services rapidly and reliably to all users in eligible markets around the world, which may include countries that are not immediately expected to be an immediate source of users. By investing in a scalable platform, BitGold believes it will be able to save costs in the future as the business expands and per-unit pricing for computing power, memory and storage capacity continues to decrease. BitGold intends to continue to develop data center and server architectures that are operationally efficient, scalable, and reliable.

BitGold Website

The AURUM software and on-line platform operate on BitGold’s wholly-owned website under the domain name www.bitgold.com. As described above, AURUM was built for scale using the Scala programming language. A simple-to-navigate personal account interface enables users to execute transactions, track past transactions, gold holdings, BitGold wallet account, and track the value of gold and real and digital currencies through internet-connected personal computers, tablets, mobile devices, and BitGold ATMs. The platform is multi-lingual with 24/7 customer support. The www.bitgold.com website is currently offered in English, Chinese, German, Japanese, Portuguese and French, and 24/7 customer support is currently offered in English, French, Mandarin and Portuguese. BitGold is expanding its languages of service to include 20 languages, including Spanish, Russian, Arabic, and Italian.

BitGold Mobile Application

BitGold is developing a BitGold mobile application, which is expected to be launched by mid-2015.

BitGold Platform Regulatory Compliance Functions

AURUM is designed to assist users and BitGold to meet regulatory compliance obligations associated with buying and selling gold, including AML legislation, tax reporting, and bank recordkeeping requirements. AURUM also cross-references users against major international criminal and terrorist watch lists.

The BitGold platform is designed to keep accurate and complete records in real time, and is capable of being expanded to record additional data as may be required by some users as part of their enhanced due diligence programs and risk management.

AURUM is pre-programmed to provide reports that users commonly require, including volume, inventory, profit and loss, and compliance reports. Customers are also able to build custom reports to meet their particular needs.

Sales, Marketing and Growth

Target Markets

BitGold has developed a customer acquisition strategy through a variety of offline and online channels with a heavy focus on five target segments: (i) traditional bullion buyers; (ii) consumers with exposure to volatile digital and fiat currencies; (iii) investors in gold stocks or ETF’s; (iv) Internet based service contractors providing remote services

in volatile currency jurisdictions; and, (v) corporate users exposed to multiple currency payments, cross-border trade and counterparty risk.

BitGold is initially offering services to users in Canada. Because the gold market is global in nature, including significant gold market share in key emerging markets such as China and India, BitGold expects to benefit from the scalability of Internet based services, and the reach of Internet based marketing and traffic acquisition. BitGold's ability to expand internationally will depend in part on BitGold's ability to satisfy applicable legal and regulatory requirements in countries where it proposes to offer its services. See "*Item 21 – Risk Factors*".

BitGold does not offer services to prohibited users, including, without limitation, (i) users in the United States, (ii) users in countries or associated with organizations that are subject to economic sanction by the Canadian Department of Foreign Affairs, Trade, and Development, (iii) users in embargoed countries and individuals or organizations designated as "Specially Designated Nationals" by the United States Treasury Department's Office of Foreign Assets Control, or "OFAC".

Market Trends

Trends affecting BitGold include (i) market demand for gold, (ii) gold price trends in various national currencies, and (iii) the popularity of online payment solutions. BitGold is generally expected to benefit from trends such as increased market demand for gold, and increases in the market price for gold in comparison to fiat currencies. Additionally, BitGold is expected to benefit where market trends favouring shifts towards online and electronic payment solutions.

Marketing Plans and Strategies

BitGold employs online and offline marketing to raise awareness around its technology and the digital payment features. Marketing campaigns emphasize the security, convenience, and liquidity of gold purchased through BitGold to attract users who would not ordinarily participate in the gold market, and functionality and liquidity to attract existing gold market participants. Marketing programs are designed and executed by marketing professionals employed by BitGold, and outside consultants, as required. BitGold also seeks to expand through strategic partnerships.

- **Online Marketing and Growth Strategy.** BitGold intends to invest in brand awareness and online marketing efforts by capitalizing on every digital touch point that potential users engage with on daily bases. BitGold markets its brand through paid search advertising, display advertising, social media, and referral and affiliate programs.
- **Traditional Outbound Marketing.** BitGold uses traditional print, direct mail, and event marketing.
- **Physical Presence.** BitGold seeks to acquire users by establishing a physical presence (e.g. BitGold ATMs) in selected target commercial areas, and collaborating with retailers who could benefit from BitGold's physical product offerings.

Analytics and Marketing Campaign Calibration

The BitGold marketing strategy uses quantitative metrics to optimize the cost per acquisition of a customer compared to the estimated customer lifetime value, or CLV, seeking an attractive return on investment while also optimizing the long term value provided to users. BitGold has also invested in infrastructure such as data, analytics, and technology on the platform to help ensure that success metrics are in line and each marketing channel reports a return on investment.

Strategic Partnerships

BitGold pursues strategic partnerships with established finance and investment industry companies. Such partnerships will enable these established players to enhance the functionality of their gold-based product offerings, while offering BitGold increased exposure and rapid, low-cost user acquisition opportunities.

BitGold is working with Sprott Inc., (“**Sprott**”) one of the world’s foremost gold and gold-investment managers, to explore the potential business opportunities and commercial feasibility of establishing a strategic relationship. In addition, Sprott has subscribed for a lead order of 2,222,300 Subscription Receipts pursuant to the Financing. See “*Item 6 – Financings – Subscription Receipt Financing*”. There can be no assurance that BitGold and Sprott will establish a formal strategic partnership relationship.

Acquisitive Growth

BitGold may consider growth by acquisition of businesses that are complementary to BitGold’s existing business and are accretive to shareholder value.

Projected Costs

During the next 12 months, BitGold expects to incur the following marketing expenditures:

Marketing Program	Estimated Expenditure (\$)
Brand Development	
Content development	175,000
Video and multimedia content	125,000
Online Marketing	
Social media advertising	600,000
Internet advertising	1,900,000
Referral programs	1,000,000
Conference and event marketing	100,000
Total	3,900,000

Security and Transparency

BitGold invests in technology, processes, and people as part of its commitment to safeguarding users’ information. BitGold uses a variety of techniques to protect the data that it is entrusted with, and it relies on multiple layers of network segregation using firewalls to protect against attacks or unauthorized access. BitGold also employs proprietary technologies to protect users. BitGold’s security team actively scans for security vulnerabilities using commercial tools, penetration tests, code security reviews, and internal and external audits. BitGold also takes measures to protect all information stored in its online databases.

BitGold believes that it has designed its corporate structure and organization in a manner that is equivalent to leading global financial services firms, with an added characteristic that operations are based on an allocated, full-reserve system with every gram of gold belonging to a specific customer. The following is a summary of the measures taken by BitGold for transparency, accountability and security in its operations:

- **Corporate Structure.** BitGold is a Canadian corporation. BitGold has two subsidiaries: BitGold Vault Inc., a Canadian corporation, which has the sole purpose of bailment of customer gold, and GoldVault Limited, an Isle of Man corporation, which processes international payments.
- **Physical Presence and Location.** BitGold’s headquarters and operations are based in Toronto, Canada at 334 Adelaide St. West 3rd Floor, Toronto, Ontario M5V 1R4 Canada.
- **Financial Reporting.** BitGold is a reporting issuer in Canada. As a result, BitGold is required to provide continuous disclosure and report financial results on a quarterly and annual basis.
- **Audited Annual Financial Statements.** BitGold audited annual financial statements are prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board and audited by PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, Toronto, Ontario, who are independent of BitGold in

accordance with the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Ontario.

- **Corporate Governance.** BitGold Inc. maintains policies and practices to facilitate corporate and regulatory compliance, including the following corporate policies: (i) Anti-Money Laundering Policy; (ii) Corrupt Foreign Practices Policy, (iii) Privacy Policy; (iv) Corporate Governance Policy; (v) Whistle Blower Policy; (vi) Code of Business Conduct & Ethics; (vii) Disclosure Policy; (viii) Confidentiality & Securities Trading Policy; (ix) Workplace Conduct Policy; (x) Corporate Control Policy; and (xi) Contract Approval & Administration Policy. Standing committees of the BitGold Board monitor implementation of, and compliance with these policies, and regularly review their effectiveness. See “*Item 19 – Audit Committees and Corporate Governance – Statement of Corporate Governance Policies*”.
- **Legal Segregation of Customer Assets.** The by-laws of BitGold Vault Inc., a wholly-owned subsidiary of the Company that undertakes all bailment and vaulting operations, require all customer transactions to be undertaken on a segregated basis.
- **Legal Requirement for .9995 (99.95%) Pure Gold.** BitGold Vault Inc.’s by-laws require all physical gold purchased on behalf of users to be assayed and stamped .9995 pure (99.95%) or better bullion-grade gold.
- **Zero Rights to Customer Gold.** Every gram of gold in BitGold is owned and allocated to users once transactions have settled. The BitGold customer agreement provides that all customer assets are managed under the legal principles of bailment for the benefit of users. A “bailment” occurs when a person (the “bailor”) delivers personal property into the possession of another person (the “bailee”) for safekeeping but retains legal title to the property. The bailee (the person who has possession of the goods) holds possession of the property on the understanding that the property will be returned to the bailor (customer) once the bailment relationship is terminated according to the bailor’s (customer) instructions.
- **Insurance Coverage on Gold.** BitGold Vault Inc.’s by-laws require adequate insurance to be maintained on all vaulted gold for the benefit of BitGold’s users. Currently, this insurance is provided through third party insurance providers to Brink’s, the BitGold vault operator. Such coverage is subject to certain limits and exceptions. For more information, see “*Item 27 – Material Contracts*”.
- **Gold Custody and Vaulting.** BitGold Vault Inc.’s by-laws require that vault operators maintain all gold holdings in allocated, segregated, accounts for the benefit of users. Currently, Brink’s is the BitGold vault operator, and has agreed to these requirements.
- **Daily Audit of Gold.** On a daily basis, BitGold conducts a digital audit of the gold in all vaults as well as the corresponding account holders and their respective gold ownership, and distributes the record in three ways:
 - internal records, backups, and disaster recovery physical copies are maintained in multiple locations around the world;
 - every 24 hours, an encrypted digital copy is sent to a third party auditor via an secure encrypted connection; and
 - a third party auditor conducts planned and surprise audits at the vault custodian ensuring the reported gold holdings are reconciled through physical inspection.
- **KYC/AML Protocols and Policy.** BitGold maintains KYC and AML policies and procedures similar to those maintained by large Canadian financial institutions. Every account holder is required to upload government-issued identification which is examined by BitGold through a personal verification process that includes a background check against government databases for sanctions, terrorism, and other potential risks. Ongoing compliance and suspicious activity or “SAR” reports are filed with relevant regulatory agencies if they are identified. These policies are not implemented to deny service, but to strengthen the integrity of BitGold for all stakeholders.

- **Promoting Tax Compliance.** Spending gold or transacting in gold incurs tax consequences. By “spending” gold, BitGold users essentially sell gold for currency, which is then used to satisfy the sale. BitGold technology achieves this effortlessly by providing a running accounting of “gains and losses” every year for gold transactions upon conversion in and out of legal sovereign currency. This allows the customer to legally transact and invest in gold while being able to report and pay any taxes on the gains and claim losses.
- **Encryption.** The BitGold platform uses RSA 4096 and AES 256 encryption to secure accounts and personal information.
- **Multi-Factor Authentication.** Every account at BitGold is verified using multi-factor authentication. The methods used by BitGold include: email, phone (SMS), and strong password. For additional security it is possible to enable the one-time password, or “OTP” verification (SMS or smartphone app) on logon and for transaction authorization.

Specialized Skill and Knowledge

Most aspects of BitGold’s business require specialized skill and knowledge. Such skills and knowledge include software engineering, marketing, finance, accounting, and regulatory compliance. BitGold meets its needs for such specialized skills and knowledge through the expertise of its directors, officers, and employees. To the extent that additional specialized skills and knowledge are required, the Company retains outside consultants.

Competitive Conditions

BitGold faces competition globally from other companies engaged in the online gold-storage business as well as crypto-currencies backed by gold, which may offer a variety of internet-based products and services. BitGold also faces competition from traditional gold bullion dealers. Principal competitors include GoldMoney Inc., an internet-based precious metals retailer and vaulting service. BitGold may become subject to additional competition as it introduces new products, as BitGold’s existing services evolve, or as other companies introduce products and services similar to those provided by BitGold. See “*Item 21 – Risk Factors*”.

The areas in which BitGold competes include:

- **Users.** Competition to attract, engage and retain users. BitGold competes based on the utility, ease of use, performance and quality of its product offerings.
- **Platform.** Competition to attract and retain developers to build quality software programs and platforms for BitGold’s products. BitGold competes in this area primarily based on the value of the tools and application program interfaces (APIs) it constructs for customer use.
- **Talent.** Competition to attract and retain highly talented individuals, including software engineers and designers, sales and marketing personnel and senior management. Competition for employee talent is particularly intense in the Greater Toronto Area where BitGold is headquartered. BitGold competes for these potential employees by providing a work environment that fosters and rewards creativity and innovation and by providing compensation packages that BitGold believes will attract and retain key employees.

BitGold believes that it enjoys significant competitive advantages that enable it to compete favourably in these areas, including:

- **Uniqueness of service.** BitGold is not aware of any competing service that offers a transaction-accessible gold vaulting service. If BitGold is able to effectively carry out its marketing plan, it anticipates enjoying a “first mover” advantage.
- **Physical and digital security.** Through its relationship with Brink’s as custodian for gold, which is insured by third party insurance providers, and BitGold’s audit procedures, BitGold offers security and

accountability for protection of its customers' physical gold. BitGold's platform also offers users high levels of privacy and digital security through the use of encryption and multi-factor authentication.

- **Proven market for gold and gold products.** Gold has been used throughout human history as a store of monetary value, and as such enjoys investment demand for its monetary utility. Gold's unique qualities also make it considerably useful in a large number of industrial applications, and as such it also has a commodity-driven demand profile. BitGold believes this makes it an attractive alternative to fiat currencies, which are exposed to devaluation and inflation risks, and modern crypto-currencies, which have no intrinsic value, and suffer from wild price fluctuations.
- **Superior user experience.** BitGold's service platform is designed to integrate seamlessly into users' everyday financial transaction and investment activities by mirroring functionality offered by traditional financial service providers with fiat currencies, including mobile and web-based applications, a debit card, and ATM deposits, when all features are deployed.
- **Patent-pending AURUM technology.** The BitGold platform is based on originally-developed, proprietary AURUM technology, for which it has applied for patent protection. See "*Intangible Properties*".
- **Strong management and employee team.** BitGold has built a management team with extensive experience in capital markets, trading, the mining and metals industry, and financial and non-financial compliance, and employs a team of experts in advanced computer programming, digital security, UX/UI design, and financial exchange architecture to develop, maintain and grow the BitGold platform.
- **Advisors and industry partners.** BitGold has built relationships with reputable industry partners in legal, compliance, payments, auditing, storage, banking, and online authentication.

Operations

Employees

As of the date of this Application, BitGold had 14 employees, all of whom are full time, and staffing level are expected to increase. Employees are engaged in sales, management, computer programming and administration (primarily at the head office). Geographically, nine of the employees are located in Toronto, Canada, and five are located in Europe, and report to an office maintained by the Company in Milan, Italy. Management of BitGold believes its relationship with its employees is excellent. None of the employees are represented by a union or are subject to a collective bargaining agreement.

Facilities

BitGold leases office facilities in Toronto, Ontario, and Milan, Italy. In addition, BitGold has six vaults in global locations administered by Brink's where insured physical gold bullion bars are stored for safekeeping: Toronto, London, Hong Kong, Singapore, Zurich, and Dubai. BitGold believes that its facilities are adequate for current needs. BitGold does not insure physical gold held by its customers. Brink's maintains insurance in conjunction with third party service providers on such terms and conditions as it considers appropriate against all risk of physical loss of, or damage to, bullion stored in BitGold's vaults except the risk of war, nuclear incident, terrorism events or government confiscation.

Economic Dependence

BitGold is not substantially dependent on any individual contract.

Risks Arising From Foreign Operations

BitGold depends on GoldVault Limited to act as a limited European counterparty for contracting payment services in Europe. If GoldVault Limited's operations are disrupted, the Company's ability to provide BitGold debit card services in Europe would be temporarily disrupted until an alternative European payment services counterparty could be arranged. BitGold considers the risk of such disruption to be low.

Intangible Properties

BitGold's success depends in part upon its ability to protect the core technology and intellectual property. To establish and protect proprietary rights, BitGold relies on a combination of patent applications, trademarks, copyrights, trade secrets, including know-how, license agreements, confidentiality procedures, non-disclosure agreements with third parties, employee disclosure and invention assignment agreements, and other contractual rights.

On October 29, 2014, BitGold filed a U.S. patent application with respect to its AURUM trading and settlement technology entitled, "Securely and Instantly Converting Digital Wallet Value to Physical Gold Bullion" (Patent Application Number 62072409). BitGold intends to file further patent applications with respect to AURUM. It cannot be assured that any of these patent applications will result in the issuance of a patent or whether the examination process will require BitGold to narrow its claims. In addition, any patents may be contested, circumvented, found unenforceable or invalid, and BitGold may not be able to prevent third parties from infringing them.

BitGold generally controls access to and use of its proprietary technology and other confidential information through the use of internal and external controls, including contractual protections with employees, contractors, customers, and partners, and BitGold's software is protected by Canadian and international copyright laws. Despite efforts to protect trade secrets and proprietary rights through intellectual property rights, licenses, and confidentiality agreements, unauthorized parties may still copy or otherwise obtain and use BitGold's software and technology. In addition, if BitGold expands its international operations, effective patent, copyright, trademark and trade secret protection may not be available or may be limited in foreign countries.

Companies in the Internet, technology, and media industries own large numbers of patents, copyrights, trademarks, and trade secrets and frequently enter into litigation based on allegations of infringement, misappropriation, or other violations of intellectual property or other rights. From time to time, BitGold may expect allegations that it has infringed the trademarks, copyrights, patents, trade secrets and other intellectual property rights of third parties, including competitors and non-practising entities. As the business grows and competition increases, the risk of claims of infringement will increase. See "*Item 21 – Risk Factors*".

Government Regulation and Compliance

BitGold's services are subject to a wide variety of laws and regulations enacted by the Canadian federal government, each of the provincial governments in which BitGold operates, and other localities and jurisdictions. These include international, federal and provincial anti-money laundering laws and regulations; financial services regulations; currency control regulations; anti-bribery laws; regulations of the Canadian Department of Foreign Affairs, Development, and Trade; escheatment laws; tax laws; intellectual property laws; consumer disclosure and consumer protection laws; and rules, laws and regulations including those governing credit and debit cards, electronic payments and competition. Additionally, BitGold is subject to laws and regulations affecting companies that conduct business through the Internet, many of which are still evolving and being tested in the courts, and could be interpreted in ways that could harm BitGold's business. These include laws regarding user privacy, data protection, content, distribution, electronic contracts, and other online communications. In particular, BitGold is subject to federal, provincial, and foreign laws regarding privacy, data protection and information security laws. Foreign laws and regulations may be more restrictive than those in Canada. Canadian federal and provincial and foreign laws and regulations are constantly evolving and can be subject to significant change. In addition, the application and interpretation of these laws and regulations are often uncertain, particularly in the new and rapidly-evolving industry in which BitGold operates. Failure to comply with any of these requirements could result in the limitation, suspension or termination of BitGold's services, the seizure of BitGold's assets and the imposition of civil and criminal penalties, including fines and restrictions on BitGold's ability to offer services. See "*Item 21 – Risk Factors*" for additional discussion regarding potential impacts of failure to comply.

BitGold continually enhances its compliance programs, including its anti-money laundering program, which comprises policies, procedures, systems and internal controls to monitor and to address various legal and regulatory requirements. In addition, BitGold intends to adapt its business practices and strategies to help it comply with current and evolving legal standards and industry practices. These programs include dedicated compliance personnel, training and monitoring programs, suspicious activity reporting, regulatory outreach and education, and

support and guidance to BitGold's partners and customers concerning regulatory compliance. BitGold's payment services network operates through third-party payment settlement partners, and, therefore, there are limitations on BitGold's legal and practical ability to manage those payment settlement partners' compliance programs.

BitGold services customers through its wholly owned subsidiary, BitGold Vault Inc. BitGold and BitGold Inc. have been classified as "Dealers in precious metals and stones" under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) ("PCMLTFA"). As a result of such classification, neither company is eligible to be registered with the Financial Transactions and Reports Analysis Centre of Canada ("FINTRAC"). Nevertheless, BitGold follows procedures including customer identification and verification programs, record retention policies, procedures and suspicious transaction reporting and registration requirements in line with those set out in the PCMLTFA as a matter of industry best practice. BitGold has a dedicated team that monitors legal and regulatory developments in Canada and abroad to help achieve compliance with applicable laws and regulations affecting the business of BitGold and its subsidiaries.

Because BitGold is not a bank, investment dealer or trust company, BitGold may be subject to less-stringent regulations than those that apply to financial institutions. BitGold does not maintain and is not eligible for insurance through government-sponsored programs or deposit insurance, and relies on private insurance coverage through Brink's on gold held in vaults, which may not necessarily provide as extensive coverage in the event of loss. Although gold bullion is held on behalf of customers on a segregated basis, there can be no assurance that third parties will not claim interests in such property in a legal proceeding or claim against BitGold. See "*Item 21 – Risk Factors*".

BitGold operates in jurisdictions outside of Canada. Residents in such jurisdictions may be restricted from using local fiat currencies (especially currencies that are not major global reserve currencies) to acquire gold bullion or United States or Canadian dollars. There can be no assurance that BitGold's services or Internet platform will be acceptable to foreign regulatory bodies. Foreign governments may seek to restrict access to BitGold's services, block BitGold's website, or impose other restrictions that may affect BitGold's ability to offer service to new or existing users in those for an extended period of time or indefinitely. See "*Item 21 – Risk Factors*".

Reorganizations

On April 29, 2015, Old BitGold amalgamated with Loma Vista pursuant to the Amalgamation, and continued as the Company. All of the issued and outstanding securities of Old BitGold were exchanged for comparable securities of the Company at a 1 to 1 ratio, and securities of Loma Vista were exchanged for comparable securities of the Company at a 16.485587 to 1 ratio. Upon completion of the Amalgamation, the Company continued under the name "BitGold Inc." to reflect its continuation of Old BitGold's business. For more information about the effect of the Amalgamation on the Company's share capital, see "*Item 11 – Consolidated Capitalization*".

General Development of BitGold

Three Year History

On August 14, 2014, Old BitGold was incorporated pursuant to the OBCA.

On August 14, 2014, Old BitGold completed a private placement of 15,750,000 BitGold Shares at an issue price of \$0.033 per BitGold Share for aggregate cash gross proceeds of \$525,000.

On August 14, 2014, Old BitGold acquired from Roy Sebag certain intellectual property pursuant to an asset purchase agreement dated August 14, 2014, including the domain name "bitgold.com", trademarks, and the AURUM patent application. This intellectual property was assembled by Mr. Sebag while exploring the BitGold concept and assessing its market potential, and was transferred to Old BitGold to be developed as a business. In consideration for the identification and assembly of the transferred intellectual property, Old BitGold issued 3,000,000 BitGold Shares at a deemed issue price \$0.033 per BitGold Share. See "*Item 24 – Interests of Management and Others in Material Transactions*".

On August 14, 2014, the following officers were appointed: Roy Sebag (President & Chief Executive Officer); Joshua Crumb (Chief Strategy Officer) and Daniel Crandall (Chief Financial Officer).

On September 30, 2014, Old BitGold appointed Alessandro Premoli as its Chief Technology Officer. Mr. Premoli is a security cryptography expert, and former security consultant to Ripple. In connection with this appointment, BitGold issued to Mr. Premoli 198,000 BitGold Shares at a deemed issue price of \$0.033 per BitGold Share.

On November 20, 2014, Jason Loewe was appointed as Old BitGold's VP Operations and Compliance.

On December 3, 2014, Old BitGold amended its articles of incorporation to remove restrictions on the transfer of BitGold Shares and limits on the number of BitGold Shareholders, and to give effect the Stock Split.

On December 11, 2014, Old BitGold completed a non-brokered private placement of Debentures worth an aggregate total of \$800,000. As a result of the Amalgamation, such Debentures automatically converted into BitGold Shares immediately before the Effective Time in accordance with their terms at a conversion price of approximately \$0.211 per Old BitGold Share, being a rate of 4,737 BitGold Shares per \$1,000 principal amount of Debenture, resulting in the issuance of 3,987,600 BitGold Shares immediately prior to the Effective Time. See "*Item 6 – Financings*".

On December 30, 2014, shareholders of Old BitGold approved a continuance of Old BitGold from the laws of Ontario to the federal laws of Canada.

On December 31, 2014, Old BitGold completed a non-brokered private placement of 4,554,952 BitGold Shares at a price of \$0.44 per BitGold Share for aggregate gross proceeds of \$2,004,178.88. See "*Item 6 – Financings*".

On January 28, 2015, Old BitGold entered into the LOI with Loma Vista.

On January 28, 2015, Old BitGold commenced strategic discussions with Sprott Inc. to assess the potential business opportunities and commercial feasibility of establishing an operational relationship, which may include mutual customer referrals, joint marketing, and information sharing; and to provide for the basic terms for strategic investments by Sprott Inc. In addition, Sprott Inc. subscribed for a lead order of 2,222,300 Subscription Receipts pursuant to the Financing. There can be no assurance that BitGold and Sprott Inc. will establish a formal strategic partnership.

On January 30, 2015, Old BitGold issued 350,000 BitGold Shares at a deemed issue price of \$0.90 to an advisor in compensation for financial advisory services.

On February 19, 2015, Old BitGold completed the Financing, a brokered private placement of 7,777,777 Subscription Receipts at a price of \$0.90 per Subscription Receipt for aggregate gross proceeds of approximately \$7,000,000. In connection with the Amalgamation, the Subscription Receipts converted automatically into BitGold Units in accordance with their terms on April 27, 2015. Each BitGold Unit was comprised of one BitGold Share and one half of one BitGold Warrant. Additionally, the Company issued 462,346 BitGold Agent Warrants as compensation to the Agents for the Financing. See "*Item 6 – Financings*".

On February 23, 2015, Old BitGold entered into the Amalgamation Agreement with Loma Vista.

On March 11, 2015, Old BitGold was continued under the CBCA.

On March 16, 2015, the Shareholders of Old BitGold approved the Amalgamation at the BitGold Meeting.

On April 22, Old BitGold completed a brokered private placement of 504,000 BitGold Shares at \$0.90 per BitGold Share for aggregate gross proceeds of \$453,600, and a non-brokered private placement of 140,000 BitGold Shares at \$0.90 per BitGold Share for aggregate gross proceeds of \$126,000. See "*Item 6 – Financings*".

On April 27, 2015, the Exchange conditionally approved the listing of the Common Shares.

On April 29, 2015, Old BitGold and Loma Vista completed the Amalgamation. See "*Item 5 – Description of the Business – Reorganizations*". Additionally, the Company granted 1,935,000 options to certain directors, officers, employees and consultants under the Option Plan. See "*Item 11 – Consolidated Capitalization*" and "*Item 12 – Stock Option Plan*".

On May 4, 2015, the Company publicly launched the BitGold platform upon completion of beta testing. Available and planned features include access to BitGold platform via bitgold.com website, gold vaulting and storage, account funding through direct deposit, credit card payment networks, international transfers, and Bitcoin, payment settlement between BitGold users, and to non-BitGold users, physical redemption of bullion, including GoldCubes, BitGold merchant and invoicing system, user access to BitGold platform via bitgold.com website, user support via phone, email, and online content, and tax compliance and reporting tools. For more information about these features, see “*Item 5 – Description of the Business – Platform Features and Functionality*”.

Anticipated Changes in the Company’s Business

During the next 12 months, BitGold intends to list the Common Shares for trading on the Exchange, initiate BitGold debit card service, begin deploying its ATM network, finish development of and launch the BitGold mobile application, and engage in marketing campaigns to establish its business.

Business Objectives and Milestones

The Company’s principal business objectives include:

Objective	Estimated Expenditures (\$)
Brand development	300,000
Customer acquisition through online marketing ⁽¹⁾	3,500,000 ⁽²⁾
Conference and event marketing	100,000
ATM development and deployment ⁽³⁾	750,000
BitGold user interface development across platforms (desktop, mobile, ATM) ⁽⁴⁾	750,000
Service BitGold customers	450,000

Notes:

- (1) See “*Item 5 – Description of the Business – Sales, Marketing and Growth – Marketing Plans and Strategies*”.
- (2) For more information about specific marketing campaign expenses, see “*Item 5 – Description of the Business – Sales, Marketing and Growth – Projected Costs*”.
- (3) See “*Item 5 – Description of the Business – Platform Features and Functionality*”.
- (4) See “*Item 5 – Description of Business – Technology and Development*”.

The Company intends to achieve the following milestones during the next 12 months:

Milestone	Projected Completion	Estimated Cost to Complete (\$)
Listing of the Common Shares on the Exchange	May 2015	100,000
Launch BitGold debit card ⁽¹⁾	Mid-2015	70,000
Launch BitGold mobile application ⁽²⁾	Mid-2015	120,000
Deploy 37 BitGold ATMs in Canada and select other countries ⁽¹⁾	Mid- to late-2015	750,000
Initial online marketing campaign ⁽³⁾	(ongoing)	3,500,000 ⁽⁴⁾

Notes:

- (1) See “*Item 5 – Description of the Business – Platform Features and Functionality*”.
- (2) See “*Item 5 – Description of Business – Technology and Development*”.
- (3) See “*Item 5 – Description of the Business – Sales, Marketing and Growth – Marketing Plans and Strategies*”.
- (4) For more information about specific marketing campaign expenses, see “*Item 5 – Description of the Business – Sales, Marketing and Growth – Projected Costs*”.

Due to the significant uncertainties involved in starting an internet-based business and the novelty of the Company’s services, there can be no assurance that these milestones will be achieved.

BitGold is still at an early stage of commercialization and has not earned any material revenue since its inception. While the Company intends to spend the funds available to it as stated above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. See “*Item 21 – Risk Factors*”.

ITEM 6 – FINANCINGS

Subscription Receipt Financing

On February 19, 2015, Old BitGold completed the Financing, a brokered private placement conducted through a syndicate of agents co-led by Dundee Securities Ltd. and Clarus Securities Inc., and including GMP Securities L.P. and Canaccord Genuity Corp. (collectively, the “**Agents**”). Pursuant to the Financing, Old BitGold issued 7,777,777 Subscription Receipts at an issue price of \$0.90 per Subscription Receipt for gross proceeds of approximately \$7,000,000.

Proceeds from the Financing were held in escrow by Capital Transfer Agency Inc. as depository pending the satisfaction of certain release conditions, including implementation of the Amalgamation. Upon satisfaction of such escrow release conditions on April 27, 2015, each Subscription Receipt automatically converted into one BitGold Unit without additional consideration or action by the holder thereof. Each BitGold Unit was comprised of one BitGold Share and one-half of one BitGold Warrant, exercisable at any time for the purchase of one BitGold Share at an exercise price of \$1.35 until August 19, 2016, whereupon the BitGold Warrants will expire. Old BitGold had the right to accelerate the expiry date of the BitGold Warrants to the date that is 30 days following the dissemination of a news release by Old BitGold if the closing sale price of the BitGold Shares on the principal market on which the BitGold Shares trade is at least \$2.00 for 20 consecutive trading days. Pursuant to the Amalgamation, each BitGold Share was exchanged for one Share, and each BitGold Warrant and BitGold Agent Warrant was respectively exchanged for one Warrant or Agent Warrant of like tenor and effect. See “*Item 10 – Description of Securities*”.

The Agents were appointed by Old BitGold to act as co-agents and bookrunners to offer the Subscription Receipts for sale to accredited investors and other eligible subscribers in connection with the Financing pursuant to an agency agreement between Old BitGold and the Agents dated February 19, 2015 (the “**Agency Agreement**”). The obligations of the Agents under the Agency Agreement were subject to termination the Agents’ discretion on the basis of its “disaster-out”, “due diligence out”, “regulatory out”, “market-out”, “material adverse change out”, and “breach of agreement out” rights, and as well as upon the occurrence of certain stated events. Old BitGold agreed to indemnify the Agents and its directors, officers, employees, shareholders, partners, advisors and agents against certain liabilities, including civil liabilities, under Canadian provincial and territorial securities legislation, and to contribute to any payments the Agents may be required to make in respect of those liabilities.

Old BitGold paid a commission to the Agents including approximately \$416,112 in cash and 462,346 BitGold Agent Warrants, which were exchanged for Agent Warrants of like tenor and effect pursuant to the Amalgamation. Each such Agent Warrant is exercisable for the purchase of one Share and one half of one Warrant at a price of \$0.90 until February 19, 2017. Additionally, Old BitGold paid an aggregate total of \$67,150 in respect of expenses incurred by the Agents’ in connection with the Financing, including the fees and expenses of the Agents’ legal counsel. All such commissions and fees were deducted from the gross proceeds of the Financing.

Net proceeds of the Financing to the Company of approximately \$6,516,738 were released to the Company upon satisfaction of the escrow release conditions on April 27, 2015.

Past Financings

On December 11, 2014, Old BitGold completed a non-brokered private placement of convertible debentures (“**Debentures**”) worth an aggregate total of \$800,000. Upon the occurrence of certain liquidity events, the Debentures would be converted automatically into BitGold Shares at a conversion price of approximately \$0.211 per BitGold Share, being a rate of 4,737 BitGold Shares per \$1,000 principal amount of Debenture. The Amalgamation constituted a liquidity event within the meaning of the Debentures. As a result of the Amalgamation, the Debentures converted automatically into 3,789,600 BitGold Shares in accordance with their terms.

On December 31, 2014, Old BitGold completed a non-brokered private placement of 4,554,952 BitGold Shares at a price of \$0.44 per BitGold Share for aggregate gross proceeds of \$2,004,178.88.

On April 22, 2015, Old BitGold completed a brokered private placement of 504,000 BitGold Shares at a price of \$0.90 per BitGold Share for aggregate gross proceeds of \$453,600. Dundee Securities Ltd. was appointed by Old BitGold to act as sole agent and bookrunner to offer the BitGold Shares for sale to accredited investors and other

eligible subscribers in connection with the private placement pursuant to an agency agreement between Old BitGold and the Agents dated April 22, 2015. Pursuant to that agreement, Old BitGold paid a cash commission to the Agents of \$9,072. Additionally, Old BitGold paid an aggregate total of \$34,465 in respect of expenses incurred by the Agents' in connection with the private placement, including the fees and expenses of the Agents' legal counsel. Net proceeds of the private placement to Old BitGold were approximately \$410,063.

On April 22, 2015, Old BitGold completed a non-brokered private placement of 140,000 BitGold Shares at a price of \$0.90 per BitGold Share for aggregate gross proceeds of \$126,000.

Available Funds

The following table sets out the total funds available to the Company upon completion of the Amalgamation, stated on a *pro forma* basis as at March 31, 2015. See the unaudited *pro forma* financial statements of the Company and the notes thereto attached to this Application as Schedule "E".

	As at March 31, 2015
	(CAD\$)
Cash and cash equivalents ⁽¹⁾	9,347,445
Prepays and other assets	132,824
Short term investments	199,567
Gold inventory	553,070
Total current assets as at Mar. 31, 2015	<u>10,232,906</u>
Accounts payable and accrued liabilities ⁽²⁾	(812,781)
Total current liabilities as at Mar. 31, 2015 ⁽³⁾	<u>(812,781)</u>
Total working capital (current assets less current liabilities)⁽⁴⁾	<u>9,420,125</u>

Note:

- (1) Including \$536,063 in net proceeds from the Old BitGold private placements closed April 22, 2015, and \$6,999,999 in restricted cash representing the gross proceeds from the Financing released to Old BitGold on April 27, 2015.
- (2) After conversion of the Subscription Receipts and Debentures pursuant to the Amalgamation.
- (3) Includes \$416,112 commission payable to the Agents. See the audited consolidated financial statements of BitGold for the period from incorporation to March 31, 2015 at Schedule "D" of this Application.
- (4) No deduction has been made for operating expenses incurred between March 31, 2015 and the date of this Application.

Until required for the Company's purposes, the Company intends to hold working capital in a cash account at a Canadian financial institution or to invest to the extent practicable in short-term investment-grade, interest-bearing and other marketable securities. Management of the Company will be responsible for the supervision of, and the investment policy with respect to, any unallocated funds.

BitGold has generally experienced negative operating cash flows in recent history, and to the extent that the BitGold has negative operating cash flows in future periods, it may need to deploy a portion of its existing working capital to fund such negative cash flows.

Principal Purposes

The following table sets out the principal purposes for which the Company intends to use its available funds:

Activity ⁽¹⁾	Amount ⁽¹⁾ (\$)
Operating costs and professional advisory services	450,000
Investor relations and related travel	150,000
BitGold user interface development across platforms (desktop, mobile, ATM)	750,000
Brand development	300,000
Online marketing	3,500,000
Conference and event marketing	100,000
ATM development and deployment	750,000
Salaries and consulting services	400,000
Other travel	100,000
Unallocated working capital	2,920,125
Total	9,420,125

The amounts actually expended for the purposes described above may vary significantly depending on, among other things, the effectiveness of planned marketing programs. See “*Cautionary Note Regarding Forward-Looking Statements and Risks*”.

ITEM 7 – DIVIDENDS OR DISTRIBUTIONS

The Company has never declared any cash dividends or distributions on its Common Shares and currently intends to retain future earnings, if any, to finance further business development. The payment of any cash dividend or distributions to shareholders in the future will be at the discretion of the directors of the Company and will depend on, among other things, the Company’s financial condition, capital requirements, earnings, and any other factors that the directors may consider relevant.

The CBCA provides that a corporation may not declare or pay a dividend if there are reasonable grounds for believing that the corporation is, or would be after the payment of the dividend, unable to pay its liabilities as they become due or the realizable value of its assets would thereby be less than the aggregate of its liabilities and stated capital of all classes of shares of its capital.

ITEM 8 – MANAGEMENT’S DISCUSSION AND ANALYSIS

BitGold MD&A

The audited consolidated financial statements of BitGold for the period from incorporation to March 31, 2015 are included in Schedule “D” – “*Financial Statements and MD&A of BitGold*” in this Application.

The MD&A included in Schedule “D” – “*Financial Statements and MD&A of BitGold*” is management’s assessment of the results and financial condition of BitGold, and includes financial information from, and should be read in conjunction with, the audited BitGold Financial Statements and the notes thereto, as well as the disclosure contained throughout this Application. The MD&A may contain forward-looking information that involves numerous risks and uncertainties. The forward-looking information is not historical fact, but rather is based on BitGold’s current plans, objectives, goals, strategies, estimates, assumptions and projections about its industry, business and future financial results. Actual results could differ materially from those discussed in such forward-looking information. See “*Cautionary Note Regarding Forward-looking Information and Risks*”.

Loma Vista MD&A

The audited consolidated financial statements of Loma Vista for the years ending September 30, 2014, 2013, and 2012, the unaudited condensed interim financial statements of Loma Vista for the three and six months ended March 31, 2015, and the MD&A in respect of such periods are filed under the Company’s profile on SEDAR and are incorporated herein by reference.

**ITEM 9 – DISCLOSURE OF OUTSTANDING SECURITY DATA
ON A FULLY DILUTED BASIS**

The following table summarizes the designation and number outstanding of each class of equity securities of the Company, and each class and series of securities convertible into, or exercisable or exchangeable for equity securities of the Company as at the date of this Application:

Designation of Security	Amount Authorized	Amount Outstanding	Common Shares Issuable Upon Full Exercise
Equity Securities			
Common Shares	Unlimited	36,619,885	N/A
Securities Convertible Into Equity Securities			
Warrants	4,122,221	3,888,888	3,888,888
Agent Warrants	462,346	462,346	693,519 ⁽¹⁾
Options ⁽²⁾	3,661,988	1,974,428	1,974,428

Notes:

- (1) Includes 462,346 Common Shares issuable upon exercise of the Agent Warrants, and 231,173 Common Shares issuable upon exercise of the Warrants underlying the Agent Warrants.
- (2) Issuable pursuant to the Option Plan, which is a 10% rolling plan. See “Item 12 – Stock Option Plan”.

ITEM 10 – DESCRIPTION OF SECURITIES

Securities to be Listed

The Company has applied to list on the Exchange a total of 36,619,885 Common Shares. All Common Shares rank equally as to dividends, voting powers and participation in assets. All holders of Common Shares are entitled to receive notice of any meetings of shareholders of BitGold, and to attend and to cast one vote per Share at all such meetings. Holders of Common Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Common Shares entitled to vote in any election of directors may elect all directors standing for election.

Holders of Common Shares are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the Board at its discretion from funds legally available therefor, and upon the liquidation, dissolution or winding up of the Company are entitled to receive on a pro rata basis the net assets of the Company after payment of debts and other liabilities.

The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Other Securities

Warrants

The Company has 3,888,888 Warrants outstanding. Each Warrant is exercisable for the purchase of one Common Share at an exercise price of \$1.35 at any time before August 19, 2016, whereupon the Warrants will expire. The Company has the right, to accelerate the expiry date of the Warrants to the date that is 30 days following the dissemination of a news release by the Company if the closing sale price of the Common Shares on the principal market on which the Common Shares trade is at least \$2.00 for 20 consecutive trading days.

Agent Warrants

The Company has 462,346 Agent Warrants outstanding. Each Agent Warrant is exercisable for the purchase of one Common Share and one half of one Warrant at an exercise price of \$0.90 at any time before February 19, 2017, whereupon the Agent Warrants will expire.

ITEM 11 – CONSOLIDATED CAPITALIZATION

The Company is the resulting issuer of the Amalgamation, which was completed on April 29, 2015.

Prior to the Amalgamation, Loma Vista's outstanding share capital included 9,158,667 Loma Vista Shares and 650,000 Loma Vista Options, and Old BitGold's outstanding share and loan capital included 24,496,952 BitGold Shares and \$800,000 in Debentures. In addition, in connection with the Amalgamation, Old BitGold completed the Financing, pursuant to which it issued 7,777,777 Subscription Receipts at an issue price of \$0.90 per Subscription Receipt for gross proceeds of approximately \$7,000,000, and 462,346 BitGold Agent Warrants as compensation to the Agents for the Financing.

In connection with the Amalgamation, the Subscription Receipts converted automatically into 7,777,777 BitGold Shares and 3,888,888 BitGold Warrants in accordance with their terms on April 27, 2015, and the Debentures converted into 3,789,600 BitGold Shares.

At the Effective Time, pursuant to the Amalgamation Agreement:

- (a) each Loma Vista Shareholder received, in exchange for each Loma Vista Shares held by such Loma Vista Shareholder, one Common Share, resulting in the issuance of approximately 555,556 Common Shares to former Loma Vista Shareholders;
- (b) each Old BitGold Shareholder received, in exchange for each BitGold Share held by such Old BitGold Shareholder, one Common Share, resulting in the issuance of 36,064,329 Common Shares to former Old BitGold Shareholders;
- (c) each outstanding convertible security of Loma Vista was exchanged for a comparable security of the Company, having regard for the 16.485587 to 1 exchange ratio set forth above, resulting in the issuance of 39,428 options of the Company; and
- (d) each outstanding convertible security of Old BitGold was exchanged for a comparable convertible security of the Company, having regard for the 1 to 1 exchange ratio set forth above, resulting in the issuance of 3,888,888 Warrants to former holders of BitGold Warrants, and 462,346 Agent Warrants to former holders of BitGold Agent Warrants.

As a result of the Amalgamation, the Company has 36,619,885 Common Shares, 3,888,888 Warrants, and 462,346 Agent Warrants, and 39,428 options issued and outstanding.

The following table sets out the Company's consolidated capitalization as at the dates indicated:

Designation of Security	Amount Authorized or To Be Authorized	Amount Outstanding as at Mar. 31, 2015 ⁽¹⁾	Amount Outstanding upon Completion of Amalgamation ⁽²⁾
Loma Vista Shares	Unlimited	9,158,667 (\$457,889)	Nil
Loma Vista Options	915,866	650,000	Nil
BitGold Shares	Unlimited	23,852,952 (\$2,950,779)	Nil
Common Shares	Unlimited	Nil	36,619,885 (\$10,062,329)
Debentures	\$800,000	\$800,000 (\$660,487)	Nil
Subscription Receipts	7,777,777	7,777,777 (\$6,999,999)	Nil
Warrants ⁽³⁾	4,120,061	Nil	3,888,888 (\$959,972)
Agent Warrants ⁽⁴⁾	462,346	462,346 (\$218,594)	462,346 (\$218,594)
Options ⁽⁵⁾	3,661,998 ⁽⁶⁾	Nil	39,428 (\$11,449)

Notes:

- (1) Stated on a *pro forma* basis, before giving effect to the conversion of the Debentures and the Subscription Receipts in connection with the Amalgamation. See “*Item 6 – Financings*”.
- (2) After giving effect to the conversion of the Debentures, the Subscription Receipts, and the issuance of an aggregate total of 644,000 BitGold Shares pursuant to private placements on April 22, 2015. See “*Item 6 – Financings*”.
- (3) Each Warrant entitles the holder thereof to purchase one Common Share at a price of \$1.35 at any time prior to August 19, 2016, subject to acceleration by the Company in accordance with their terms. See “*Item 6 – Financings*”.
- (4) Each Agent Warrant entitles the holder thereof to purchase one unit consisting of one Common Share and one half of one Warrant at a price of \$0.90 at any time prior to February 19, 2017. See “*Item 6 – Financings*”.
- (5) Includes 39,428 options of the Company issued in exchange for Loma Vista Options pursuant to the Amalgamation. For details regarding exercise price and expiry of such options, see “*Item 12 – Stock Option Plan – Options to Purchase Securities*”.
- (6) Issuable pursuant to the Option Plan, which is a 10% rolling plan. See “*Item 12 – Stock Option Plan*”.

On April 29, 2015, the Company granted an aggregate total of 1,935,000 options to certain directors, officers, employees and consultants pursuant to the Option Plan. The Company granted 892,500 options exercisable at \$0.90 for a period of five years from the grant date, of which 500,000 options vested in full the grant date, and the remaining 392,500 options vest as to $\frac{1}{3}$ on the grant date, $\frac{1}{3}$ on the first anniversary of the grant date, and $\frac{1}{3}$ on the second anniversary of the grant date. The Company granted a further 1,042,500 options exercisable at \$2.00 for a period of five years from the grant date, of which 500,000 will vest in full on the first anniversary of the grant date, and the remaining 542,500 vest as to $\frac{1}{3}$ on the grant date, $\frac{1}{3}$ on the first anniversary of the grant date, and $\frac{1}{3}$ on the second anniversary of the grant date.

As at the date of this Application, there are 4,120,061 Common Shares reserved for issuance upon exercise of Warrants (including the Warrants underlying the Agent Warrants), 462,346 Common Shares reserved for issuance upon exercise of the Agent Warrants, and 1,974,428 Common Shares reserved for issuance upon exercise of options granted pursuant to the Option Plan.

As at March 31, 2015, the Company had a deficit of \$1,655,892. See the *pro forma* consolidated financial statements and the notes thereto attached to this Application as Schedule “E”.

ITEM 12 – STOCK OPTION PLAN

Option Plan

The Company’s incentive stock option plan, respectively approved by the shareholders of Loma Vista and Old BitGold at the Loma Vista Meeting and the BitGold Meeting, and adopted by the Board on April 29, 2015 (the “**Option Plan**”), is the Company’s only equity compensation plan. The Option Plan is a rolling stock option plan, under which 10% of the outstanding Common Shares at any given time are available for issuance thereunder. The purpose of the Option Plan is to advance the interests of the Company by (i) providing optionee employees, officers, directors, or consultants of the Company with additional performance incentive; (ii) encouraging Common Share ownership by the optionees; (iii) increasing the proprietary interest of the optionees in the success of the Company; (iv) encouraging the optionees to remain with the Company; and (v) attracting new employees, officers, directors and consultants.

The following is a summary of the material terms of the Option Plan, and is qualified in its entirety by reference to the full terms of the Option Plan, a copy of which is attached as Schedule “B” to this Statement:

- (a) *Number of Common Shares Reserved.* The number of Common Shares available to be reserved for issuance under the Option Plan is 10% of the number of Common Shares outstanding less any Common Shares reserved pursuant to the Company’s other security based compensation arrangements, if any, at the time of reservation. Any Common Shares subject to an option which has been granted under the Option Plan and which has been cancelled, repurchased, expired or terminated in accordance with the terms of the Plan without having been exercised will again be available under the Option Plan.
- (b) *Administration.* The Option Plan is to be administered by the Compensation Committee of the Board, or if no Compensation Committee has been appointed, by the Board.
- (c) *Eligible Persons.* Options under the Option Plan may only be issued to (i) directors, officers, employees and consultants of the Company or its affiliated entities, and (ii) entities that control or are controlled by such persons. Such persons and entities are referred to herein as “**Eligible Persons**”.
- (d) *Board Discretion.* The Option Plan provides that the exercise price, vesting provisions, the extent to which such option is exercisable and other terms and conditions relating to such options shall be determined by the Compensation Committee or the Board, as applicable, and subject to compliance with the policies of the Exchange.
- (e) *Maximum Term of Options.* Options granted under the Option Plan will be for a term not exceeding 10 years from the date of grant.
- (f) *Maximum Options per Person.* The number of Common Shares reserved for issuance to any one consultant, and to all service providers conducting investor relations activities, pursuant to options granted under the Option Plan during any 12 month period may not exceed 2% of the outstanding Common Shares at the time of grant. The number of Common Shares reserved for issuance to any optionee, other than a consultant or service provider conducting investor relations activities, pursuant to options granted under the Option Plan, together with all other share compensation arrangements of the Company , during any 12-month period may not exceed 5% of the outstanding Common Shares at the time of grant, unless disinterested shareholder approval is obtained.
- (g) *Insider Participation Limit.* The aggregate number of Common Shares reserved for issuance pursuant to Options granted to Insiders at any given time, or within a 12 month period, may not exceed 10% of the total number of Common Shares then outstanding, unless disinterested shareholder approval is obtained.
- (h) *No Assignment.* Options granted under the Option Plan may not be assigned or transferred.
- (i) *Amendments.* Generally, the Board may amend the Option Plan, subject to any necessary regulatory approval, except that no general amendment of the Option Plan will, without the prior written consent of all optionees, alter or impair any option of the Company previously granted.
- (j) *Termination Prior to Expiry.* If an optionee ceases to be an Eligible Person, options previously granted to such person will cease to be exercisable within a period of 90 days after the date such person ceases to be eligible under the Option Plan, or such longer or shorter period as determined by the Board, provided that no option shall remain outstanding for any period which exceeds the earlier of: (i) the expiry date of such option and (ii) 12 months following the date such person ceases to be an Eligible Person. If an optionee dies, the options of the deceased option holder will be exercisable by his or her estate for a period to be determined by the Compensation Committee or the Board, as applicable, not exceeding 12 months or the balance of the term of the options, whichever is shorter.
- (k) *Exercise Price.* Options granted under the terms of the Option Plan will be exercisable at a price which is not less than: (i) if the Common Shares are listed on the Exchange, the last closing price of the Common Shares on the Exchange; or (ii) if the Common Shares are not listed on the Exchange, in

accordance with the rules of the stock exchange on which the Common Shares are listed at the time of the grant; or (iii) if the Common Shares are not listed on any stock exchange, the minimum exercise price as determined by the Board.

- (l) *Full Payment for Common Shares.* The Company will not issue Common Shares pursuant to options granted under the Option Plan unless and until the Common Shares have been fully paid for.
- (m) *Reduction of Exercise Price.* The exercise price of options granted to Insiders may not be decreased without disinterested shareholder approval.
- (n) *Change of Control.* In the event of a Change of Control (as defined in the Option Plan), all options outstanding shall be immediately become exercisable.
- (o) *Termination of Plan.* The Option Plan may be discontinued by the Board, subject to requisite shareholder and regulatory approval, and, if applicable, the consent of any optionee whose rights would be adversely affected

Options to Purchase Securities

The following table summarizes options that are outstanding under the Option Plan:

Category of Option Holder	Number of Options Held as a Group
All officers of the Company ⁽¹⁾	623,363
All directors of the Company who are not officers ⁽²⁾	500,000
All other employees of the Company	265,000
All consultants of the Company	580,000
Neil Burns ⁽³⁾	6,065
TOTAL	1,974,428

Notes:

- (1) Includes Roy Sebag, Joshua Crumb, Alessandro Premoli, Daniel Crandall, and Jason Loewe.
- (2) Includes Dennis H. Peterson and James G. Eaton.
- (3) These options were issued pursuant to the Amalgamation in exchange for Loma Vista Options originally granted to Mr. Burns on Feb. 20, 2013, in his capacity as a director of Loma Vista.

The following table provides the material features of the outstanding options of the Company as at the date of this Application:

Grant Date	Number of Options	Exercise Price	Expiry Date ⁽¹⁾
Feb. 20, 2013	33,363	\$2.47	Feb. 20, 2018 ⁽²⁾
Feb. 20, 2013	6,065	\$2.47	Apr. 30, 2016 ⁽³⁾
Apr. 29, 2015	892,500	\$0.90	Apr. 29, 2020
Apr. 29, 2015	1,042,500	\$2.00	Apr. 29, 2020
TOTAL	1,974,428		

Notes:

- (1) Options granted to individuals who have ceased to be Eligible Persons under the Option Plan will cease to be exercisable within a period of 90 days, or such longer or shorter period as determined by the Board, provided that that no option shall remain outstanding for any period which exceeds the earlier of: (i) the expiry date of such option and (ii) 12 months following the date such person ceases to be an Eligible Person.
- (2) Issued pursuant to the Amalgamation in exchange for Loma Vista Options originally granted to Roy Sebag, Joshua Crumb, and Daniel Crandall on Feb. 20, 2013, in their capacities as directors and officers (as applicable) of Loma Vista.
- (3) Issued pursuant to the Amalgamation in exchange for Loma Vista Options originally granted to Neil Burns on Feb. 20, 2013, in his capacity as a director of Loma Vista.

ITEM 13 – PRIOR SALES

Prior Sales

The following table contains details of the prior sales of BitGold Shares and other securities convertible into, or exercisable or exchangeable for BitGold Shares, during the 12 months preceding the date of this Application:

Date	Type of Securities	Price Per Security	Number of Securities ⁽¹⁾
Aug. 14, 2014	BitGold Shares ⁽²⁾	\$0.033 ⁽¹⁾	15,750,000 ⁽¹⁾
Aug. 14, 2014	BitGold Shares ⁽³⁾	\$0.033 ⁽¹⁾	3,000,000 ⁽¹⁾
Sep. 30, 2014	BitGold Shares ⁽⁴⁾	\$0.033 ⁽¹⁾	198,000 ⁽¹⁾
Dec. 11, 2014	Debentures ⁽⁵⁾	\$0.211 ⁽⁵⁾	3,789,600 ⁽⁵⁾
Dec. 31, 2014	BitGold Shares	\$0.44	4,554,952
Jan. 30, 2015	BitGold Shares ⁽⁶⁾	\$0.90	350,000
Feb. 19, 2015	Subscription Receipts ⁽⁷⁾	\$0.90	7,777,777
Feb. 19, 2015	BitGold Agent Warrants	\$0.90 ⁽⁸⁾	462,346
Apr. 22, 2015	BitGold Shares ⁽⁹⁾	\$0.90	644,000
Apr. 29, 2015	Options ⁽¹⁰⁾	\$0.90 ⁽⁸⁾	892,500
Apr. 29, 2015	Options ⁽¹¹⁾	\$2.00 ⁽⁸⁾	1,042,500

Notes:

- (1) Adjusted to take into account the Stock Split on December 3, 2014.
- (2) Issued upon organization of Old BitGold.
- (3) Issued in consideration of services rendered in connection with identification and assembly of BitGold intellectual property. See “*Item 24 – Interests of Management and Others in Material Transactions*”.
- (4) Issued in connection with the appointment of Alessandro Premoli as Chief Technology Officer of Old BitGold.
- (5) Private placement of \$800,000 in principal amount of Debentures, sold at \$1,000 per \$1,000 principal amount, convertible into BitGold Shares at a conversion price of approximately \$0.211 per BitGold Share upon occurrence of certain liquidity events. As a result of the Amalgamation, the Debentures converted automatically into 3,789,000 Common Shares. See “*Item 10 – Description of Securities*”.
- (6) Granted as compensation to an advisor of the Company at a deemed issue price of \$0.90 per Share.
- (7) Private placement. As a result of the Amalgamation, the Subscription Receipts converted automatically into 7,777,777 Common Shares and 3,888,888 Warrants.
- (8) Exercise price.
- (9) Private placement.
- (10) All options are exercisable for a period of five years from the grant date. Of these options, (i) 500,000 vested in full the grant date, and (ii) 392,500 vest as to $\frac{1}{3}$ on the grant date, $\frac{1}{3}$ on the first anniversary of the grant date, and $\frac{1}{3}$ on the second anniversary of the grant date.
- (11) All options are exercisable for a period of five years from the grant date. Of these options, (i) 500,000 will vest in full on the first anniversary of the grant date, and (ii) the remaining 542,500 vest as to $\frac{1}{3}$ on the grant date, $\frac{1}{3}$ on the first anniversary of the grant date, and $\frac{1}{3}$ on the second anniversary of the grant date.

During the 12 months preceding the date of this Application, Loma Vista did not issue or sell any Loma Vista Shares or securities convertible into Loma Vista Shares.

Trading Price and Volume

Prior to the Amalgamation, the Loma Vista Shares traded on the CSE under the symbol “LOV”. The following table sets out the high and low trading prices, as well as the trading volume, for the Loma Vista Shares on the CSE for the periods indicated during the 12-month period preceding the date of this Application:

TRADING PRICE AND VOLUME April 1, 2014 to May 8, 2015			
Period	High (\$)	Low (\$)	Volume
May 1 – 8, 2015 ⁽¹⁾	-	-	-
April 2015 ⁽¹⁾	-	-	-
March 2015 ⁽¹⁾	-	-	-
February 2015 ⁽¹⁾	-	-	-
January 2015 ⁽¹⁾	0.08	0.08	Nil
December 2014	0.10	0.08	12,500
November 2014	0.11	0.08	263,000
October 2014	0.08	0.08	Nil
September 2014	0.08	0.08	Nil
August 2014	0.13	0.08	175,000
July 2014	0.13	0.08	27,000
June 2014	0.09	0.08	36,640
May 2014	0.09	0.09	33,500
April 2014	0.09	0.09	Nil

Notes:

- (1) On January 26, 2015, trading of the Loma Vista Shares was halted pending the announcement of the Amalgamation.

ITEM 14 – ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Pursuant to Exchange Policy 5.4, upon listing of the Common Shares on the Exchange, all securities of the Company held by persons who were “principals” of the Company be held in escrow, “principals” being (i) directors and senior officers of the Company any material operating subsidiary, (ii) promoters the Company, or either of Loma Vista or BitGold during the two years preceding the Effective Date, (iii) holders of more than 10% of the outstanding Common Shares, who also held more than 10% of the BitGold Shares or Loma Vista Shares prior to the Amalgamation and who also have a right to elect or appoint a director or senior officer of the Company or a material operating subsidiary, (iv) holders of more than 20% of the outstanding Common Shares, who also held more than 20% of the BitGold Shares or Loma Vista Shares prior to the Amalgamation, (v) companies, trusts, partnerships or other entities held more than 50% by one or more of the foregoing, and (vi) spouses or other relatives that live at the same address as any of the foregoing.

To the knowledge of the directors and officers of the Company, the following table sets out the number of securities of each class of securities of the Company to be held in escrow upon listing of the Common Shares on the Exchange:

Designation of class	Number of securities to be held in escrow	Percentage of class
Common Shares	20,964,409	57.2% ⁽¹⁾
Warrants	719,850	18.5% ⁽²⁾

Notes:

- (1) Calculated on a non-diluted basis, on the basis 36,619,885 Common Shares issued and outstanding as of the date of this Application.
(2) Calculated on the basis of 3,888,888 Warrants issued and outstanding as of the date of this Application.

These securities will be held in escrow by Capital Transfer Agency Inc. as depository. Pursuant to the Escrow Agreement, 10% of such escrowed securities will be released from escrow on the date that the Exchange issues a bulletin confirming that the Common Shares have been approved for listing, followed by six subsequent releases of 15% every six months thereafter, subject to acceleration provisions provided for in Exchange Policy 5.4.

In addition to the foregoing, an aggregate total of 8,117,329 Common Shares held by certain non-principals will be subject to resale restrictions in accordance with Exchange Policy 5.4 as follows:

Resale Restriction	Number of Common Shares	Percentage of Class
4 month hold with 20% released each month; first release on closing of the Amalgamation	4,327,729	11.8% ⁽¹⁾
1 year hold with 20% released every three months; first release on closing of the Amalgamation	3,789,600	10.3% ⁽¹⁾

Notes:

- (1) Calculated on a non-diluted basis, on the basis 36,619,885 Common Shares issued and outstanding as of the date hereof.

ITEM 15 – PRINCIPAL SECURITYHOLDERS

To the knowledge of the directors and officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding Common Shares, other than as set out below:

Name and Municipality of Residence	Class of Securities ⁽¹⁾	Securities Owned or Controlled and Percentage of Class
Roy Sebag <i>Tel Aviv District, Israel</i>	Common Shares	18,455,551 (50.4%) ⁽²⁾⁽³⁾⁽⁴⁾
	Warrants	504,000 (13.0%) ⁽²⁾⁽⁵⁾
	Options	265,165 (13.4%) ⁽²⁾⁽⁶⁾

Notes:

- (1) The information as to securities beneficially owned, controlled or directed, not being within the knowledge of the Company has been furnished by the holder of such securities.
(2) Held directly by Mr. Sebag.
(3) On a fully-diluted basis, 19,224,716 Common Shares, representing 44.5% of the outstanding Common Shares.
(4) Calculated on a non-diluted basis, on the basis of 36,619,885 Common Shares issued and outstanding as at the date of this Application.
(5) Calculated on the basis of 3,888,888 Warrants outstanding as at the date of this Application.
(6) Calculated on the basis of 1,974,428 options outstanding as at the date of this Application.

ITEM 16 – DIRECTORS AND OFFICERS

The following table and the notes thereto set out the name and municipality of residence of each director and officer of the Company, their position or office with the Company, their respective principal occupations, the approximate number and percentage of Common Shares to be beneficially owned, directly or indirectly, or over which control or direction is to be exercised by each such person and as a group. Each director will hold office until the next annual meeting of the Company unless his or her office is earlier vacated:

Name, and Province and Country of Residence	Age	Position or Office with the Company	Principal Occupation During the Last Five Years ⁽¹⁾	Number of Common Shares Owned or Controlled ⁽¹⁾⁽²⁾	Percentage of Common Shares ⁽²⁾
Roy Sebag ⁽⁵⁾⁽⁶⁾⁽⁷⁾ <i>Tel Aviv District, Israel</i>	29	President, Chief Executive Officer, and Director	President and Chief Executive Officer, BitGold Inc. (2014 to present); President and Chief Executive Officer, Loma Vista Capital Inc. (2012 to present); Founder, Chairman and Chief Executive Officer, Natural Resource Holdings, Ltd. (2010 to 2012); Founder and Managing Partner, Essentia Equity, Ltd. (2004 to 2010)	18,455,551	50.4%

Name, and Province and Country of Residence	Age	Position or Office with the Company	Principal Occupation During the Last Five Years ⁽¹⁾	Number of Common Shares Owned or Controlled ⁽¹⁾⁽²⁾	Percentage of Common Shares ⁽²⁾
Joshua Crumb ⁽³⁾⁽⁴⁾ <i>British Columbia, Canada</i>	35	Chief Strategy Officer and Director	Chief Strategy Officer, BitGold Inc. (2014 to present); President, LEC Minerals Inc. (2011 to Present); Executive Director, Goldman Sachs International (2010 to 2011); Director, Corporate Development, Lundin Mining Corp. (2005 to 2010)	1,642,836	4.5%
Jason Loewe <i>Ontario, Canada</i>	39	VP Operations and Compliance and Corporate Secretary	VP Operations and Compliance, BitGold Inc. (2014 to present); Corporate Compliance Business Manager, IPC Securities Corp. (2009 to 2013); Regional Compliance Officer, Assante Wealth Management (2008 to 2009); Senior Investment Advisor, CIBC Investor Services Inc. (2004 to 2007)	Nil	Nil
Alessandro Premoli <i>Milan, Italy</i>	34	Chief Technology Officer	Chief Technology Officer, Andxor S.R.L. (2005 to 2015)	198,000	0.5%
Daniel Crandall <i>Ontario, Canada</i>	31	Chief Financial Officer	Manager, Marrelli Support Services Inc. (2013 to present); Manager, Collins Barrow Toronto LLP (2006 to 2013)	10,000	0.03%
Dennis H. Peterson ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾ <i>Ontario, Canada</i>	54	Director	Solicitor, Peterson & Company LLP (1995 to present)	246,822	0.7%
James G. Eaton ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾ <i>Ontario, Canada</i>	38	Director	President, Weatons Holdings Inc. (1999 to present)	411,200	1.1%

Notes:

- (1) Information about principal occupation, business or employment and number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, not being within the knowledge of the Company, has been furnished by respective persons set forth above.
- (2) Calculated on a non-diluted basis, on the basis of 36,619,885 Common Shares issued and outstanding.
- (3) Member of the Audit Committee. James G. Eaton serves as Chair.
- (4) Member of the Nominating and Corporate Governance Committee. James G. Eaton serves as Chair.
- (5) Member of the Compensation Committee. James G. Eaton serves as Chair.
- (6) Member of the Disclosure Committee. James G. Eaton serves as Chair.
- (7) Member of the Regulatory & Compliance Committee. James G. Eaton serves as Chair.

The directors and officers of the Company will, as a group, beneficially own, directly or indirectly, or exercise control or direction over 20,964,409 Common Shares, representing approximately 57.3% of the issued and outstanding Common Shares on a non-diluted basis.

Profiles of each of the executive officers and directors of the Company, and the percentage of time each intends to devote the business and affairs of the Company, are set forth below:

Roy Sebag, President, Chief Executive Officer and Director

Roy Sebag, President, Chief Executive Officer and director, is a co-founder of BitGold Inc. and has served as its Chief Executive Officer since 2014. Mr. Sebag is employed on a full-time basis by BitGold. Mr. Sebag previously served as founder and Managing Principal of Braavos Capital, Ltd. an international private investment organization engaged in value-oriented investments across a variety of asset classes and industries. From 2004 through to 2010

Mr. Sebag was the Founder and Portfolio Manager of Essentia Equity, Ltd., an investment partnership that engaged in fundamental long and short equity investing in distressed, event-driven, and natural resource related opportunities. He is also the Founder, Chairman and Chief Executive Officer of Natural Resource Holdings, Ltd., an investment company engaged in the acquisition, development and ownership of natural resource assets in North America. Mr. Sebag is also the President, Chief Executive Officer, and a director of Loma Vista. Mr. Sebag's employment contract contains confidentiality and non-disclosure provisions.

Joshua Crumb, Chief Strategy Officer and Director

Joshua Crumb, Chief Strategy Officer and director, is a co-founder of BitGold Inc. and has served as a director since 2014. Mr. Crumb is an entrepreneur with a background in early stage global businesses. He is employed on a full-time basis by BitGold. His primary responsibilities include development and execution of financial and marketing strategies for BitGold, and investor relations. Mr. Crumb was previously the Senior Metals Strategist at Goldman Sachs in the Global Economics, Commodities and Strategies research division in London. Mr. Crumb also held various positions within the Lundin group of companies, serving as Director of Corporate Development at Lundin Mining Corp. and Special Project Analyst for group chairman Lukas Lundin, and is currently a director of Zazu Metals Corporation, Silver Bull Resources, Inc. and Loma Vista. Mr. Crumb holds a Master of Science degree in Mineral Economics, a Graduate Certificate in International Political Economy, and Bachelor of Science degree in Engineering from the Colorado School of Mines. Mr. Crumb's employment contract contains confidentiality and non-disclosure provisions.

Alessandro Premoli, Chief Technology Officer

Alessandro Premoli, Chief Technology Officer, is a security cryptographer and software engineer. He is employed on a full-time basis by BitGold. His primary responsibilities include development of BitGold's technology platform. Over the last decade, Mr. Premoli has developed encrypted storage and messaging systems for highly-sensitive, data-intensive organizations. He has served as Chief Technology Officer of Andxor S.R.L., a company specializing in image, data, and application security, and as a developer at C&A S.R.L., a company specializing in cryptograph, and as an independent security consultant to OpenCoin Inc. the developer of the Ripple Protocol. Mr. Premoli holds a Master's Degree in Informatics from the University of Milano-Bicocca. Mr. Premoli's employment contract contains confidentiality and non-disclosure provisions.

Jason Loewe, VP Operations and Compliance and Corporate Secretary

Jason Loewe, VP Operations and Compliance and Corporate Secretary, has an extensive background in financial services and compliance. He is employed on a full-time basis by BitGold. His primary responsibilities include overseeing financial and regulatory compliance of BitGold's operations. Mr. Loewe has served as a Corporate Compliance branch manager at IPC Securities Corp., and as a Compliance Officer at Assante Wealth Management. Previously, Mr. Loewe worked as an investment advisor at CIBC (Canadian Imperial Bank of Commerce). Mr. Loewe holds a Bachelor of Arts in Economics from the University of Windsor. Mr. Loewe's employment contract contains confidentiality and non-disclosure provisions.

Daniel Crandall, Chief Financial Officer

Daniel Crandall, Chief Financial Officer, is a manager at Marrelli Support Services Inc., a provider of accounting services. He is an employee of MSSSI, and is an independent contractor to BitGold. Mr. Crandall dedicates approximately 25% of his time to BitGold. Mr. Crandall acts as Chief Financial Officer to each of Loma Vista and BitGold, and to other public and private companies. Mr. Crandall holds an Honours Bachelor of Accounting (Co-Op) degree from Brock University and is a Chartered Professional Accountant. Mr. Crandall's consulting contract contains confidentiality and non-disclosure provisions.

Dennis H. Peterson, Director

Dennis H. Peterson, director, is a securities lawyer and the principal of Peterson & Company LLP, a Toronto-based securities law boutique. He dedicates approximately 5% of his time to his duties as a director of BitGold. Mr. Peterson was called to the bar in Ontario in 1988. He has held senior positions with a variety of public companies, including Probe Mines Limited (Director), Zazu Metals Corporation (Director), and Canstar Resources Inc.

(Director). Mr. Peterson holds a Bachelor of Commerce from Queen's University, and a Bachelor of Law from the University of Toronto.

James G. Eaton, Director

James G. Eaton, director, is the President of Weatons Holdings Inc., a Canadian private holding company. He dedicates approximately 5% of his time to his duties as a director of BitGold. Mr. Eaton has been active in the founding, growth and divestiture stages of the Weatons portfolio companies across a wide variety of industries. His responsibilities at Weatons include overseeing numerous private investments and a portfolio of listed securities. James serves on the boards of JC Clark Ltd., Defyrus Inc., Dream Hard Asset Alternatives Trust, Syncordia Technologies and Healthcare Solutions Inc. and Ceviche. James also serves on the boards of the Canadian Art Foundation, the True Patriot Love Foundation, and is a trustee of the John David and Signy Eaton Foundation. Mr. Eaton holds a Bachelor of Arts from the University of Colorado at Boulder.

Other Reporting Issuer Experience

The following table sets forth the directors and officers of the Company who have experience as directors and officers of other reporting issuers (or the equivalent of a reporting issuer) during the five preceding years:

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	Period
Roy Sebag	Natural Resource Holdings, Ltd.	TASE	Chairman, CEO & Director	May 2010 – Mar. 2012
	Loma Vista Capital Ltd.	CSE	Chairman, CEO & Director	Feb. 2012 – Apr. 2015
Joshua Crumb	Loma Vista Capital Ltd.	CSE	Director	Feb. 2012 – Apr. 2015
	Silver Bull Resources Inc.	TSX	Director	Feb. 2012 – present
	Astur Gold Corp.	TSX	Director	May 2011 – Mar. 2014
	Zazu Metals Corp.	TSX	Director	Jul. 2011 – present
	Natural Resource Holdings, Ltd.	TASE	Director	Nov. 2011 – Oct. 2013
Daniel Crandall	Loma Vista Capital Inc.	CSE	CFO	Jul. 2012 – Apr. 2015
	Mukuba Resources Limited	TSX-V	CFO	Oct. 2012 – Dec. 2013
	Black Widow Resources Inc.	TSX-V	CFO	Oct. 2012 – present
	Titan Goldworx Resources Inc.	CSE	CFO	Nov. 2012 – Jul. 2013
	West Red Lake Gold Mines Inc.	CSE	CFO	Feb. 2013 – present
	Pan American Goldfields Ltd.	OTCQX	CFO	Oct. 2013 – Jun. 2014
	Royal Standard Minerals Inc.	OTCQB	CFO	Jan. 2014 – present
	Chilean Metals Inc.	TSX-V	CFO	Jun. 2014 – present
	First Bauxite Corporation	TSX-V	CFO	Jan. 2015 – present
Malbex Resources Inc.	TSX-V	CFO	Jan. 2015 – present	
Dennis H. Peterson	Probe Mines Limited	TSX-V	Director	Dec. 2007 – Mar. 2015
	Zazu Metals Corp.	TSX	Director	Nov. 2006 – present
	Canstar Resources Inc.	TSX-V	Director	Jun. 2013 – present
	Probe Metals Ltd.	TSX-V	Director	Feb. 2015 – present
James G. Eaton	Carlaw Capital IV Inc. (now OneRoof Energy Group, Inc.)	TSX-V	Director	Sep. 2010 – Mar. 2014
	Dream Hard Asset Alternatives Trust	TSX	Director	Jul. 2014 – present
	LL Capital Corp.	TSX-V	Director	Nov. 2014 – present

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or officer of the Company is, as at the date hereof, or has been, within the previous 10 years, a director, chief executive officer or chief financial officer, of any company that:

- (a) while that person was acting in the capacity was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued after the director ceased to be a director, chief executive officer or chief financial officer of such company and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No director of the Company (or any personal holding company of any such individual):

- (a) is at the date hereof, or has been within the previous 10 years, a director or executive officer of any corporation that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver manager or trustee appointed to hold its assets; or
- (b) has, within 10 years before the date of this Application, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets such individual.

No director or officer of the Company (or any personal holding company of any such individual) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

None of the directors, officers, insiders or promoters of the Company will be engaged in activities giving rise to conflicts of interest.

ITEM 17 – EXECUTIVE COMPENSATION

Basis of Presentation

Following the Amalgamation, the Company adopted new executive compensation arrangements appropriate to a publicly-listed development-stage internet technology business, which are presented below.

Named Executive Officers

During the period from incorporation to March 31, 2015, the Company had the following two NEOs: Roy Sebag, President and Chief Executive Officer; and Daniel Crandall, Chief Financial Officer. For the purposes of this Application, Alessandro Premoli, Chief Technology Officer, Jason Loewe, VP Operations and Compliance and Corporate Secretary, and Joshua Crumb, Chief Strategy Officer are also deemed to be NEOs.

Compensation Committee

The Compensation Committee of the Board (in this section, the “**Compensation Committee**”) is comprised of three directors, namely James G. Eaton (Chair), Dennis H. Peterson, and Roy Sebag. Mr. Eaton is independent within the

meaning of NI 52-110. Mr. Sebag is not considered independent because he is an officer of the Company, and Mr. Peterson is not considered independent because he is the principal of Peterson & Company LLP, which provides legal services to the Company.

The Compensation Committee's purpose is, among other things, to: (i) review and recommend to the Board compensation plans, including securities-based compensation plans, long-term incentive plans, and such other compensation plans or structures as are adopted by BitGold from time to time; and (ii) establish and periodically review BitGold's policies in the area of management benefits and perquisites. In performance of its duties, the Compensation Committee focuses on offering competitive compensation to attract, retain and motivate the best qualified executives in order for BitGold to achieve its goals, and acting in the interests of BitGold and its shareholders by being fiscally responsible. The Compensation Committee has the authority to engage and compensate any outside advisors that it determines to be necessary to permit it to carry out its duties.

All Compensation Committee members have direct or indirect experience that is relevant to their responsibilities in executive compensation. In their roles as members of the Compensation Committee and as current or former senior executive officers, each member of the Compensation Committee has developed skills and experience in executive compensation issues which enable them as a group to make decisions on the suitability of the Company's compensation policies and practices.

Objectives of Compensation Program

The BitGold Board ensures that total compensation paid to all NEOs is fair and reasonable and is consistent with BitGold's compensation philosophy. Compensation plays an important role in achieving short and long-term business objectives that ultimately drive business success. BitGold's compensation philosophy is to foster entrepreneurship at all levels of the organization.

BitGold's compensation philosophy is based on the following principles:

1. *Compensation programs align with shareholder interests:* BitGold aligns the goals of executives with maximizing long term shareholder value;
2. *Performance sensitive:* compensation for executive officers should be linked to operating and market performance of BitGold and fluctuate with the performance; and
3. *Offer market competitive compensation to attract and retain talent:* the compensation program should provide market competitive pay in terms of value and structure in order to retain existing employees who are performing according to their objectives and to attract new individuals of the highest caliber.

The objectives of the NEO compensation program, which were developed based on this compensation philosophy, are as follows:

1. to attract and retain highly qualified executive officers critical to BitGold's success, who will be key in helping BitGold achieve its corporate objectives and increase shareholder value, which as a development-stage business means rapidly growing BitGold's technological infrastructure and acquiring new customer accounts.
2. to recognize the contribution of BitGold's executive officers and directors to the overall success and strategic growth of BitGold.

In the future, BitGold's NEO compensation program will also take into account the following goals:

1. to align the interests of executive officers with shareholders' interests and with the execution of BitGold business strategy;
2. to evaluate executive performance on the basis of key measurements that correlate to long-term shareholder value; and

3. to tie compensation directly to those measurements and rewards based on achieving and exceeding predetermined objectives.

Compensation Program

BitGold believes that transparent, objective and easily verified corporate goals, combined with individual performance goals, play an important role in creating and maintaining an effective compensation strategy for the NEOs. BitGold's objective is to establish benchmarks and targets for its NEOs which, if achieved, will enhance shareholder value.

A combination of fixed and variable compensation is used to motivate executives to achieve overall corporate goals. For the 2014 financial year, the only form of compensation offered to executive officers was fixed salaries/consulting fees. As BitGold grows, it intends to offer annual bonus payments, and grants of stock options pursuant to the Option Plan.

Fixed salary comprises a portion of the total cash-based compensation. Annual incentives and option based compensation will represent compensation that is "at risk" and thus may or may not be paid to the respective executive officer depending on: (i) whether the executive officer is able to meet or exceed his or her applicable performance targets; and (ii) market performance of the Common Shares. To date, no specific formulae have been developed to assign a specific weighting to each of these components. Instead, the Board considers each performance target and the Company's performance and assigns compensation based on this assessment.

Fixed Salaries/Consulting Fees

BitGold may provide executive officers with base compensation in the form of a fixed annual salary or consulting fees, representing the minimum compensation for services rendered or expected to be rendered. An executive officer's base salary depends on experience, responsibilities, current competitive market conditions, management effectiveness, proven or expected performance of the particular individual, and BitGold's existing financial resources. Base salaries are reviewed annually by the Compensation Committee.

While base salary is intended to fit into BitGold's overall compensation objectives by serving to attract and retain talented executive officers, the size of BitGold and the nature and stage of its business also impacts the level of base salary. Compensation is set with informal reference to the market for similar jobs in Canada and internationally. Given the stage of BitGold's business and operations, it did not benchmark against a peer group of companies.

Annual Incentives

As BitGold grows, it is anticipated that executive officers will become eligible to receive annual bonus payments from time to time at the Compensation Committee's discretion. The Compensation Committee will determine annual incentive amounts in its discretion, based on the completion of individual completion of milestones set out by the Compensation Committee, achievement of corporate goals, and benchmarks relating to the Company's overall performance. NEOs will also be eligible to receive a bonus for extraordinary achievements from time to time.

Stock Options

Stock option grants are an integral component of BitGold's planned executive compensation structure. The Board believes that the grant of options to executive officers and common share ownership by such officers serves to motivate such officers to strive towards achievement of BitGold's long-term strategic objectives, which will benefit all shareholders. Options are awarded to employees, including NEOs, at the Board's discretion on the advice of the Compensation Committee. Decisions with respect to options granted are based upon the individual's level of responsibility and their contribution towards BitGold's goals and objectives, and additionally may be awarded in recognition of the achievement of a particular goal or extraordinary service. The Compensation Committee will consider the overall number of options that are outstanding relative to the number of outstanding Common Shares in determining whether to make any new grants of options and the size of such grants.

Determination of Compensation

The Board relies on the knowledge and experience of the members of the Compensation Committee to set appropriate levels of compensation for BitGold’s executive officers. Neither BitGold nor the Compensation Committee currently has, or has had at any time since incorporation, any contractual arrangement with any executive compensation consultant who has a role in determining or recommending the amount or form of senior officer compensation.

The Compensation Committee reviews the various elements of the NEOs’ compensation in the context of the total remuneration and main components thereof for the officers and directors, and recommends the NEOs’ compensation packages. The Compensation Committee’s recommendations regarding NEO compensation are presented to the Board for their consideration and approval.

Since incorporation, BitGold has not engaged any executive compensation consultant who has a role in determining or recommending the amount or form of executive officer compensation.

Compensation Risk Considerations

The Compensation Committee is responsible for considering, establishing and reviewing executive compensation programs, and whether the programs encourage unnecessary or excessive risk taking. Decisions to award compensation are made with a view to ensuring that BitGold’s compensation program is balanced and does not motivate unnecessary or excessive risk taking.

BitGold does not currently have a policy that restricts directors or NEOs from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity. However, to the knowledge of the directors and officers of the Company, as of the date of hereof, no director or NEO of BitGold has participated in the purchase of such financial instruments.

External Management Contracts

MSSI provides the services of Daniel Crandall as Chief Financial Officer of BitGold at a rate of \$500 per month plus an hourly fee of \$150 pursuant to an agreement dated October 1, 2014. In addition, MSSI also provides bookkeeping services to BitGold. Mr. Crandall is employed by MSSI, and is not an employee of BitGold.

Summary Compensation Table for NEOs

The following table provides information regarding NEO compensation for BitGold the period from incorporation to March 31, 2015:

Name and principal position	Period	Salary (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation		All other compensation (\$)	Pension value (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans ⁽²⁾			
Roy Sebag <i>President, Chief Executive Officer</i> ⁽³⁾	Aug. 14, 2014 to Mar. 31, 2015	Nil ⁽⁴⁾	Nil	Nil	N/A	N/A	N/A	N/A	Nil
Daniel Crandall <i>Chief Financial Officer</i>	Aug. 14, 2014 to Mar. 31, 2015	Nil ⁽⁵⁾⁽⁶⁾	Nil	Nil	N/A	N/A	N/A	N/A	Nil
Alessandro Premoli <i>Chief Technology Officer</i>	Aug. 14, 2014 to Mar. 31, 2015	Nil ⁽⁷⁾	6,600	Nil	N/A	N/A	N/A	N/A	6,600

Jason Loewe <i>VP Operations and Compliance, Corporate Secretary</i>	Aug. 14, 2014 to Mar. 31, 2015	21,014 ⁽⁸⁾	Nil	Nil	N/A	N/A	N/A	N/A	21,014
Joshua Crumb <i>Chief Strategy Officer⁽³⁾</i>	Aug. 14, 2014 to Mar. 31, 2015	Nil ⁽⁹⁾	Nil	Nil	N/A	N/A	N/A	N/A	Nil

Notes:

- (1) Grant date fair value calculations are based on the Black-Scholes Option Pricing Model and weighted average assumptions. Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and therefore, in management's opinion, existing models do not necessarily provide a reliable measure of the fair value of BitGold's share and option-based awards.
- (2) "Long term incentive plan" means any plan that provides compensation intended to motivate performance to occur over a period greater than one fiscal year, but does not include option or share-based awards.
- (3) Also serves as a director of BitGold.
- (4) Mr. Sebag is employed at an annual salary of \$1.
- (5) Mr. Crandall is employed by MSSl. See "Item 17 – Executive Compensation – External Management Contracts".
- (6) BitGold incurred an aggregate total of \$21,350 in fees to MSSl for the services of Daniel Crandall to act as Chief Financial Officer of Old BitGold.
- (7) Mr. Premoli is employed by the Company, and will be paid an annual salary of €90,000 (CAD\$122,274, based upon the noon buying rate provided by the Bank of Canada of \$1.3586 on the date of this Application) starting on the date of listing of the Common Shares on the Exchange.
- (8) Mr. Loewe is employed at an annual salary of \$61,000.
- (9) Mr. Crumb is employed at an annual salary of \$1.

Incentive Plan Awards to NEOs

Outstanding Option-based and Share-based Awards

The following table sets out the outstanding option-based awards for each NEO as at March 31, 2015 (after giving effect to the Amalgamation):

Name	No. of Common Shares underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options⁽¹⁾ (\$)
Roy Sebag	15,165	2.47	Feb. 20, 2018	Nil
Daniel Crandall	3,033	2.47	Feb. 20, 2018	Nil
Alessandro Premoli	Nil	N/A	N/A	Nil
Jason Loewe	Nil	N/A	N/A	Nil
Joshua Crumb	15,165	2.47	Feb. 20, 2018	Nil

Notes:

- (1) Calculated based on the \$0.90 issue price of Subscription Receipts pursuant to the Financing, and subtracting the exercise price of options. These options have not been and may never be exercised, and actual gains upon exercise, if any, will depend on the value of the Common Shares on the date of exercise.

Value Vested or Earned During the Year

The following table provides information regarding the value vested or earned on incentive plan awards for each NEO during the period from incorporation to March 31, 2015:

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Roy Sebag	Nil	N/A	N/A
Daniel Crandall	Nil	N/A	N/A
Alessandro Premoli	Nil	N/A	N/A
Jason Loewe	Nil	N/A	N/A
Joshua Crumb	Nil	N/A	N/A

Notes:

- (1) Aggregate dollar value that would have been realized if the options had been exercised on the vesting date (computed based on the difference between the market price of shares at exercise and the exercise price of the options on the vesting date).

Pension Plan Benefits

As at the date of this Application, BitGold does not have a pension plan.

Termination and Change of Control Benefits

As at the date hereof, there are no agreements, compensation plans, contracts or arrangements whereby a NEO is entitled to receive payments from BitGold in the event of (i) the resignation, retirement or other termination of the NEO's employment with BitGold, (ii) a change of control of BitGold, or (iii) a change in the NEO's responsibilities following a change of control.

Director Compensation

As of the date hereof, the Board has not adopted a compensation program for its directors with respect to general directors' duties, meeting attendance or for additional service on Board committees. However, directors may be reimbursed for reasonable out-of-pocket expenses incurred in attending board, committee or shareholder meetings and otherwise incurred in carrying out their duties as directors.

Directors may receive option grants as pursuant to the Option Plan. Options are granted at the discretion of the Board upon the recommendations of the Compensation Committee. The exercise price of such options is determined by the Board, but shall in no event be less than the market price of the Common Shares at the time of the grant of the options, less any permissible discounts pursuant to the Option Plan and the policies of the stock exchange on which the Common Shares are listed.

The following table provides information regarding compensation paid to BitGold's directors, other than the NEOs, during period from incorporation to March 31, 2015:

Name ⁽¹⁾	Fees Earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All other compensation (\$)	Total ⁽²⁾ (\$)
Neil Burns ⁽³⁾	N/A	N/A	Nil	N/A	N/A	N/A	Nil

Notes:

- (1) Roy Sebag and Joshua Crumb were directors and NEOs during the period from incorporation to March 31, 2015. Any compensation received by Messrs. Sebag and Crumb in their capacities as a director is reflected in the Summary Compensation Table for NEOs.
- (2) This table does not include any amount paid as reimbursement for expenses.
- (3) Former director of Loma Vista.

Incentive Plan Awards to Directors

Outstanding Share Awards and Option Awards

The following table sets out the outstanding option-based awards for each director as at March 31, 2015:

Name	No. of Common Shares underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options⁽¹⁾ (\$)
Neil Burns ⁽²⁾	6,065	2.47	Apr. 30, 2016	Nil

Notes:

- (1) Calculated based on the \$0.90 issue price of Subscription Receipts pursuant to the Financing, and subtracting the exercise price of options. These options have not been and may never be exercised, and actual gains upon exercise, if any, will depend on the value of the Common Shares on the date of exercise.
- (2) Former director of Loma Vista.

The Company did not make any share-based awards during the period from incorporation to March 31, 2015, and there are no share-based awards outstanding.

Value Vested or Earned During the Year

The following table provides information regarding the value vested or earned on incentive plan awards for each director during period from incorporation to March 31, 2015:

Name	Option-based awards – Value vested during the year⁽¹⁾ (\$)	Share-based awards – Value vested (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Neil Burns ⁽²⁾	Nil	N/A	N/A

Notes:

- (1) Aggregate dollar value that would have been realized if the options had been exercised on the vesting date (computed based on the difference between the market price of shares at exercise and the exercise price of the options on the vesting date).
- (2) Former director of Loma Vista.

ITEM 18 – INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, or employee of BitGold or any of its subsidiaries, former director, executive officer, or employee of BitGold or any of its subsidiaries, or any associate of any of the foregoing, has at any time during the period from incorporation to March 31, 2015, or at any time from March 31, 2015 to the date of this Application, (i) been indebted to BitGold or any of its subsidiaries, or (ii) had any indebtedness to another entity at any time during its last completed fiscal year which has been the subject of a guarantee, support agreement, letter of credit, or other similar arrangement provided by BitGold or any of its subsidiaries.

ITEM 19 – AUDIT COMMITTEES AND CORPORATE GOVERNANCE

Audit Committee

The Audit Committee of the Board (the “**Audit Committee**”) is responsible for monitoring BitGold’s systems and procedures for financial reporting and internal control, reviewing certain public disclosure documents and monitoring the performance and independence of BitGold’s external auditors. The committee is also responsible for reviewing BitGold’s annual audited financial statements, unaudited quarterly financial statements and management’s discussion and analysis of financial results of operations for both annual and interim financial statements and review of related operations prior to their approval by the full Board.

Audit Committee Charter

The full text of the Audit Committee Charter is attached as Schedule “C” to this Application.

Composition of the BitGold Audit Committee

The members of the Audit Committee are James G. Eaton (Chair), Dennis H. Peterson, and Roy Sebag. Mr. Eaton is independent within the meaning of NI 52-110. Mr. Sebag is not considered independent because he is an officer of the Company, and Mr. Peterson is not considered independent because he is the principal of Peterson & Company LLP, which provides legal services to the Company. All members of the BitGold Audit Committee are financially literate within the meaning of NI 52-110.

Relevant Education and Experience

The following table summarizes the relevant education and experience of the members of the Audit Committee:

Name of Member	Education	Experience
James G. Eaton (Chair)	B.A., University of Colorado Boulder	President and portfolio manager of Weatons Holdings Ltd.; director and audit committee member of Dream Hard Asset Alternatives Trust and LL Capital Corp.
Dennis H. Peterson	B.A. (Commerce,) Queen’s University LL.B., University of Toronto	Securities lawyer and principal of Peterson & Company LLP, a Toronto-based boutique securities law firm focusing on junior issuers.
Roy Sebag	No post-secondary education	Founder and former Managing Partner of Essentia Equity, Ltd., an investment company focused on event-driven contrarian investment opportunities in global public equities, and Founder, Chairman and Chief Executive Officer of Natural Resource Holdings, Ltd., a Tel Aviv Stock Exchange-listed holding company engaged in the acquisition, development and ownership of natural resource assets in North America.

Audit Committee Oversight

During the period from August 14, 2014 to March 31, 2015, there was no recommendation of the Audit Committee to nominate or compensate an external auditor that was not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in its charter.

External Auditor Service Fees

The following table discloses the service fees billed to BitGold by its external auditor during the period from incorporation to March 31, 2015:

Period Ending	Audit Fees⁽¹⁾	Audit Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
Mar. 31, 2015	\$23,000	\$17,000	Nil	Nil

Notes:

- (1) The aggregate fees billed for professional services rendered by the auditor for the audit of BitGold's annual financial statements.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of BitGold's financial statements and that are not disclosed in the "Audit Fees" column.
- (3) Aggregate fees billed for tax compliance, tax advice and tax planning professional services.
- (4) No other fees were billed by the auditor of BitGold other than those listed in the other columns.

Exemption

Since BitGold is a "venture issuer" pursuant to NI 52-110 (its securities are not listed or quoted on any of the Toronto Stock Exchange, a market in the U.S., or a market outside of Canada and the U.S.), it is exempt from the requirements of Part 3 (Composition of the BitGold Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

Statement of Corporate Governance Policies

The directors and senior management of BitGold consider good corporate governance to be central to the effective and efficient business operations. The board is committed to a high standard of corporate governance practices. The board believes that this commitment is not only in the best interest of shareholders, but that it also promotes effective decision making at the board level. The BitGold Board has adopted a written code of business conduct and ethics to encourage and promote a culture of ethical business conduct by BitGold's directors, officers, employees and consultants.

Board of Directors

NI 58-101 defines an "independent director" as a director who has no direct or indirect "material relationship" with the issuer. A "material relationship" is as a relationship which, in the view of the BitGold Board, could reasonably be expected to interfere with the exercise of a member's independent judgment.

The BitGold Board is comprised of four directors, being James G. Eaton, Dennis H. Peterson, Joshua Crumb, and Roy Sebag. Messrs. Eaton and Peterson are considered independent within the meaning of NI 58-101. Messrs. Sebag and Crumb are not considered independent as they are officers of BitGold, and each thereby has a "material relationship" with BitGold.

Directorships

For more information about directorships with other reporting issuer held by members of the Board, please see "*Item 16 – Directors and Officers – Other Reporting Issuer Experience*".

Orientation and Continuing Education

The Board does not have a formal orientation or education program for its members. The Board's continuing education is typically derived from correspondence with BitGold's legal counsel to remain up to date with developments in relevant corporate and securities' law matters. Additionally, historically, Board members have been nominated who are familiar with BitGold and the nature of its business.

Ethical Business Conduct

The Board has adopted a written code of business conduct and ethics to encourage and promote a culture of ethical business conduct amongst the directors, officers, employees and consultants of BitGold. Copies of the Code of

Conduct are available upon written request from the Chief Executive Officer of BitGold. The Board is responsible for ensuring compliance with BitGold's Code of Conduct. There have been no departures from BitGold's Code of Conduct since its adoption.

In addition to BitGold's Code of Conduct, the Board relies on director adherence to the fiduciary duties placed on individual directors by the CBCA and the common law to ensure that the board operated independently of management and in the best interests of the corporation. Under the CBCA, a director is required to act honestly and in good faith with a view to the best interests of the corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

To ensure the directors exercise independent judgment in considering transactions and agreements in which a director or officer has a material interest, all such matters are considered and approved by the independent directors. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which give rise to such a conflict.

BitGold believes that it has adopted corporate governance procedures and policies which encourage ethical behaviour by BitGold's directors, officers and employees.

Nomination of Directors

The Nominating & Corporate Governance Committee of the Board holds the responsibility for the nomination and assessment of new directors. The Board seeks to achieve a balance of knowledge, experience and capability among the members of the board. When presenting shareholders with a slate of nominees for election, the Nominating & Corporate Governance Committee considers the following:

- the competencies and skills which the Board as a whole should possess;
- the competencies and skills which each existing director possesses; and
- the appropriate size of the Board to facilitate effective decision-making.

The Board, on the advice of the Nominating & Corporate Governance Committee, also recommends the number of directors on the board to shareholders for approval, subject to compliance with the requirements of the CBCA and BitGold's by-laws. Between annual shareholder meetings, the Board may appoint directors to serve until the next annual shareholder meeting, subject to compliance with the requirements of the CBCA. Individual Board members are responsible for assisting the Board in identifying and recommending new nominees for election to the Board, as needed or appropriate.

The Nominating & Corporate Governance Committee will periodically assess the appropriate number of directors on the Board and whether any vacancies on the board are expected due to retirement or otherwise. If vacancies are anticipated, or otherwise arise, or the size of the board is expanded, the Nominating & Corporate Governance Committee will consider various potential candidates for director. Candidates may come to the attention of the Nominating & Corporate Governance Committee through current directors or management, shareholders or other persons. The assessment of the contributions of individual directors has principally been the responsibility of the Nominating & Corporate Governance Committee. Prior to standing for election, new candidates are reviewed by the entire Board.

Compensation

The Compensation Committee reviews the compensation of the directors and senior officers. The Compensation Committee reviews and makes recommendations to the Board regarding the granting of stock options to directors and senior officers, compensation for senior officers, and directors' fees, if any, from time to time. Senior officers and directors may be compensated in cash and/or equity for their expert advice and contribution towards the success of BitGold. The form and amount of compensation will be evaluated by the Compensation Committee, which will be guided by the following goals:

- compensation should be commensurate with the time spent by senior officers and directors in meeting their obligations and reflective of the compensation paid by companies similar to BitGold in size, business and stage of development;
- compensation should be appropriate to the actual financial and other resources of BitGold; and
- the structure of the compensation should be simple, transparent and easy for shareholders to understand.

BitGold's shareholders will be given the opportunity to vote on all new or substantially revised equity compensation plans for directors as required by regulatory and stock exchange policies.

Other Board Committees

In addition to the Audit Committee, Nominating and Corporate Governance Committee and Compensation Committee, the Board has the following committees:

Disclosure Committee

The Disclosure Committee oversees BitGold's corporate disclosure practices and ensures adherence to BitGold's policies relating to public disclosure and confidentiality of material information, and trading in BitGold's securities by insiders. It makes recommendations to the Chief Executive Officer in relation to the foregoing, and reviews BitGold's public statements.

Regulatory & Compliance Committee

Regulatory & Compliance Committee oversees BitGold's non-financial compliance programs and systems with respect to legal and regulatory compliance. Its core functions include determining and reviewing its regulatory compliance obligations, to create policies to meet these obligations, including the Foreign Corrupt Practices Policy and the Anti-Money Laundering Policy; to create and oversee the implementation of compliance programs in conjunction with senior management, and to review such programs for effectiveness. The Regulatory & Compliance Committee is also responsible for reviewing the documents that define the legal relationship between BitGold and its customers, including BitGold's Terms of Service and Privacy Policy.

Assessments

The Board does not consider formal assessments useful given the stage of BitGold's business and operations. However, the directors believe that nomination to the board is not open ended and that directorships should be reviewed carefully for alignment with BitGold's strategic needs. To this extent, the directors constantly review individual director performance and the performance of the BitGold Board as a whole, including processes and effectiveness, and the performance of the chairperson, if any, of the BitGold Board. A more formal assessment process will be instituted if and when the Board considers it to be necessary.

ITEM 20 – AGENT, SPONSOR OR ADVISOR

The Financing was conducted through a syndicate of agents co-led by Dundee Securities Ltd. and Clarus Securities Inc., and including GMP Securities L.P. and Canaccord Genuity Corp. The addresses of the Agents are as follows: Dundee Securities Ltd., 1 Adelaide Street East, Suite 2100, Toronto, Ontario M5C 2V9; Clarus Securities Inc., 130 King Street West, Suite 3640, P.O. Box 38, Toronto, Ontario M5X 1A9; GMP Securities LP, 145 King St W, Toronto, Ontario M5H 1J8, and Canaccord Genuity Corp., 161 Bay Street, Suite 3000, P.O. Box 516, Toronto, Ontario M5J 2S1.

The relationship between the Company and the Agents is defined by the Agency Agreement. For more information about the Agency Agreement, including the consideration paid by the Company to the Agents in connection with the Financing, see "*Item 6 – Financings – Subscription Receipt Financing*".

ITEM 21 – RISK FACTORS

AN INVESTMENT IN THE COMMON SHARES IS HIGHLY SPECULATIVE IN NATURE AND INVOLVES A HIGH DEGREE OF RISK. Due to the nature of BitGold’s business and its present stage of development, prospective investors should carefully consider certain risks involved in an investment in the securities of BitGold including: (i) BitGold’s absence of any operating history; (ii) future capital needs and uncertainty of additional financing; (iii) the competitive nature of the industry; (iv) unproven market for BitGold’s services; (v) BitGold’s ability to evaluate and respond to market conditions; (vi) volatility of gold prices and public interest in gold investment; (vii) the need for BitGold to manage its planned growth and expansion; (viii) action taken by regulatory authorities may limit BitGold’s business and operations; (ix) lack of regulation and consumer protection; (x) the effects of product development and need for continued technology change; (xi) dependence on technical infrastructure; (xii) foreign growth restrictions; (xiii) gold trading risks; (xiv) protection of intellectual property rights; (xv) the effect of government regulation and compliance on BitGold and the industry; (xvi) use and storage of personal information and compliance with privacy laws; (xvii) network security risks; (xviii) the ability of BitGold to maintain properly working systems; (xix) market expansion risks; (xx) use of BitGold’s services for improper or illegal purposes; (xxi) theft and risk of physical harm to personnel; (xxii) reliance on key personnel; (xxiii) customer complaints and negative publicity; (xxiv) global economic and financial market deterioration impeding access to capital or increasing the cost of capital; (xxv) volatile securities markets impacting security pricing unrelated to operating performance; (xxvi) dividend policy; (xxvii) concentration of control of BitGold; and (xxviii) uninsurable risks.

Prospective investors of securities of BitGold should carefully consider the risks described below. BitGold’s operations are high-risk due to the nature of BitGold’s business and its present stage of development. The following describes some of the risks that could affect BitGold and could materially affect BitGold’s future operating results and could cause actual events to differ materially from those described in forward-looking information relating to BitGold. BitGold may face additional risks and uncertainties other than those listed below (or elsewhere in this Application), including risks and uncertainties that are unknown to BitGold and risks and uncertainties that BitGold now believes to be immaterial, which could turn out to be material, that could have a material adverse effect on the business of BitGold. If any of the risks described below (or elsewhere in this Application) actually occur, the business, financial condition and/or results of operations of BitGold could be materially adversely affected.

Absence of Operating History

BitGold has limited operating history and, in particular, no history of generating material revenue or profits. BitGold is a development stage internet technology business. Its sole product, the BitGold platform, was publicly launched on May 4, 2015. There can be no assurance that it will generate profits in the future, or that profitability will be sustained. Although BitGold anticipates earning revenue in the near future, it is also incurring substantial expenses in the establishment of its business. To the extent that such expenses do not result in revenue gains that are adequate to sustain and expand its business, BitGold’s long-term viability may be materially and adversely affected.

A significant portion of BitGold’s financial resources have been and will continue to be directed to the development of its business and marketing activities. The success of BitGold will ultimately depend on its ability to generate revenues and profits from its business. There is no assurance that the future expansion of BitGold’s business will be sufficient to raise the required funds to continue the development of its business and marketing activities.

BitGold’s ability to retain, increase and engage the customer user base and to increase revenue will depend heavily on the ability to create successful new products, both independently and in conjunction with other third parties. BitGold may introduce significant changes to existing products or develop and introduce new and unproven products, including using technologies with which have little or no prior development or operating experience. If new or enhanced products fail to engage users, BitGold may fail to attract or retain users or to generate sufficient revenue, operating margin, or other value to justify continued investment and the business may be adversely affected. In the future, BitGold may invest in new products and initiatives to generate revenue, but there is no guarantee these approaches will be successful. If BitGold is not successful with new approaches to monetization, it may not be able to maintain or grow revenue as anticipated or recover any associated development costs, and financial results could be adversely affected.

Future Capital Needs and Uncertainty of Additional Financing

BitGold currently anticipates that its cash balance will be sufficient to meet its presently anticipated working capital and capital expenditure requirements over the next 18 months. However, BitGold may need to raise additional funds in order to support rapid expansion, develop new or enhanced services and products, respond to competitive pressures, acquire complementary businesses or technologies or take advantage of unanticipated opportunities. BitGold may be required to raise additional funds through public or private financing, strategic relationships or other arrangements. There can be no assurance that such additional funding, if needed, will be available on terms attractive to BitGold, or at all. Furthermore, any additional equity financing may be dilutive to shareholders and debt financing, if available, may involve restrictive covenants. If additional funds are raised through the issuance of equity securities, the percentage ownership of the shareholders of BitGold will be reduced, shareholders may experience additional dilution in net book value per share, or such equity securities may have rights, preferences or privileges senior to those of the holders of the Common Shares. If adequate funds are not available on acceptable terms BitGold may be unable to develop or enhance its business, take advantage of future opportunity or respond to competitive pressures, any of which could have a material adverse effect on BitGold's business, financial condition and operating results.

Competition

BitGold faces competition from established competitors, and also from competitors using alternative technologies.

While the market for crypto-currencies and technologies backed by gold or otherwise is highly fragmented, there exists little in the way of barriers to entry to this type of business. BitGold therefore believes that it must continue to develop new products and services and introduce enhancements to its existing products and services in a timely manner if it is to remain competitive. Even if BitGold introduces new and enhanced products and services, it may not be able to compete effectively because of the significantly greater financial, technical, marketing and other resources available to some of its competitors. As the markets for BitGold's products and services expand, additional competition may emerge and competitors may commit more resources to competitive products and services. There can be no assurance that BitGold will be able to compete successfully in these circumstances.

Some of BitGold's current and potential competitors have significantly greater resources and better competitive positions in certain markets than BitGold. These factors may allow competitors to respond more effectively than BitGold to new or emerging technologies and changes in market requirements. Competitors may develop products, features, or services that are similar to those of BitGold or that achieve greater market acceptance, may undertake more far-reaching and successful product development efforts or marketing campaigns, or may adopt more aggressive pricing policies. In addition certain competitors could use strong or dominant positions in one or more markets to gain competitive advantage against BitGold in areas where it operates. As a result, competitors may acquire and engage users at the expense of the growth or engagement of BitGold's user base, which may negatively affect its business and financial results.

Unproven Market

BitGold is a novel application of technology to investments in physical gold, which aims to facilitate acquisition of physical gold and render it useful in everyday transactions. There is currently no proven market for a service of this kind, and there can be no assurance that a market will develop in the near future, or at all. BitGold is relying on its ability to convince customers that its services are an attractive alternative to other forms of transaction-accessible and investment accounts (such as bank accounts, brokerage accounts, and competitor virtual payment solutions), and other stores of monetary value (such as currencies, equities, debt instruments, and ETFs). BitGold believes that its assumptions and projections are reasonable, based on the proven markets for both gold and gold investment products, and for internet-based payment settlement services, but there can be no assurance that this will be the case. Any failure to develop and sustain a market for BitGold's services could adversely affect BitGold's business, operations, and financial condition.

Ability to Evaluate and Respond to Market Conditions

BitGold has no operating history, and operates in an evolving market that may not grow as expected. This limited operating history makes it difficult to effectively assess BitGold's future prospects. BitGold's business and prospects

should be considered in light of the risks and difficulties that BitGold may encounter in acquiring customers; offering a superior user experience; earning and preserving customers' trust with respect to the security of their acquisition and storage of gold, payment processing, and personal financial information; processing, storing, and using customers' personal information in compliance with applicable privacy laws; complying with existing and new laws and regulations, which may be onerous; building and maintaining a scalable, high-performance technology infrastructure that can efficiently and reliably handle gold transactions and payment processing; and international expansion. If the market for the services that BitGold provides does not develop as expected, or if BitGold fails to address the needs of this market, BitGold's business will be harmed. BitGold may not be able to successfully address these risks and challenges, including those described elsewhere in these risk factors. Failure to adequately address these risks and challenges could harm BitGold's business and results of operations.

Volatility of Gold Prices & Public Interest in Gold Investment

The development of BitGold's business depends on the interest of the public wishing to hold and transact in gold. Accordingly, BitGold's ability to establish its business and become profitable depends on the public's perception of the gold investment and on the future prices of minerals and metals and will be significantly affected by changes in the market prices of minerals and metals.

Precious metals prices are subject to volatile price movements which can be material and occur over short periods of time, and which are affected by numerous factors, all of which are beyond BitGold's control. Such factors include, but are not limited to, interest and exchange rates, inflation or deflation, fluctuations in the value of the U.S. dollar and foreign currencies, global and regional supply and demand, speculative trading, the costs of and levels of precious metals production, and political and economic conditions. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems, the strength of and confidence in the U.S. dollar (the currency in which the prices of precious metals are generally quoted), and political developments.

The effect of these factors on the prices of precious metals, and therefore the economic viability of any of BitGold's business cannot be accurately determined. The prices of commodities have historically fluctuated widely, and future price declines could cause the development of BitGold's business to be impracticable or uneconomical. As such, BitGold may determine that it is not economically feasible to continue certain or all aspects of its business, which could have a material adverse impact on BitGold's financial performance and results of operations. In such a circumstance, BitGold may also curtail or suspend some or all of its activities, with the result that the business will not develop in the manner which was intended.

Ability to Manage Growth

BitGold may experience rapid growth in the scope of its operations. Growth may result in increased responsibilities for BitGold's existing personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, BitGold will need to continue to implement and improve its operational, financial and management information systems, as well as hire, manage and retain its employees and maintain its corporate culture including technical and customer service standards. There can be no assurance that BitGold will be able to manage such growth effectively or that its management, personnel or systems will be adequate to support BitGold's expansion. Any failure to implement cohesive and efficient operating, financial, and management information systems, to add resources on a cost-effective basis or to otherwise properly manage BitGold's expansion could have a material adverse effect on its business and results of operations.

Actions by Regulators Could Limit BitGold's Business and Operations

Money transfers are regulated by provincial, federal and foreign governments. BitGold and its payment processing partners are subject to an extensive set of legal and regulatory requirements. BitGold's international operations may become subject to licensing requirements. If federal, provincial or foreign regulators were to take actions that interfere with BitGold's ability to reliably buy and sell gold or effect payment transfers, attempt to seize gold on behalf of customers, or limit or prohibit BitGold or payment services partners from transferring money in certain countries, this could harm BitGold's business. If BitGold is prevented from transferring money from particular states or jurisdictions that are significant to its business, it could harm BitGold's business and results of operations.

Lack of Regulation and Customer Protection

BitGold's business is designed to be in full compliance with all regulatory requirements of its users, including anti-money laundering legislations and banking department recordkeeping requirements, as well as being fully integrated with the ability to check various worldwide watch lists for wanted criminals and terrorists. Nevertheless, the fact that BitGold is not a bank, investment dealer or trust company, may result in the business of BitGold not being subject to a regulatory environment which is as extensive and robust as the regulatory environment for financial institutions. Furthermore, BitGold does not have insurance through government sponsored programs or deposit insurance and relies on private insurance coverage through Brink's on gold held in vaults, which may not necessarily provide as extensive coverage in the event of loss. Although gold bullion is held by BitGold Vault Inc. as bailee on behalf of users on a segregated basis, there can be no assurance that a third party will not claim an interest in such property in a legal proceeding or claim against BitGold or its subsidiaries.

Product Development and Rapid Technological Change

The advent of internet-based digital money and payment solutions may erode established money and gold markets resulting in a significant adverse effect upon BitGold's continued growth and profitability. The development of a cashless society has been impeded by factors such as issues respecting infrastructure, cultural resistance, distribution problems and patchwork regulations. Nevertheless, BitGold's success could be seriously affected by a competitor's ability to develop and market technologies that compete with BitGold or with established money and gold markets in general.

To remain competitive, BitGold must continue to enhance and improve the responsiveness, functionality and features of its technology (namely AURUM) and website. The Internet and the e-commerce industry are characterized by rapid technological change, changes in user and customer requirements and preferences, frequent new product and service introductions embodying new technologies and the emergence of new industry standards and practices that could render BitGold's existing operations and proprietary technology and systems obsolete. BitGold's success will depend, in part, on its ability to develop leading technologies useful in its business, enhance its existing services, develop new services and technology that address the increasingly sophisticated and varied needs of its existing and prospective users and respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. The development of Internet and other proprietary technology entails significant technical, financial and business risks. There can be no assurance that BitGold will successfully implement new technologies or adapt its website, proprietary technology and transaction-processing systems to customer requirements or emerging industry standards. If BitGold is unable to adapt in a timely manner in response to changing market conditions or customer requirements for technical, legal financial or other reasons, BitGold's business could be materially adversely affected.

Dependence on Technical Infrastructure

BitGold's ability to attract, retain, and serve users is dependent upon the reliable performance of the AURUM platform and the underlying technical infrastructure. BitGold's systems may not be adequately designed with the necessary reliability and redundancy to avoid performance delays or outages that could be harmful to the business. If the BitGold platform is unavailable when users attempt to access it, or if it does not load as quickly as they expect, users may close their accounts. As the user base continues to grow, BitGold will need an increasing amount of technical infrastructure, including network capacity, and computing power, to continue to satisfy the needs of users. It is possible that BitGold may fail to effectively scale and grow its technical infrastructure to accommodate these increased demands. In addition, the business is subject to interruptions, delays, or failures resulting from earthquakes, other natural disasters, terrorism, or other catastrophic events.

Any disruption or failure in the services BitGold receives from third party Internet or technology providers used to facilitate its business could harm BitGold's ability to handle existing or increased traffic and could significantly harm its business. Any financial or other difficulties these providers face may adversely affect BitGold's business, and BitGold exercises little control over these providers, which increases vulnerability to problems with the services they provide.

Foreign Restrictions on Operations

Foreign governments may restrict or block access to BitGold within their jurisdictions, or impose restrictions that may affect the accessibility of BitGold in their country for an extended period of time or indefinitely. For example, some countries like South Africa limit the amount physical currency a resident is permitted to leave the country with, and others may impose restrictions on physical gold bullion purchases. In addition, foreign governments may seek to restrict access to BitGold if they consider BitGold's business to be in violation of their laws. If access to BitGold is restricted in whole or in part in one or more countries, or competitors are able to successfully penetrate geographic markets that BitGold cannot access, BitGold's ability to retain or increase its user base and user engagement may be adversely affected, BitGold may not be able to maintain or grow revenue as anticipated, and financial results could be adversely affected.

Gold Trading Risks

AURUM technology functions as a consolidated order-book obtaining pricing feeds from precious metals dealers, bullion banks, and mining companies that quote bid/ask spreads in various vaults around the world. The consolidated feed results in a "best bid or offer", or BBO, which is then distributed to the BitGold platform for all transactions. The purchase of the gold contracts for physical settlement is complicated. Should the management of this order flow break down, or if customer orders are not accurately implemented, BitGold would be exposed to damages for the resulting liabilities.

During times in which there is no access to market prices, BitGold Inc. will maintain its own BBO using best efforts. BitGold is exposed to potential loss if the judgments it makes on gold pricing exceed the applicable profit margins.

BitGold's physical gold bullion is provided by commodity traders licensed for trading on COMEX. If these contracts are not managed properly, BitGold would be exposed to liabilities for the resulting damages.

Intellectual Property

Proprietary rights are important to BitGold's success and its competitive position. Although BitGold seeks to protect its proprietary rights, its actions may be inadequate to protect any trademarks and other proprietary rights or to prevent others from claiming violations of their trademarks and other proprietary rights. In addition, effective copyright and trademark protection may be unenforceable or limited in certain countries, and the global nature of the Internet makes it impossible to control the ultimate designation of BitGold's work. Any of these claims, with or without merit, could subject BitGold to costly litigation and the diversion of the time and attention of its technical management personnel. If the protection of proprietary rights is inadequate to prevent unauthorized use or appropriation by third parties, the value of BitGold's brand and other intangible assets may be diminished and competitors may be able to more effectively mimic BitGold's service and methods of operations. Any of these events could have an adverse effect on BitGold's business and financial results.

Government Regulation and Compliance

BitGold's services are subject to a wide range of laws and regulations intended to help detect and prevent money laundering, terrorist financing, fraud and other illicit activity. The interpretation of those requirements by judges, regulatory bodies and enforcement agencies is changing, often quickly and with little notice. Economic and trade sanctions programs that are administered by the Department of Foreign Affairs, Trade, and Development prohibit or restrict transactions to or from or dealings with specified countries, their governments, and in certain circumstances, with individuals and entities that are specially-designated nationals of those countries, narcotics traffickers and terrorists or terrorist organizations. As regulatory scrutiny and enforcement action in these areas increase, BitGold expects its costs to comply with these requirements will increase, perhaps substantially. Failure to comply with any of these requirements could result in the limitation, suspension or termination of BitGold's services, the seizure and/or forfeiture of BitGold's assets and/or the imposition of civil and criminal penalties, including fines.

BitGold is subject to of Canadian and foreign laws and regulations that affect companies conducting business on the Internet, which regulate user privacy, data protection, content, intellectual property, distribution, electronic contracts and other communications, competition, consumer protection and taxation. In particular, BitGold is subject to federal, provincial, and foreign laws regarding privacy and protection of user data. Foreign data protection, privacy,

and other laws and regulations are often more restrictive than those in the Canada. Existing and proposed laws and regulations can be costly to comply with and can delay or impede the development of new products, increase operating costs, require significant management time and attention, and subject BitGold to claims or other remedies, including fines or demands that BitGold modify or cease existing business practices.

BitGold services customers through its wholly-owned subsidiary, BitGold Vault Inc. BitGold and BitGold Vault Inc. have been classified as “Dealers in precious metals and stones” under the PCMLTFA. As a result of such classification, neither company is eligible to be registered with FINTRAC. In the event that registration and reporting requirements under PCMLTFA change, BitGold and BitGold Vault Inc. may become subject to the reporting, recordkeeping and anti-money laundering provisions of the PCMLTFA, and to regulatory oversight and enforcement by FINTRAC. Any non-compliance with anti-laundering or reporting procedures could result in significant financial penalties and the possibility of criminal prosecution.

The foregoing laws and regulations are constantly evolving, unclear and inconsistent across various jurisdictions, making compliance challenging. Many of these laws are still evolving and being tested in the courts, and could be interpreted in ways that could harm BitGold’s business. If BitGold fail to update its compliance systems to reflect legislative or regulatory developments, BitGold could incur penalties. New legislation, changes in laws or regulations, implementing rules and regulations, litigation, court rulings, changes in industry practices or standards, changes in systems rules or requirements or other similar events could expose BitGold to increased compliance costs, liability, reputational damage, and could reduce the market value of BitGold’s services or render them less profitable or obsolete.

Use and Storage of Personal Information and Compliance with Privacy Laws

BitGold receives, store and process personal information and other customer data, including bank account numbers, credit and debit card information, identification numbers, addresses, telephone numbers, and images of government identification, and information relating to financial transactions. As a result, BitGold is required to comply with the privacy provisions the *Freedom of Information and Protection of Privacy Act* (Ontario). There are also numerous other federal, provincial and local laws around the world regarding privacy and the storing, sharing, use, processing, disclosure and protection of personal information and other customer data, the scope of which are changing, subject to differing interpretations, and may be inconsistent between countries or conflict with other applicable rules. It is possible that these obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or BitGold’s business practices. Additionally, with advances in computer capabilities and data protection requirements to address ongoing threats, BitGold may be required to expend significant capital and other resources to protect against potential security breaches or to alleviate problems caused by security breaches.

Any failure or perceived failure by BitGold to comply with its privacy policies, privacy-related obligations to customers or other third parties, or privacy-related legal obligations, or any compromise of security that results in the unauthorized release or transfer of personally identifiable information or other customer data, may result in governmental enforcement actions, fines or litigation. Any breach of credit or debit card information that BitGold stores could result in BitGold incurring liability to the issuing banks for their cost of issuing new cards and related expenses. In addition, a significant breach could result in BitGold being prohibited from processing transactions for any of the relevant network organizations, such as Visa or MasterCard, which would harm BitGold’s business. If any third parties with whom BitGold works, such as marketing partners, vendors or developers, violate applicable laws or BitGold’s policies, such violations may put BitGold’s customers’ information at risk and could harm BitGold’s business. Any negative publicity arising out of a data breach or failure to comply with applicable privacy requirements could cause reputational damage and cause customers to lose trust in BitGold, which could adversely affect BitGold’s business, results of operations, financial position and potential for growth.

Network Security Risks

BitGold obtains, transmits, and stores confidential user information in connection with its services. These activities are subject to the laws and regulations of Canada and other jurisdictions. The requirements imposed by these laws and regulations, which often differ materially among the many jurisdictions where BitGold intends to offer service, are designed to protect the privacy of personal information and to prevent that information from being inappropriately disclosed. BitGold relies on a variety of technologies to provide security its systems. Despite the

implementation of network security measures, BitGold's infrastructure is potentially vulnerable to computer break-ins and similar disruptive problems. Advances in computer capabilities, new discoveries in the field of cryptography or other events or developments, including improper acts by third parties, may result in a compromise or breach of the security measures that BitGold uses to protect its systems. BitGold could also suffer from an internal security breach.

Computer viruses, break-ins or other security problems could lead to misappropriation of proprietary information and interruptions, delays or cessation in service to BitGold users. If a third party or employee were to misappropriate, misplace or lose corporate information, including financial and account information, customers' personal information, or source code, BitGold's business may be harmed. BitGold may be required to expend significant capital and other resources to protect against these security breaches or losses or to alleviate problems caused by these breaches or losses. If third parties gain improper access to BitGold's systems or databases or those of BitGold's partners or contractors, they may be able to steal, publish, delete or modify confidential customer information. A security breach could expose BitGold to monetary liability, lead to inquiries and fines or penalties from regulatory or governmental authorities, lead to reputational harm and make users less confident in BitGold's services, which could harm BitGold's business, financial condition and results of operations

Risk of System Failure or Inadequacy

BitGold's operations are dependent on its ability to maintain its equipment in effective working order and to protect its systems against damage from fire, natural disaster, power loss, telecommunications failure or similar events. In addition, the growth of BitGold's customer base may strain or exceed the capacity of its computer and telecommunications systems and lead to degradations in performance or systems failure. BitGold may in the future experience failure of its information systems which may result in decreased levels of service delivery or interruptions in service to its users. While BitGold continually reviews and seeks to upgrade its technical infrastructure and provides for certain system redundancies and backup power to limit the likelihood of systems overload or failure, any damage, failure or delay that causes interruptions in BitGold's operations could have a material and adverse effect on BitGold's business.

Some of BitGold's applications are hosted by external service providers. Any failure on the part of those external service providers to maintain their equipment in good working order and to prevent system disruptions could have a material and adverse effect on BitGold's business.

Risks Associated with Market Expansion

BitGold is exploring opportunities to expand its operations into new markets abroad by increasing the number of eligible countries from which users may open and transact using BitGold accounts. Any future expansion into new markets could place BitGold in unfamiliar competitive environments and involve various risks, including incurring losses or failing to comply with applicable laws and regulations. Such expansion would also require significant resources and management time, and there is no guarantee that, after expending such resources and time, BitGold will receive the necessary approvals to operate in such new markets. If BitGold is granted authority to operate in such new markets, it is possible that returns on such investments will not be achieved for several years, if at all. There is no guarantee that BitGold's business model will be successful in a new market, that BitGold could maintain acceptable profit margins in these new markets, or that international expansion would help grow BitGold's business. If BitGold is unable to successfully expand operations into new markets, future growth rates may be harmed.

Use of BitGold's Services for Improper or Illegal Purposes

BitGold's services remain susceptible to potentially illegal or improper uses as criminals are using increasingly sophisticated methods to engage in illegal activities involving Internet services and payment providers. Because BitGold's customers transfer money using bank accounts or credit and debit cards via the Internet, and these are not face-to-face transactions, these transactions involve a greater risk of fraud. Other illegal or improper uses of BitGold's services may include money laundering, terrorist financing, drug trafficking, human trafficking, illegal online gaming, romance and other online scams, illegal sexually-oriented services, prohibited sales of pharmaceuticals, fraudulent sale of goods or services, piracy of software, movies, music and other copyrighted or trademarked goods, unauthorized uses of credit and debit cards or bank accounts and similar misconduct. Users of BitGold's services may also encourage, promote, facilitate or instruct others to engage in illegal activities. If the

measures BitGold takes are too restrictive and inadvertently screen proper transactions, this could diminish BitGold's customer experience which could harm BitGold's business. Despite BitGold's best efforts, there can be no assurance that measures taken by BitGold will stop all illegal or improper uses of BitGold's services. BitGold's business could be harmed if customers use BitGold's system for illegal or improper purposes.

Theft & Risk of Physical Harm to Personnel

BitGold outsources the storing, transport and insurance of physical gold bullion cubes to Brink's, who, as part of its daily business, faces the risk of theft and employee dishonesty.

BitGold maintains a crime insurance policy which provides coverage against theft and employee dishonesty, but any particular claim is subject to verification that it is within policy limits which may not be assured and may require legal proceedings to enforce coverage. Of particular concern are circumstances where employees could collude with customers to engage in theft by evasion of internal and other controls and cause damage which may not be predictable or within the terms of existing insurance coverage. The BitGold Audit Committee monitors internal controls and the AURUM technology monitors and account for all fund balances in real time.

In addition, employees and agents of BitGold are potentially subject to physical harm if subjected to a forcible robbery. BitGold has an internal risk committee which manages the deployment of a comprehensive security program which includes surveillance cameras, alarms, safe/vault equipment alarms and additional intrusion protection devices, as well as multiple staff on site at all times.

Customer Complaints and Negative Publicity

Customer complaints or negative publicity about BitGold's services could diminish consumer confidence in BitGold, which could lead to a reduced use of BitGold's services. Breaches of customers' privacy and security measures could have the same effect. BitGold may take measures to combat risks of fraud and breaches of privacy and security such as cancelling customer transactions or closing customer accounts that may damage relations with BitGold's customers. These measures heighten the need for prompt and accurate customer service to resolve irregularities and disputes. Effective customer service will require significant personnel expense, and this expense, if not managed properly, could impact BitGold's profitability. Any inability to manage or train customer service representatives properly could compromise BitGold's ability to handle customer complaints effectively. If BitGold does not handle customer complaints effectively, its reputation may be harmed and BitGold may lose its customers' confidence.

Reliance on Key Personnel

BitGold currently has a small senior management group, which is sufficient for BitGold's present level of activity. BitGold's future growth and its ability to develop depend, to a significant extent, on its ability to attract and retain highly qualified personnel. BitGold relies on a limited number of key employees, consultants and members of senior management and there is no assurance that BitGold will be able to retain such key employees, consultants and senior management. The loss of one or more of such key employees, consultants or members of senior management, if not replaced, could have a material adverse effect on BitGold's business, financial condition and prospects.

The development of BitGold is dependent upon its ability to attract and retain key personnel, particularly the services of Roy Sebag and Josh Crumb. See "*Item 16 – Directors and Officers*". The loss of either Mr. Sebag's or Mr. Crumb's services could have a materially adverse impact on the business of BitGold. There can be no assurance that BitGold can retain its key personnel or that it can attract and train qualified personnel in the future.

To operate successfully and manage its potential future growth, BitGold must attract and retain highly qualified managerial and financial personnel. BitGold faces intense competition for qualified personnel in these areas, and there can be no certainty that BitGold will be able to attract and retain qualified personnel. If BitGold is unable to hire and retain additional qualified personnel in the future to develop its business, then its financial condition and operating results could be adversely affected.

Global Economic and Financial Market Conditions

Market events and conditions, including disruption in the Canadian, U.S. and international credit markets and other financial systems and the deterioration of Canadian, U.S. and global economic and financial market conditions, could, among other things, impact currency trading, gold markets and impede access to capital or increase the cost of capital, which would have an adverse effect on BitGold's ability to fund its working capital and other capital requirements.

Market disruptions could, among other things, make it more difficult for BitGold to obtain, or increase its cost of obtaining, capital and financing for its operations. BitGold's access to additional capital may not be available on terms acceptable to BitGold or at all.

Market Price of Common Shares

Securities of micro-cap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the Common Shares is also likely to be significantly affected by short-term changes in gold prices, the rapid technological changes affecting the crypto-currency market, or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to BitGold's performance that may have an effect on the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning BitGold's business may be limited if investment banks with research capabilities do not follow BitGold's securities; lessening in trading volume and general market interest in BitGold's securities may affect an investor's ability to trade significant numbers of Common Shares; the size of BitGold's public float may limit the ability of some institutions to invest in BitGold's securities; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause BitGold's securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity.

As a result of any of these factors, the price of the Common Shares at any given point in time may not accurately reflect BitGold's long-term value.

Dividend Policy

No dividends on the Common Shares have been paid by BitGold to date. Payment of any future dividends will be at the discretion of the BitGold Board after taking into account many factors, including BitGold's operating results, financial condition and current and anticipated cash needs.

Control of BitGold

Roy Sebag, the President, Chief Executive Officer and Chairperson of BitGold, is the principal shareholder of BitGold and a promoter of BitGold. Mr. Sebag beneficially owns 18,455,551 Common Shares, representing approximately 50.4% of the issued and outstanding Common Shares. See "*Item 15 – Principal Securityholders*". and "*Item 16 – Directors and Officers*".

By virtue of his status as the principal shareholder of BitGold, and by being a director and officer of BitGold, Mr. Sebag has the power to exercise control over all matters requiring shareholder approval, including the election of directors, amendments to BitGold's articles and by-laws, mergers, business combinations and the sale of substantially all of BitGold's assets. As a result, BitGold could be prevented from entering into transactions that could be beneficial to BitGold or its other shareholders. Also, third parties could be discouraged from making a take-over bid. As well, sales by Mr. Sebag of a substantial number of Common Shares could cause the market price of the Common Shares to decline.

All of the Common Shares and Warrants owned by Mr. Sebag will be escrowed in accordance with the policies of the Exchange. See "*Item 14 – Escrowed Securities and Securities Subject to Restriction on Transfer*".

Uninsurable Risks

The operations of BitGold are subject to risk associated with settling physical gold contracts in an accurate and secure manner, as well as the holding of gold in vault operations and any and all legal liability associated with its precious metals dealing and internet technology business.

It is not always possible to obtain insurance against all such risks and BitGold does not insure physical gold owned by its customers. As custodian, Brink's maintains insurance through third party insurance providers on such terms and conditions as it considers appropriate. Brink's bears all risk of loss, damage, or destruction of physical gold, except as a result of war, civil insurrection, or government confiscation; chemical, biological, electromagnetic, or computer-based attack; or nuclear incident. Liability of Brink's is also excluded in cases of service delay or non-performance due to strike, lockout, labour disturbance, acts of God or means beyond the control of Brink's and its facilities, though Brink's remains liable for loss, damage, or destruction of physical gold bullion received in its possession for storage or transportation as a result of such causes.

While BitGold may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks are such that liabilities could exceed policy limits or be excluded from coverage. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage may cause substantial delays and require significant capital outlays, thereby adversely affecting BitGold's business and financial condition.

ITEM 22 – PROMOTERS

Roy Sebag and Joshua Crumb may be considered promoters of BitGold within the meaning of relevant Canadian Securities Laws. As at the date hereof, Mr. Sebag beneficially owns, controls or directs, directly or indirectly, 18,455,551 Common Shares, representing approximately 50.4% of the issued and outstanding Common Shares, and Mr. Crumb owns, controls or directs, directly or indirectly, 1,642,836 Common Shares representing 4.5% of the issued and outstanding Common Shares. For more information about Messrs. Sebag and Crumb, see "*Item 16 – Directors and Officers*".

On August 14, 2014, Old BitGold acquired from Roy Sebag, a director, officer, and control person of BitGold, certain intellectual property pursuant to an asset purchase agreement dated August 14, 2014. In consideration of services rendered in connection with the identification and assembly of the transferred intellectual property, BitGold issued to Mr. Sebag 3,000,000 BitGold Shares at a deemed issue price of \$0.033 per BitGold Share, for total consideration of \$100,000. See "*Item 24 – Interests of Management and Others in Material Transactions*".

ITEM 23 – LEGAL AND REGULATORY ACTIONS

To the knowledge of the directors and officers of the Company, there have been no material legal proceedings to which the Company is or was a party, or of which any of the property of the Company is or was the subject, nor are any such proceedings known to the Company to be contemplated.

Within the three years preceding the date of this Application, there have not been any penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority, and the Company has not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or by a securities regulatory authority. To the knowledge of the directors and officers of the Company, except as disclosed elsewhere in this Application, there have been no other penalties or sanctions imposed by a court or regulatory body against the Company.

ITEM 24 – INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed below and elsewhere in this Application, no director, executive officer, or person or company that beneficially owns, controls or directs, directly or indirectly, more than 10% of the Common Shares, nor any associate or affiliate of any such persons or company, has or has had within the three years before the date hereof,

any material interest, directly or indirectly, in any transaction that has materially affected or is reasonably expected to materially affect BitGold or any of its subsidiaries.

On February 19, 2015, pursuant to the Financing, Roy Sebag subscribed for and purchased 1,008,000 Subscription Receipts at \$0.90 per Subscription Receipt for aggregate gross proceeds of \$907,200, Daniel Crandall purchased 10,000 Subscription Receipts at \$0.90 per Subscription Receipt for aggregate gross proceeds of approximately \$9,000, and James G. Eaton purchased 411,200 Subscription Receipts at \$0.90 per Subscription Receipt for aggregate gross proceeds of \$370,080. See “*Item 6 – Financings*”.

On August 14, 2014, Old BitGold acquired from Roy Sebag a package of intellectual property pursuant to an asset purchase agreement made effective as of August 14, 2014, including the domain name “bitgold.com”, the patent application in respect of AURUM technology, and certain trademarks. This intellectual property was assembled by Mr. Sebag while developing the BitGold concept and assessing its market potential, and was transferred to Old BitGold to be developed as a business. In consideration for the identification and assembly of the transferred intellectual property, Old BitGold issued to Mr. Sebag 3,000,000 BitGold Shares at a deemed issue price of \$0.033 per BitGold Share, for total consideration of \$100,000. The price was based on an assessment of the arm’s length value of the identification and assembly of the package of intellectual property made by the Joshua Crumb, the independent director of BitGold for the purposes of this transaction. The domain name “bitgold.com” was previously acquired by Mr. Sebag for USD\$42,000. In addition to unpaid development work done by Mr. Sebag and Mr. Premoli, the cash cost to Mr. Sebag of developing the AURUM technology subject to the patent application and registering the trademarks was approximately USD\$35,000.

On February 23, 2015, Old BitGold and Loma Vista entered into the Amalgamation Agreement with Loma Vista. Roy Sebag was a director, officer, and control person of BitGold, is also a director, officer, and control person of Loma Vista. Joshua Crumb was a director of BitGold, is also a director and control person of Loma Vista. Daniel Crandall was the Chief Financial Officer of both Old BitGold and Loma Vista. As a result of the Amalgamation, Mr. Sebag became President, Chief Executive Officer, and a director of the Company, and owns 18,455,551 (50.4%) of the Common Shares, Mr. Crumb became Chief Strategy Officer and a director of the Company, and owns 1,652,837 (4.5%) of the Common Shares, and Mr. Crandall became the Chief Financial Officer of the Company, and owns 10,000 (0.03%) of the Common Shares. Messrs. Sebag, Crumb, and Crandall were treated in the same manner as all other former BitGold Shareholders and Loma Vista Shareholders in the Amalgamation, except to the extent that such persons held Loma Vista Options, which were exchanged for Options. See “*Item 5 – Description of the Business – Reorganizations*” and “*Item 11 – Consolidated Capitalization*”.

The following table summarizes the shareholdings of Messrs. Sebag, Crumb and Crandall immediately before the Effective Time and after giving effect to the Amalgamation:

	BitGold Shares ⁽¹⁾		Loma Vista Shares ⁽²⁾		Common Shares ⁽³⁾	
	#	(%)	#	(%)	#	(%)
Roy Sebag	17,250,000	70.4%	3,256,750	35.6%	18,455,551 ⁽⁴⁾	50.4%
Joshua Crumb	1,500,000	6.1%	2,354,750	25.7%	1,642,836	4.5%
Daniel Crandall	Nil	Nil	Nil	0%	10,000	0.03%

Notes:

- (1) Calculated on a non-diluted basis, on the basis of 24,496,952 BitGold Shares issued and outstanding.
- (2) Calculated on a non-diluted basis, on the basis of 9,158,667 Loma Vista Shares issued and outstanding.
- (3) Calculated on a non-diluted basis, on the basis of 36,619,885 Shares issued and outstanding following completion of the Amalgamation.
- (4) After giving effect to the conversion of 1,008,000 Subscription Receipts acquired by Mr. Sebag pursuant to the Financing.

ITEM 25 – INVESTOR RELATIONS ARRANGEMENTS

The Company has not entered into any written or oral agreement or understanding with any person to provide promotional or investor relations services for the Company.

ITEM 26 – AUDITORS, TRANSFER AGENTS, AND REGISTRARS

BitGold's auditor is PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, 18 York Street, Suite 2600, Toronto, Ontario M5J 0B2. Such firm is independent of BitGold in accordance with the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Ontario.

The transfer agent and registrar for the Common Shares and the Warrants is Capital Transfer Agency Inc., 121 Richmond Street, West, Suite 401, Toronto, Ontario M5H 2K1.

ITEM 27 – MATERIAL CONTRACTS

Except as described below, BitGold has not entered into any material contracts, except in the ordinary course of business, other than the Amalgamation Agreement, a copy of which is available under the Company's profile on SEDAR at www.sedar.com.

Brink's acts as the custodian of gold bullion held by BitGold Vault Inc. on behalf of BitGold as bailee for its customers pursuant to an agreement (the "**Brink's Agreement**"). Brink's has agreed to store gold bullion at its facilities in Toronto, London, Hong Kong, Singapore, Zurich, New York, Sydney, Sao Paulo, Frankfurt, and Dubai. For its services under the Brink's Agreement, Brink's will receive fees including (a) monthly storage fees, based on the value of gold stored (b) hourly fees for the services of authorized auditors to perform audits of metals stored at Brink's facilities, (c) flat fees for armoured transportation of gold between commercial businesses or financial institutions and Brink's.

BitGold may deliver written notice to Brink's of its intention to deposit or withdraw physical gold bullion, specifying the number, brand, weight, and fineness of gold to be deposited or withdrawn, as well as the delivery date, transportation arrangements. In the case of a deposit, on the delivery date, Brink's takes custody of the metal as specified in the delivery notice, provides a receipt, and credits BitGold's account. In the case of a withdrawal, Brink's will release gold bullion on the specified authorized persons, as designated by BitGold, against a written receipt. The Brink's Agreement also provides for transportation of physical gold bullion by Brink's between specified pick-up and delivery locations. All physical gold held by Brink's as custodian for the Company is specifically identified and physically segregated at all times from all coin, bullion, and metal in any form whatsoever the title to which is vested in any other person or entity.

Brink's liability with respect to physical gold bullion commences upon Brink's taking possession of physical gold bullion, and terminates when Brink's releases such gold from its facility, or in the case of shipments of gold, upon delivery of gold to the specified delivery location. Brink's bears all risk of loss, damage, or destruction of physical gold, except as a result of war, civil insurrection, or government confiscation; chemical, biological, electromagnetic, or computer-based attack; or nuclear incident. Liability of Brink's is also excluded in cases of service delay or non-performance due to strike, lockout, labour disturbance, acts of God or means beyond the control of Brink's and its facilities, though Brink's remains liable for loss, damage, or destruction of physical gold bullion received in its possession for storage or transportation as a result of such causes.

Brink's liability under the Brink's Agreement is limited to \$10,000,000 for loss, damage or destruction of physical gold bullion held by Brink's at any one vault location, and \$2,500,000 in the case of any one shipment of physical gold bullion. In addition, the Brink's Agreement excludes liability for special, incidental, consequential, indirect or punitive losses or damages, or interest, whether or not caused by the fault or neglect of Brink's and whether or not Brink's had knowledge that such losses or damages might be incurred. Brink's is required to maintain insurance at its own expense in respect of the risks that it assumes under the Brink's Agreement, and to furnish BitGold with a certificate evidencing such insurance upon request.

In the event that BitGold discovers any loss, damage or destruction of physical gold bullion stored or transported by Brink's under the Brink's Agreement, BitGold's is required to give notice within one business day of such discovery, and in any event no more than 30 days after delivery by Brink's of an account statement upon which the discrepancy first appears, or in respect of physical gold bullion transported under the Brink's Agreement, within 30 days after the date that Brink's took such gold into its possession. Upon affirmative proof of loss, Brink's will pay to

BitGold the market value of the metal that is the subject of loss, damage, or destruction, determined as the spot price for gold quoted by the LBMA on the date of loss, damage, or destruction, or the business day following delivery of notice to Brink's where the date of loss, damage or destruction is disputed. If such notice is not given in accordance with the Brink's Agreement, all claims against Brink's will be deemed to have been waived. In addition, no action, suit or other proceeding to recover for any loss may be brought against Brink's unless such action, suit or proceeding shall have been commenced within 12 months from the time a notice of claim is first delivered to Brink's.

ITEM 28 – EXPERTS

Certain legal and tax matters contained in this Application related to the Financing and the Amalgamation were passed upon on behalf of the Company by Peterson & Company LLP. Upon completion of the Amalgamation, Dennis H. Peterson, a partner of Peterson & Company LLP, serves as a director of the Company.

PricewaterhouseCoopers LLP, independent chartered professional accountants to BitGold, have audited and prepared an auditor's report on the consolidated financial statements of BitGold for the period from August 14, 2014 to March 31, 2015 included as Schedule "D" to this Application. Such firm is independent of the Company in accordance with the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Ontario.

McGovern Hurley Cunningham LLP, the former independent chartered accountants to Loma Vista, have audited and prepared an auditor's report on the consolidated financial statements of Loma Vista for the years ended September 30, 2014, and 2013, and have reviewed the unaudited condensed interim financial statements of Loma Vista for the three and six months ended March 31, 2015, together with the notes thereto, all of which have been incorporated herein by reference. Such firm is independent of the Company in accordance with the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Ontario.

As at the date hereof, none of the respective partners, associates and employees of Peterson & Company LLP, PricewaterhouseCoopers LLP, or McGovern Hurley Cunningham LLP beneficially own, directly or indirectly, more than 1% of the outstanding securities of the Company.

ITEM 29 – OTHER MATERIAL FACTS

There are no material facts about the Company or the listing of the Common Shares that are not disclosed in this Application.

ITEM 30 – ADDITIONAL INFORMATION – MINING OR OIL AND GAS APPLICANTS

This section is not applicable to the Company.

ITEM 31 – EXEMPTIONS

The Company has not received any discretionary exemptions from any securities regulator or securities regulatory authority since its incorporation on August 14, 2014.

ITEM 32 – FINANCIAL STATEMENT DISCLOSURE FOR ISSUERS

The following documents which have been filed with certain securities commissions or similar authorities in Canada in which the Company is a reporting issuer, are specifically incorporated by reference into this Application:

1. the audited annual financial statements of Loma Vista for the years ended September 30, 2014 and 2013;
2. the condensed interim financial statements of Loma Vista for the three and six months ended March 31, 2015;

3. MD&A of Loma Vista for the financial year ended September 30, 2014; and
4. MD&A of Loma Vista for the three and six months ended March 31, 2015.

The audited consolidated financial statements of BitGold for the period from August 14, 2014 to March 31, 2015, and the MD&A of BitGold for such period are attached as Schedule “D” to this Application.

The audited *pro forma* consolidated financial statements of the Company as at March 31, 2015 are attached as Schedule “E” to this Application.

ITEM 33 – SIGNIFICANT ACQUISITIONS

This section is not applicable to the Company.

CERTIFICATE OF THE COMPANY

Dated: May 8, 2015

Each of the undersigned hereby certifies that the foregoing constitutes full, true and plain disclosure of all information required under each item of this Application and of any material fact not otherwise required to be disclosed under an item of this Application.

(signed) Roy Sebag

Roy Sebag
President & Chief Executive Officer

(signed) Daniel Crandall

Daniel Crandall
Chief Financial Officer

On behalf of the Board of Directors

(signed) Joshua Crumb

Joshua Crumb
Director

(signed) James G. Eaton

James G. Eaton
Director

ACKNOWLEDGEMENT REGARDING PERSONAL INFORMATION

Dated: May 8, 2015

“Personal Information” means any information about an identifiable individual.

The Company hereby represents and warrants that it has obtained all consents required under applicable law for the collection, use and disclosure by the Exchange of the Personal Information contained in or submitted pursuant to this Application for the purposes described in Schedule “A” to this Application.

BITGOLD INC.

Per: (signed) Roy Sebag
Roy Sebag
President & Chief Executive Officer

SCHEDULE “A”
FORM 2B PERSONAL INFORMATION COLLECTION POLICY

Collection, Use and Disclosure

TSX Venture Exchange Inc. and its affiliates, authorized agents, subsidiaries and divisions, including TSX Venture Exchange and Toronto Stock Exchange, (collectively referred to as the “Exchange”) collect the information contained in or submitted pursuant to Form 2B (which may include personal, confidential, non-public or other information) and use it for the following purposes:

- to conduct background checks,
- to verify the Personal Information that has been provided about each individual,
- to consider the suitability of the individual to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant, of the Applicant,
- to consider the eligibility of the Applicant to list on the Exchange,
- to provide disclosure to market participants as to the security holdings of directors, officers, other insiders and promoters of the Applicant, or its associates or affiliates, including information as to such individuals’ involvement with any other reporting issuers
- to detect and prevent fraud, and
- to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the Exchange, securities legislation and other legal and regulatory requirements governing the conduct and protection of the capital markets in Canada.

Personal Information the Exchange collects may also be disclosed:

- (a) to securities regulators and regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, and each of their subsidiaries, affiliates, regulators and authorized agents, for the purposes described above, and these agencies and organizations may use the information in their own investigations;
- (b) on the Exchange’s website or through printed materials published by or pursuant to the directions of the Exchange for the purposes described above; and
- (c) as otherwise permitted or required by law.

The Exchange may from time to time use third parties to process information or provide other administrative services. In this regard, the Exchange may share the information with such third party service providers for the purposes described above.

Questions

If you have any questions or enquiries regarding the policy outlined above or about our privacy practices, please send a written request to: Chief Privacy Officer, TMX Group, The Exchange Tower, 130 King Street West, Toronto, Ontario, M5X 1J2.

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**SCHEDULE “B”
OPTION PLAN**

**ARTICLE 1
GENERAL**

1.1 Purpose

The purpose of this Plan is to advance the interests of BitGold Inc. (the “**Company**”) by (i) providing Eligible Persons with additional performance incentive; (ii) encouraging stock ownership by Eligible Persons; (iii) increasing the proprietary interest of Eligible Persons in the success of the Company; (iv) encouraging Eligible Persons to remain with the Company or its Affiliates; and (v) attracting new employees, officers, directors and Consultants to the Company or its Affiliates.

1.2 Administration

- (a) The Committee will administer this Plan. All references hereinafter to the term “**Board**” will be deemed to be references to the Committee. Notwithstanding the foregoing, if at any time the Committee has not been appointed by the Board, this Plan will be administered by the Board and in such event references herein to the Committee shall be construed to be a reference to the Board.
- (b) Subject to the limitations of this Plan, the Board has the authority: (i) to grant Options to purchase Shares to Eligible Persons; (ii) to determine the terms, including the limitations, restrictions and conditions, if any, upon such grants; (iii) to interpret this Plan and to adopt, amend and rescind such administrative guidelines and other rules and Regulations relating to this Plan as it may from time to time deem advisable, subject to required prior approval by any applicable regulatory authority and/or stock exchange; and (iv) to make all other determinations and to take all other actions in connection with the implementation and administration of this Plan as it may deem necessary or advisable. The Board’s guidelines, rules, Regulations, interpretations and determinations will be conclusive and binding upon all parties.

1.3 Interpretation

For the purposes of this Plan, the following terms will have the following meanings unless otherwise defined elsewhere in this Plan:

“**Act**” means the *Securities Act* (Ontario);

“**Affiliate**” means any corporation that is an affiliate of the Company as defined in the Act;

“**Affiliated Entity**” means with respect to the Company, a person or company that controls or is controlled by the Company or that is controlled by the same person or company that controls the Company;

“**Associate**”, where used to indicate a relationship with any person or company, means: (i) any company of which such person or company beneficially owns, directly or indirectly, voting securities carrying more than 10 per cent of the voting rights attached to all voting securities of the company for the time being outstanding; (ii) any partner of that person or company; (iii) any trust or estate in which such person or company has a substantial beneficial interest or as to which such person or company serves as trustee or in a similar capacity; (iv) any relative of that person who resides in the same home as that person; (v) any person who resides in the same home as that person and to whom that person is married, or any person of the opposite sex or the same sex who resides in the same home as that person and with whom that person is living in a conjugal relationship outside marriage; or (vi) any relative of a person mentioned in clause (v) who has the same home as that person;

“**Blackout Period**” means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of confidential information pertaining to the Company;

“**Board**” means the Board of Directors of the Company;

“**Change of Control**” means the occurrence of any one or more of the following events:

- (a) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company or any of its Affiliates and another corporation or other entity, as a result of which the holders of Shares immediately prior to the completion of the transaction hold less than 50% of the outstanding shares of the successor corporation after completion of the transaction;
- (b) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Company and/or any of its Subsidiaries which have an aggregate book value greater than 30% of the book value of the assets, rights and properties of the Company and its Subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a wholly-owned subsidiary of the Company in the course of a reorganization of the assets of the Company and its subsidiaries;
- (c) a resolution is adopted to wind-up, dissolve or liquidate the Company;
- (d) any person, entity or group of persons or entities acting jointly or in concert (an “**Acquiror**”) acquires or acquires control (including, without limitation, the right to vote or direct the voting) of Voting Securities of the Company which, when added to the Voting Securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or associates and/or affiliates of the Acquiror (as such terms are defined in the Act) to cast or to direct the casting of 20% or more of the votes attached to all of the Company’s outstanding Voting Securities which may be cast to elect directors of the Company or the successor corporation (regardless of whether a meeting has been called to elect directors);
- (e) as a result of or in connection with: (A) a contested election of directors, or; (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving the Company or any of its affiliates and another corporation or other entity, the nominees named in the most recent management information circular of the Company for election to the Board shall not constitute a majority of the Board; or
- (f) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

“**Committee**” means the Company’s Compensation Committee, duly appointed by the Board from time to time;

“**Company**” means BitGold Inc.;

“**Consultants**” means individuals, including advisors, other than employees and officers and directors of the Company or an Affiliated Entity that are engaged to provide consulting, technical, management or other services to the Company or any Affiliated Entity for an initial, renewable or extended period of 12 months or more under a written contract between the Company or the Affiliated Entity and the individual or a company of which the individual consultant is an employee or shareholder or a partnership of which the individual consultant is an employee or partner;

“**Eligible Person**” means, subject to the Regulations and to all applicable law, any employee, officer, director, or Consultant of (i) the Company or (ii) any Affiliated Entity (and includes any such person who is on a leave of absence authorized by the Board or the board of directors of any Affiliated Entity);

“**Exchange**” means the stock exchange on which the Common Shares are listed, if any, including, but not limited to, either the TSX Venture Exchange or the Toronto Stock Exchange, as applicable;

“**Holding Company**” means a holding company wholly-owned and controlled by an Eligible Person;

“**Insider**” means an insider as defined in the Act;

“**Merger and Acquisition Transaction**” means:

- (a) any merger,
- (b) any acquisition,
- (c) any amalgamation,
- (d) any offer for Shares of the Company which if successful would entitle the offeror to acquire more than 50% of the voting securities of the Company,
- (e) any arrangement or other scheme of reorganization, or
- (f) any consolidation,

that results in a Change of Control;

“**Option**” means a right granted to an Eligible Person to purchase Shares pursuant to the terms of this Plan;

“**Participant**” means an Eligible Person to whom or to whose RRSP or to whose Holding Company an Option has been granted;

“**Plan**” means this incentive stock option plan of the Company, as same may be amended from time to time;

“**Regulations**” means the regulations made pursuant to this Plan, as same may be amended from time to time;

“**Retirement**” in respect of a Participant means the Participant ceasing to be an employee, officer, director or Consultant of the Company or an Affiliated Entity after attaining a stipulated age in accordance with the Company’s normal retirement policy or earlier with the Company’s consent;

“**Retirement Date**” means the date that a Participant ceases to be an employee, officer, director or Consultant of the Company or an Affiliated Entity due to the Retirement of the Participant;

“**RRSP**” means a registered retirement savings plan;

“**Shares**” means the common shares in the capital of the Company;

“**Subsidiary**” means a corporation which is a subsidiary of the Company as defined under the *Securities Act* (Ontario);

“**Termination**” means: (i) in the case of an employee, the termination of the employment of the employee with or without cause by the Company or an Affiliated Entity or cessation of employment of the employee with the Company or an Affiliated Entity as a result of resignation or otherwise other than the Retirement of the employee; (ii) in the case of an officer or director, the removal of or failure to re-elect or re-appoint the individual as an officer or director of the Company or an Affiliated Entity (other than through the Retirement of an officer); and (iii) in the case of a Consultant, the termination of the services of a Consultant by the Company or an Affiliated Entity (other than through the Retirement of a Consultant);

“**Termination Date**” means the date on which a Participant ceases to be an Eligible Person due to the Termination of the Participant;

“**Transfer**” includes any sale, exchange, assignment, gift, bequest, disposition, mortgage, charge, pledge, encumbrance, grant of security interest or other arrangement by which possession, legal title or beneficial

ownership passes from one person to another, or to the same person in a different capacity, whether or not voluntary and whether or not for value, and any agreement to effect any of the foregoing; and

“**Voting Securities**” means Shares and/or any other securities (other than debt securities) that carry a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

1.2 Construction

Words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine.

1.3 Governing Law

This Plan is to be governed by and interpreted in accordance with the laws of the Province of Ontario.

1.4 Shares Reserved under the Share Option Plan

- (a) The aggregate maximum number of Shares available for issuance from treasury under this Plan and all of the Company’s other security based compensation arrangements at any given time is 10% of the Company’s issued and outstanding Shares as at the date of grant of an Option under the Plan, subject to adjustment or increase of such number pursuant to Section 3.2. Any Shares subject to an Option which has been granted under the Plan and which have been cancelled, repurchased, expired or terminated in accordance with the terms of the Plan without having been exercised will again be available under the Plan.
- (b) The aggregate number of Shares reserved for issuance pursuant to Options granted to Insiders at any given time, or within a 12-month period, shall not exceed 10% of the total number of Shares then outstanding, unless disinterested shareholder approval is obtained. The aggregate number of Shares reserved for issuance pursuant to Options granted to any one person or entity within any 12-month period shall not exceed 5% of the total number of Shares then outstanding unless disinterested shareholder approval is obtained.
- (c) The aggregate number of Options granted to any one Consultant in any 12-month period must not exceed 2% of the issued and outstanding Shares, calculated at the date the Option was granted.
- (d) The aggregate number of Options granted to persons employed to provide investor relations activities, as such term is defined by the Exchange, if applicable, in any 12-month period must not exceed 2% of the issued and outstanding Shares, calculated at the date the Option was granted.
- (e) For purposes of this Section 1.4, the number of Shares then outstanding shall mean the number of Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Option.

ARTICLE 2 OPTION GRANTS AND TERMS OF OPTIONS

2.1 Grants

Subject to this Plan, the Board will have the authority to determine the limitations, restrictions and conditions, if any, in addition to those set out in this Plan, applicable to the exercise of an Option, including, without limitation, the nature and duration of the restrictions, if any, to be imposed upon the sale or other disposition of Shares acquired upon exercise of the Option, and the nature of the events, if any, and the duration of the period in which any Participant’s rights in respect of Shares acquired upon exercise of an Option may be forfeited. An Eligible Person, an Eligible Person’s RRSP and an Eligible Person’s Holding Company may receive Options on more than one occasion under this Plan and may receive separate Options on any one occasion.

2.2 Exercise of Options

- (a) Options granted can be exercisable for a maximum of 10 years from the date of grant or such lesser period as determined by the Board at the time of such grant.
- (b) Where the expiry date for an Option occurs during a Blackout Period, the expiry date for such Option shall be extended to the date that is 10 business days following the end of such Blackout Period.
- (c) The Board may determine when any Option will become exercisable and may determine that the Option will be exercisable immediately upon the date of grant, or in instalments or pursuant to a vesting schedule, in accordance with the rules of the Exchange. Notwithstanding the foregoing, unless the Board determines otherwise, and subject to the other provisions of this Plan, Options issued pursuant to this Plan will vest immediately on the date of grant.
- (d) Notwithstanding section 2.2(c) above, Options granted to Consultants performing investor relations activities, as such term is defined by the Exchange, if applicable, must vest in stages over 12 months with no more than ¼ of the Options vesting in any three month period.
- (e) No fractional Shares may be issued and the Board may determine the manner in which fractional Share value will be treated.
- (f) A minimum of 100 Shares must be purchased by a Participant upon exercise of Options at any one time, except where the remainder of Shares available for purchase pursuant to Options granted to such Participant totals less than 100.
- (g) The date on which an Option will be deemed to have been granted under this Plan will be the date on which the Board authorizes the grant of such Option or such other future date as may be specified by the Board at the time of such authorization.

2.3 Option Price and Date

The Board will establish the exercise price of an Option at the time each Option is granted provided that such price shall not be less than:

- (a) If the Common Shares are listed on the TSX Venture Exchange, the Market Price (as such term is defined in TSX Venture Exchange Policy 1.1) of the Common Shares; or
- (b) If the Common Shares are listed on the Toronto Stock Exchange, the volume weighted average trading price (calculated in accordance with the rules and policies of the Toronto Stock Exchange) of the Common Shares, or another stock exchange where the majority of the trading volume and value of the Common Shares occurs, for the five trading days immediately preceding the day the option is granted; or
- (c) If the Common Shares are not listed on either the TSX Venture Exchange or the Toronto Stock Exchange, the applicable minimum price in accordance with the rules of the stock exchange on which the Common Shares are listed at the time of the grant; or
- (d) If the Common Shares are not listed on any stock exchange, the minimum exercise price as determined by the Board.

2.4 Grant to Participant's RRSP or Holding Company

Upon written notice from an Eligible Person, any Option that might otherwise be granted to that Eligible Person, will be granted, in whole or in part, to an RRSP or a Holding Company established by and for the sole benefit of the Eligible Person.

2.5 Termination, Retirement or Death

- (a) In the event of the Termination with cause of a Participant, each Option held by the Participant, the Participant's RRSP or the Participant's Holding Company will cease to be exercisable on the earlier of the expiry of its term and the Termination Date, or such longer or shorter period as determined by the Board. In the event of the Termination or Retirement of a Participant, each Option held by the Participant, the Participant's RRSP or the Participant's Holding Company will cease to be exercisable within a period of 90 days after the Termination Date or Retirement Date, as the case may be, or such longer or shorter period as determined by the Board. For greater certainty, such determination of a longer or shorter period may be made at any time subsequent to the date of grant of the Options, provided that no Option shall remain outstanding for any period which exceeds the earlier of: (i) the expiry date of such Option; and (ii) 12 months following the Termination Date or Retirement Date, as the case may be, of the Participants. The Board may delegate authority to the Chief Executive Officer of the Company to make any determination with respect to the expiry or termination date of Options held by any departing Participant, other than a departing non-management director or the Chief Executive Officer. If any portion of an Option has not vested on the Termination Date or Retirement Date, as the case may be, the Participant, the Participant's RRSP or the Participant's Holding Company may not, after the Termination Date or Retirement Date, as the case may be, exercise such portion of the Option which has not vested, provided that the Board may determine at any time, including for greater certainty at any time subsequent to the date of grant of the Options, that such portion of the Option vests automatically or pursuant to a vesting schedule determined by the Board. The Board may delegate authority to the Chief Executive Officer to make any determination with respect to vesting of Options or any portion thereof held by any departing Participant, other than a departing non-management director or the Chief Executive Officer. Without limitation, and for greater certainty only, this subsection (a) will apply regardless of whether the Participant was dismissed with or without cause and regardless of whether the Participant received compensation in respect of dismissal or was entitled to a period of notice of termination which would otherwise have permitted a greater portion of the Option to vest.
- (b) If a Participant dies, the legal representatives of the Participant may exercise the Options held by the Participant, the Participant's RRSP and the Participant's Holding Company within a period after the date of the Participant's death as determined by the Board, and for greater certainty such determination may be made at any time subsequent to the date of grant of the Options, provided that no Option shall remain outstanding for any period which exceeds the earlier of (i) the expiry date of such Option; and (ii) 12 months following the date of death of the Participant, but only to the extent the Options were by their terms exercisable on the date of death. The Board may determine at any time, including for greater certainty at any time subsequent to the date of grant of the Options, that such portion of the Option vests automatically or pursuant to a vesting schedule determined by the Board. The Board may delegate authority to the Chief Executive Officer to make any determination with respect to the expiry or termination date of Options or vesting of Options or any portion thereof held by any deceased Participant, other than a departing non-management director or the Chief Executive Officer. If the legal representative of a Participant who has died exercises the Option of the Participant or the Participant's RRSP or the Participant's Holding Company in accordance with the terms of this Plan, the Company will have no obligation to issue the Common Shares until evidence satisfactory to the Company has been provided by the legal representative that the legal representative is entitled to act on behalf of the Participant, the Participant's RRSP or the Participant's Holding Company to purchase the Common Shares under this Plan.

2.6 Option Agreements

Each Option must be confirmed, and will be governed, by an agreement in a form (which may, but need not be, in the form of Schedule "A" hereto) determined by the Board and signed by the Company and the Participant or an RRSP of which the Participant is an annuitant or the Participant's Holding Company.

2.7 Payment of Option Price

The exercise price of each Share purchased under an Option must be paid in full by bank draft or certified cheque at the time of exercise, and upon receipt of payment in full, but subject to the terms of this Plan, the number of Shares in respect of which the Option is exercised will be duly issued as fully paid and non-assessable. Share certificates representing the number of Shares in respect of which the Option has been exercised will be issued only upon payment in full of the relevant exercise price to the Company.

2.8 Acceleration of Vesting

In the event of a Change of Control, all Options outstanding shall be immediately exercisable, notwithstanding any determination of the Board pursuant to Section 2.2 hereof, if applicable. Notwithstanding the vesting schedule for an Option that is specified in an agreement granting an Option or in this Plan, the Committee shall have the right with respect to any one or more Participants in this Plan to accelerate the time at which an option may be exercised.

2.9 Merger and Acquisition

In the event of a Merger and Acquisition Transaction or proposed Merger and Acquisition Transaction:

- (a) subject to Section 2.8, the Committee may, in a fair and equitable manner, determine the manner in which all unexercised option rights granted under this Plan will be treated including, without limitation, requiring the acceleration of the time for the exercise of such rights by the Participants, the time for the fulfillment of any conditions or restrictions on such exercise, and the time for the expiry of such rights;
- (b) the Committee or any company which is or would be the successor to the Company or which may issue securities in exchange for Shares upon the Merger and Acquisition Transaction becoming effective may offer any Participant the opportunity to obtain a new or replacement option over any securities into which the Common Shares are changed or are convertible or exchangeable, on a basis proportionate to the number of Shares under Option and the Exercise Price (and otherwise substantially upon the terms of the Option being replaced, or upon terms no less favorable to the Participant) including, without limitation, the periods during which the Option may be exercised and expiry dates; and in such event, the Participant shall, if he accepts such offer, be deemed to have released his Option over the Common Shares and such Option shall be deemed to have lapsed and be cancelled; or
- (c) the Committee may exchange for or into any other security or any other property or cash, any Option that has not been exercised, upon giving to the Participant to whom such Option has been granted at least 30 days written notice of its intention to exchange such Option, and during such notice period, the Option, to the extent it has not been exercised, may be exercised by the Participant without regard to any vesting conditions attached thereto, and on the expiry of such notice period, the unexercised portion of the Option shall lapse and be cancelled.

Subsections (a), (b) and (c) of this Section 2.9 are intended to be permissive and may be utilized independently of, successively with, or in combination with each other and Section 2.8, and nothing therein contained shall be construed as limiting or affecting the ability of the Committee to deal with Options in any other manner. All determinations by the Committee under this Section 2.9 will be final, binding and conclusive for all purposes.

2.10 Amendment of Option Terms

Subject to the prior approval of any applicable regulatory authorities and/or stock exchange (as required) and the consent of the Participant affected thereby, the Board may amend or modify any outstanding Option in any manner to the extent that the Board would have had the authority to initially grant the Option as so modified or amended, including without limitation, to change the date or dates as of which, or the price at which, an Option becomes exercisable, provided however, that the consent of the Participant shall not be required where the rights of the Participant are not adversely affected.

**ARTICLE 3
MISCELLANEOUS**

3.1 Prohibition on Transfer of Options

Options are non-assignable and non-transferable.

3.2 Capital Adjustments

If there is any change in the outstanding Shares by reason of a stock dividend or split, recapitalization, consolidation, combination or exchange of shares, or other fundamental or similar corporate change, the Board will make, subject to any prior approval required of relevant stock exchanges or other applicable regulatory authorities, if any, an appropriate substitution or adjustment in (i) the exercise price of any unexercised Options under this Plan; (ii) the number or kind of shares or other securities reserved for issuance pursuant to this Plan; and (iii) the number and kind of shares subject to unexercised Options theretofore granted under this Plan; provided, however, that no substitution or adjustment will obligate the Company to issue or sell fractional shares. In the event of the reorganization of the Company or the amalgamation or consolidation of the Company with another corporation, the Board may make such provision for the protection of the rights of Eligible Persons, Participants, their RRSPs and their Holding Companies as the Board in its discretion deems appropriate. The determination of the Board, as to any adjustment or as to there being no need for adjustment, will be final and binding on all parties.

The grant of an Option shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge, consolidate, dissolve or liquidate, or to sell or transfer all or any part of its business or assets.

3.3 Non-Exclusivity

Nothing contained herein will prevent the Board from adopting other or additional compensation arrangements for the benefit of any Eligible Person or Participant, subject to any required regulatory or shareholder approval.

3.4 Renegotiation of Options

Subject to the prior consent of the Exchange, an Option, to the extent that it has not been exercised, may be renegotiated in accordance with the rules and policies of the Exchange.

3.5 Amendment and Termination

Subject to the requisite shareholder and regulatory approvals set forth under subparagraphs 3.5(a) and (b) below, the Board may from time to time amend or revise the terms of the Plan or may discontinue the Plan at any time provided however that no such amendment or revision may, without the consent of the Optionee, in any manner adversely affect his rights under any Option theretofore granted under the Plan.

- (a) The Board may, subject to receipt of requisite shareholder and regulatory approval, make the following amendments to the Plan:
 - (i) any amendment to the number of securities issuable under the Plan, including adopting a fixed maximum number of securities or any increase to such fixed maximum number;
 - (ii) any change to the definition of the eligible participants which would have the potential of broadening or increasing insider participation;
 - (iii) the addition of a deferred or restricted share unit or any other provision which results in participants receiving securities while no cash consideration is received by the Company, unless the Company is a Tier II issuer on the TSX Venture Exchange;
 - (iv) a discontinuance of the Plan; and

- (v) any other amendments that may lead to significant or unreasonable dilution in the Company's outstanding securities or may provide additional benefits to eligible participants, especially insiders of the Company, at the expense of the Company and its existing shareholders.
- (b) The Board may, subject to receipt of requisite regulatory approval, where required, in its sole discretion make all other amendments to the Plan that are not of the type contemplated in subparagraph 3.5(a) above including, without limitation:
- (i) amendments of a "housekeeping" or clerical nature;
 - (ii) a change to the vesting provisions of a security or the Plan;
 - (iii) amendments to reflect any requirements of any regulatory authorities to which the Company is subject, including the Exchange;
 - (iv) a change to the termination provisions of a security or the Plan which does not entail an extension beyond the original expiry date;
 - (v) a change in the exercise price of Options, provided that at least six months have elapsed since the later of the date of commencement of the term of the Option, the date the Common Shares commenced trading on the Exchange or the date the exercise price of the Option was last amended, and provided that disinterested shareholder approval is obtained for any reduction in the exercise price if the Option holder is an Insider (as such term is defined by the Exchange) of the Company at the time of such proposed reduction;
 - (vi) amendments to Sections 2.8 and 2.9 and the definitions of Change of Control and Merger and Acquisition Transaction;
 - (vii) unless the Common Shares are listed on the TSX Venture Exchange, the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Plan reserve; and
 - (viii) amendments to reflect changes to applicable laws or regulations.
- (c) Notwithstanding the provisions of subparagraph 3.5(b), the Company shall additionally obtain requisite shareholder approval in respect of amendments to the Plan that are contemplated pursuant to section subparagraph 3.5(b), to the extent such approval is required by any applicable laws or regulations.

3.6 No Rights as Shareholder

Nothing herein or otherwise shall be construed so as to confer on any Participant any rights as a shareholder of the Company with respect to any Shares reserved for the purpose of any Option.

3.7 Employment

In the case of employees, nothing contained in this Plan shall confer upon any Participant any right with respect to employment or continuance of employment with the Company or any of its subsidiaries, or interfere in any way with the right of the Company or any of its subsidiaries to terminate the Participant's employment at any time. Participation in this Plan by a Participant is voluntary.

3.8 Securities Regulation and Tax Withholding

- (a) Where necessary to effect exemption from registration of the Common Shares under securities laws applicable to the securities of the Company, a Participant shall be required, upon the acquisition of any Shares pursuant to the Plan, to acquire the Common Shares with investment intent (i.e. for investment purposes) and not with a view to their distribution, and to present to the

Committee an undertaking to that effect in a form acceptable to the Committee. The Committee may take such other action or require such other action or agreement by such Participant as may from time to time be necessary to comply with applicable securities laws. This provision shall in no way obligate the Company to undertake the registration of any Options or the Common Shares under any securities laws applicable to the securities of the Company.

- (b) The Committee and the Company may take all such measures as they deem appropriate to ensure that the Company's obligations under the withholding provisions under income tax laws applicable to the Company and other provisions of applicable laws are satisfied with respect to the issuance of Shares or the grant or exercise of Options under this Plan.
- (c) Issuance, transfer or delivery of certificates for Shares purchased pursuant to this Plan may be delayed, at the discretion of the Compensation Committee, until the Committee is satisfied that the applicable requirements of securities and income tax laws have been met.

3.9 No Representation or Warranty

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of this Plan.

3.10 Compliance with Legislation

The Board may postpone or adjust any exercise of any Option or the issue of any Shares pursuant to this Plan as the Board in its discretion may deem necessary in order to permit the Company to effect or maintain registration of this Plan or the Common Shares issuable pursuant thereto under the securities laws of any applicable jurisdiction, or to determine that the Common Shares and this Plan are exempt from such registration. The Company is not obligated by any provision of this Plan or any grant hereunder to sell or issue Shares in violation of any applicable law. In addition, if the Common Shares are listed on a stock exchange, the Company will have no obligation to issue any Shares pursuant to this Plan unless the Common Shares have been duly listed, upon official notice of issuance, on a stock exchange on which the Common Shares are listed for trading.

3.11 Bone Fide

The Company hereby represents that any employees or Consultants to whom Options are granted hereunder are bona fide employees or Consultants, as applicable.

3.12 Effective Date

This Plan shall be effective on February 1, 2015, subject to shareholder approval and ratification by ordinary resolution at the Company's next annual meeting of shareholders.

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SCHEDULE “C”
BITGOLD AUDIT COMMITTEE CHARTER

Audit Committee Charter

1. Establishment of Audit Committee

- 1.1. This Audit Committee Charter has been established by the Board of Directors of BitGold Inc. (the “**Company**”).

2. Purpose and Mandate

- 2.1. The Audit Committee (the “**Committee**”) shall:
- (a) assist the Company’s board of directors (the “**Board**”) in its oversight role with respect to the quality and integrity of financial information;
 - (b) assess the effectiveness of the Company’s risk management and compliance practices;
 - (c) assess the independent auditor’s performance, qualifications and independence;
 - (d) assess the performance of the Company’s internal audit function;
 - (e) ensure the Company’s compliance with legal and regulatory requirements; and
 - (f) prepare such reports of the Committee as are required to be included in the Company’s management information circular in accordance with applicable laws or the rules of applicable securities regulatory authorities.

3. Composition and Appointment

- 3.1. The Committee shall consist of at least three directors who shall serve on behalf of the Board, of whom at least a majority shall be “independent” within the meaning of National Instrument 52-110 – *Audit Committees*.
- 3.2. The members shall be appointed annually by the Board and shall meet the independence, financial literacy and experience requirements of National Instrument 52-110 – *Audit Committees*, the TSX Venture Exchange and other regulatory agencies, as required. Each member shall continue to be a member of the Committee until a successor is appointed, unless the member resigns, is removed or ceases to be a director. The Board may fill a vacancy that occurs in the Committee at any time.
- 3.3. The Board or, in the event of its failure to do so, the members of the Committee, shall appoint or reappoint, after the annual meeting of the shareholders of the Company, a Chair from among their number. The Chair shall not be a current or former officer of the Company. Such Chair shall serve as a liaison between members of the Committee and senior management. In addition to the Chair’s responsibilities as Chair of the Committee, he or she will also have the additional duty of reviewing and approving the out-of-pocket expenses of the Chair of the Board which are to be reimbursed by the Company.

4. Meetings of the Committee

- 4.1. The time and place of meetings of the Committee and the procedure at such meetings shall be determined from time to time by the members thereof, provided that:
- (a) a quorum for meetings shall be at least two members;
 - (b) the Committee shall meet at least quarterly;

- (c) notice of the time and place of every meeting shall be given in writing or by telephone, facsimile, email or other electronic communication to each member of the Committee at least 24 hours in advance of such meeting; and
 - (d) a resolution in writing signed by all members entitled to vote on that resolution at a meeting of the Committee is as valid as if it had been passed at a meeting of the Committee.
- 4.2. The Committee shall report to the Board on its activities after each of its meetings. The report to the Board may take the form of an oral report by the Chair of the Committee or any other designated member of the Committee.

5. Specific Duties

5.1. *Oversight of the Independent Auditor*

- (a) Sole authority to appoint or replace the independent auditor (subject to shareholder ratification) and responsibility for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Committee.
- (b) Sole authority to pre-approve all audit services as well as non-audit services to be performed by the independent auditor (including the fees, terms and conditions for the performance of such services).
- (c) Evaluate the qualifications, performance and independence of the independent auditor, including (i) reviewing and evaluating the lead partner on the independent auditor's engagement with the Company, and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.
- (d) Obtain and review a report from the independent auditor at least annually regarding: the independent auditor's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm; any steps taken to deal with any such issues; and all relationships between the independent auditor and the Company.
- (e) Review and discuss with management and the independent auditor prior to the annual audit the scope, planning and staffing of the annual audit.
- (f) Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law.
- (g) Review as necessary policies for the Company's hiring of employees or former employees of the independent auditor.

5.2. *Financial Reporting*

- (a) Review and discuss with management and the independent auditor the annual audited financial statements prior to the publication of earnings.
- (b) Review and discuss with management the Company's annual and quarterly disclosures made in management's discussion and analysis. If applicable, the Committee shall approve any reports for inclusion in the Company's annual report and/or management information circular, as required by applicable legislation.

- (c) Review and discuss with management and the independent auditor management's report on its assessment of internal controls over financial reporting and the independent auditor's attestation report on management's assessment.
- (d) Review and discuss with management the Company's interim financial statements prior to the publication of earnings.
- (e) Review and discuss with management and the independent auditor at least annually significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
- (f) Review and discuss with management and the independent auditor at least annually reports from the independent auditor on: critical accounting policies and practices to be used; significant financial reporting issues, estimates and judgments made in connection with the preparation of the financial statements; alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and any other material written communications between the independent auditor and management.
- (g) Discuss with the independent auditor at least annually any "management" or "internal control" letters issued or proposed to be issued by the independent auditor to the Company.
- (h) Review and discuss with management and the independent auditor at least annually any significant changes to the Company's accounting principles and practices suggested by the independent auditor, internal audit personnel or management.
- (i) Discuss with management the Company's earnings press releases, including the use of "pro forma" or "adjusted" non-IFRS information, as well as financial information and earnings guidance (if any) provided to analysts and rating agencies.
- (j) Review and discuss with management and the independent auditor at least annually the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
- (k) Review and discuss with the Company's Chief Executive Officer and Chief Financial Officer the procedures undertaken in connection with such officers' certifications for the Company's annual filings with applicable securities regulatory authorities.
- (l) Review disclosures, made by the Company's Chief Executive Officer and Chief Financial Officer during their certification process for the annual filing with applicable securities regulatory authorities, about any significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data or any material weaknesses in the internal controls, and any fraud involving management or other employees who have a significant role in the Company's internal controls.
- (m) Discuss with the Company's general counsel at least annually any legal matters that may have a material impact on the financial statements, operations, assets or compliance policies and any material reports or inquiries received by the Company (or any of its subsidiaries) from regulators or governmental agencies.

5.3. *Oversight of Risk Management*

- (a) Review and periodically approve management's risk philosophy and risk management policies.
- (b) Review with management at least annually reports demonstrating compliance with risk management policies.
- (c) Review with management the quality and competence of management personnel appointed to administer risk management policies.
- (d) Review reports from the independent auditor at least annually relating to the adequacy of the Company's risk management practices together with management's responses.
- (e) Discuss with management at least annually the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

5.4. *Oversight of Regulatory Compliance*

- (a) Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- (b) Discuss with management and the independent auditor at least annually any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting.
- (c) Meet with the Company's regulators, according to applicable law.
- (d) Exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Committee by the Board.

5.5. *Review of Audit Committee and Reporting to the Board*

- (a) The Committee shall undertake and review with the Board an annual performance evaluation of the Committee, which shall compare the performance of the Committee with the requirements of this Charter and set forth the goals and objectives of the Committee for the upcoming year. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate.

6. Authority and Funding

- 6.1. The Committee shall have the authority to communicate directly with the independent auditors and to request their attendance at any meeting of the Committee. In addition, the independent auditors of the Company shall receive notice of every meeting of the Committee and may attend and be heard at any such meeting.
- 6.2. The Committee shall also have the authority to inspect, either directly or through its duly appointed representatives, all of the relevant accounting books, records and systems of the Company, and to discuss with the officers, employees and independent auditors of the Company such books, records, systems and other matters considered appropriate.
- 6.3. The Committee may at any time ensure the attendance of any officer or employee of the Company, as appropriate, at any meeting of the Committee. Furthermore, the Committee, through its Chair, may directly contact any employee of the Company it deems necessary, and any employee or third party

may bring before the Committee any matter involving questionable, improper or illegal practices or transactions.

- 6.4. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of issuing an audit report. The Committee shall also have the authority to retain such other independent advisors as it may from time to time deem necessary or advisable for its purposes, which advisors shall also be paid by the Company. In addition, the Company shall pay the ordinary administrative expenses of the Committee.

7. Committee Members

- 7.1. Refer to Board, Committee & Policy Framework Table, Section 1, page 5.

8. Charter Review

- 8.1. The Committee will annually review and reassess the adequacy of this Charter and submit any recommend changes to the Board for approval.

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SCHEDULE "D"
FINANCIAL STATEMENTS AND MD&A OF BITGOLD

Please see attached.



**BITGOLD INC.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCORPORATION,
AUGUST 14, 2014, TO MARCH 31, 2015
(EXPRESSED IN CANADIAN DOLLARS)**



May 8, 2015

Independent Auditor's Report

**To the Shareholders of
BitGold Inc.**

We have audited the accompanying consolidated financial statements of BitGold Inc. and its subsidiaries, which comprise the consolidated statement of financial position of BitGold Inc. as at March 31, 2015 and the consolidated statements of loss and comprehensive loss, of cash flows and changes in equity for the period from incorporation, August 14, 2014 to March 31, 2015, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2
T: +1 416 863 1133, F: +1 416 365 8215*



Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of BitGold Inc. and its subsidiaries as at March 31, 2015 and their financial performance and their cash flows for the period from incorporation, August 14, 2014 to March 31, 2015 in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

BitGold Inc.
Consolidated Statement of Financial Position
(Expressed in Canadian Dollars)

	As at March 31, 2015
ASSETS	
Current assets	
Cash and cash equivalents	\$ 1,701,799
Restricted cash (note 11(b)(vi))	6,999,999
Prepays and other assets	123,779
Short-term investments (note 6)	199,567
Gold inventory (note 7)	553,070
Total current assets	9,578,214
Non-current assets	
Property and equipment (note 8)	138,362
Intangibles (note 9)	10,095
Total assets	\$ 9,726,671
EQUITY AND LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities (note 11(b)(vi))	\$ 779,782
Convertible debentures (note 10)	660,487
Subscription receipts (note 11(b)(vi))	6,999,999
Total liabilities	8,440,268
Equity	
Share capital (note 11)	2,950,779
Subscription receipts costs (note 11(b)(vi))	(735,220)
Equity portion of convertible debentures (note 10)	178,748
Warrants (note 12)	218,594
Deficit	(1,326,498)
Total equity	1,286,403
Total equity and liabilities	\$ 9,726,671

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Subsequent events (note 17)

Approved on behalf of the Board:

"Joshua Crumb", Director

"Roy Sebag", Director

BitGold Inc.**Consolidated Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)**

	Period from incorporation, August 14, 2014 to March 31, 2015
Revenue	
Gold sales	\$ 268,536
Cost of sales	
Cost of goods sold	272,379
Loss on revaluation gold inventory (note 7)	19,090
Total cost of sales	291,469
Gross loss	(22,933)
Operating expenses	
Advertising and promotion	145,183
Depreciation (note 8)	3,777
Foreign exchange	(50,908)
General and administrative	153,864
Payroll expenses	79,505
Professional fees (note 13)	905,129
Public company expenses	21,941
Total gross loss and operating expenses	(1,281,424)
Interest income	2,161
Accretion expense (note 10)	(47,235)
Net loss and comprehensive loss for the period	\$ (1,326,498)
Basic and diluted net loss per share	\$ (0.06)
Weighted average number of common shares outstanding	20,802,542

The accompanying notes to the consolidated financial statements are an integral part of these statements.

BitGold Inc.
Consolidated Statement of Cash Flows
(Expressed in Canadian Dollars)

	Period from incorporation, August 14, 2014 to March 31, 2015
Operating activities	
Net loss for the period	\$ (1,326,498)
Adjustments for:	
Advertising and promotion paid in shares	25,000
Professional fees paid in shares	396,600
Accrued interest	(215)
Depreciation	3,777
Unrealized foreign exchange	(2,689)
Accretion expense	47,235
Changes in non-cash working capital items:	
Prepays and other assets	(123,779)
Gold inventory	(553,070)
Accounts payable and accrued liabilities	779,782
Net cash used in operating activities	(753,857)
Investing activities	
Purchase of short-term investments	(221,663)
Sale of short-term investments	25,000
Purchase of property and equipment	(142,139)
Purchase of intangibles	(10,095)
Net cash used in investing activities	(348,897)
Financing activities	
Proceeds from private placements, net of issue costs	2,529,179
Proceeds from issuance of convertible debentures, net of issue costs	792,000
Proceeds from subscription receipts, net of issue costs	6,483,373
Increase in restricted cash	(6,999,999)
Net cash provided by financing activities	2,804,553
Net change in cash and cash equivalents	1,701,799
Cash and cash equivalents, beginning of period	-
Cash and cash equivalents, end of period	\$ 1,701,799

The accompanying notes to the consolidated financial statements are an integral part of these statements.

BitGold Inc.**Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)**

	Share capital		Subscription receipts		Warrants		Equity portion of convertible debentures		Deficit		Total
	Number	Amount	costs				debtentures				
Balance, August 14, 2014		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Private placements	20,304,952	2,529,179	-	-	-	-	-	-	-	-	2,529,179
Shares issued for professional fees and advertising and promotion	3,000,000	100,000	-	-	-	-	-	-	-	-	100,000
Shares issued for services	548,000	321,600	-	-	-	-	-	-	-	-	321,600
Convertible debentures issued	-	-	-	-	-	-	178,748	-	-	-	178,748
Subscription receipts issuance costs	-	-	(516,626)	-	-	-	-	-	-	-	(516,626)
Valuation of agent warrants	-	-	(218,594)	-	-	218,594	-	-	-	-	-
Net loss for the period	-	-	-	-	-	-	-	-	(1,326,498)	-	(1,326,498)
Balance, March 31, 2015	23,852,952	\$ 2,950,779	\$ (735,220)	\$ 218,594	\$ 218,594	\$ 178,748	\$ (1,326,498)	\$ 1,286,403			\$ 1,286,403

The accompanying notes to the consolidated financial statements are an integral part of these statements.

BitGold Inc.

Notes to Consolidated Financial Statements

For the Period from Incorporation, August 14, 2014, to March 31, 2015

(Expressed in Canadian Dollars)

1. Nature of operations

BitGold Inc. ("BitGold" or the "Company") was incorporated on August 14, 2014 and organized under the laws of Ontario, Canada. The primary office of the Company is located at 334 Adelaide Street West, Suite 305, Toronto, Ontario M5V 1P8.

The Company is a development stage internet technology and money services business. Through the use of its proprietary software, the Company is establishing a business that can reach individuals and commercial users around the world with a service to acquire, store and spend gold bullion securely and efficiently.

2. Significant accounting policies

The policies applied in these consolidated financial statements are based on International Financial Reporting Standards ("IFRS") issued and outstanding as of May 8, 2015, the date the Board of Directors approved the statements.

(a) Basis of preparation and International Financial Reporting Standards

These financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the period ended March 31, 2015.

(b) Basis of measurement

These consolidated financial statements have been prepared on an historical cost basis except for investments in gold and short-term investments, which are recorded at fair value.

In the preparation of these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the period. Actual results could differ from those estimates. Of particular significance are the estimates and assumptions used in the recognition and measurement of items included in Note 2(t).

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiaries, BitGold Vault Inc. and GoldVault Limited.

The results of subsidiaries acquired or disposed of during the periods presented are included in the consolidated statement of loss and comprehensive loss from the effective date of acquisition and up to the effective date of disposal, as appropriate. All intercompany transactions, balances, income and expenses are eliminated on consolidation.

(d) Functional currency and foreign currency translation

The presentation currency of these consolidated financial statements is Canadian dollars. The functional currency for each entity consolidated with the Company is determined by the currency of the primary economic environment in which it operates ("the functional currency"). The Company and its wholly owned subsidiaries' functional currency is the Canadian dollar.

BitGold Inc.

Notes to Consolidated Financial Statements

For the Period from Incorporation, August 14, 2014, to March 31, 2015

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(e) Financial instruments

Financial instruments are defined as any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

Financial assets are classified into the following categories at their initial recognition:

- financial assets at fair value through profit or loss ("FVTPL");
- held-to-maturity investments;
- loans and receivables; and
- available-for-sale financial assets.

Financial liabilities are classified into the following categories at their initial recognition:

- financial liabilities at fair value through profit or loss; and
- other financial liabilities.

Financial assets and liabilities are initially measured at fair value, plus, in the case of a financial asset or liability not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issuance of the financial asset or liability. In a purchase or sale of financial assets, recognition and derecognition occurs using trade date accounting.

Financial assets are subsequently measured after initial recognition at fair value, except for financial assets classified as held-to-maturity investments or loans and receivables, which are subsequently measured at amortized cost using the effective interest method.

Financial liabilities at fair value through profit or loss are subsequently measured after recognition at fair value. All other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Financial assets are derecognized when:

- the contractual rights to the cash flows from the financial asset expire;
- the contractual rights to the cash flows from the financial asset are retained, but a contractual obligation to pay the cash flows to another party without material delay is assumed by the Company; or
- when the Company transfers substantially all the risks and rewards of ownership of the financial asset.

Financial liabilities are derecognized when the obligations are discharged, cancelled, or expire.

Financial assets (other than a financial asset defined as FVTPL) are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include: significant financial difficulty of the issuer or counterparty; or significant or prolonged decrease in fair value; or default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial reorganization. For equity investments a significant or prolonged decline in fair value of the securities below their cost is evidence the asset is impaired. Equity investments are assessed on a specific identification basis.

BitGold Inc.

Notes to Consolidated Financial Statements

For the Period from Incorporation, August 14, 2014, to March 31, 2015

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(e) *Financial instruments (continued)*

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of financial assets classified as loans and receivables, where the carrying amount is reduced through the use of an allowance account. When these assets are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the consolidated statement of loss and comprehensive loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. Impairment losses on available-for-sale equity instruments are not reversed through profit or loss.

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(f) *Cash and cash equivalents*

Cash and cash equivalents comprise cash at banks and on hand and cash held in trust, which may be settled on demand or an original maturity of less than 90 days.

(g) *Short-term investments*

Short-term investments are liquid investments with a maturity greater than three months and less than twelve months and are recorded at fair market value.

(h) *Gold inventory*

Gold inventory is measured at fair value determined by reference to published bid price quotations, with unrealized and realized gains and losses recorded in the consolidated statement of loss and comprehensive loss.

(i) *Share-based payments*

Share-based payment awards that are direct awards of stock to employees or directors, call for settlement in cash or other assets, or are stock appreciation rights that call for settlement by issuing equity instruments, are accounted for using the Black-Scholes option pricing model. The cost is recognized on a graded vesting method basis adjusted for expected forfeitures as an employee or director expense with a corresponding increase to equity in contributed surplus. Consideration paid by employees or directors on the exercise of stock options is recorded as share capital.

Share-based payments with parties other than employees, assumes a rebuttable presumption that the fair value of the goods or services received can be estimated reliably. In certain circumstances, the Company rebuts this presumption because it cannot estimate reliably the fair value of the goods or services received. The Company then measures the goods or services received, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders service.

BitGold Inc.

Notes to Consolidated Financial Statements

For the Period from Incorporation, August 14, 2014, to March 31, 2015

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(j) *Research and development*

Research and development costs are expensed in the period incurred unless development costs meet the criteria for capitalization as an intangible asset. The Company did not capitalize any development costs in the period.

(k) *Property and equipment*

Property and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of property and equipment consists of the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for its intended use.

Depreciation is recognized based on the cost of an item of property and equipment, less its estimated residual value, over its estimated useful life at the following rates:

Computer equipment	30%	Declining balance
ATM machines	20%	Declining balance
Leasehold improvements	Length of lease	Straight-line
Tooling	30%	Declining balance
Office equipment and furniture	20%	Declining balance

An asset's residual value, useful life and depreciation method are reviewed, and adjusted if appropriate, on an annual basis.

(l) *Intangibles*

Intangibles are carried at cost, less accumulated amortization and accumulated impairment losses.

Intangible assets with finite useful lives are amortized on a straight-line basis over their useful lives. The estimated useful lives of intangible assets, are as follows:

Patent	20 years	Straight-line
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An useful life and amortization method are reviewed, and adjusted if appropriate, on an annual basis.

(m) *Impairment of non-financial assets*

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statement of loss and comprehensive loss.

The Company will reverse any previous impairment losses where circumstances have changed such that the level of impairment in the value of the assets has been reduced.

Assets with an indefinite useful life that are not amortized are tested annually for impairment, irrespective of whether there is any indication these assets may be impaired.

BitGold Inc.

Notes to Consolidated Financial Statements

For the Period from Incorporation, August 14, 2014, to March 31, 2015

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(n) *Revenue*

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Revenue is recognized based on the gross proceeds at the time of a gold sale.

(o) *Cost of sales*

Cost of golds sold is measured at the fair value of the gold inventory sold determined by reference to published bid price quotations with unrealized and realized gains and losses recorded in loss on revaluation of gold inventory.

(p) *Loss per share*

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. For diluted loss per share, the dilutive effect on loss per share is calculated presuming the exercise of outstanding options, warrants, convertible debentures and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the year. The Company's diluted loss per share does not include the effect of convertible debentures as they are anti-dilutive.

(q) *Income taxes*

Income tax comprises current and deferred tax. Income tax is recognized in the consolidated statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the consolidated statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are presented as non-current.

(r) *Provisions*

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Provisions are determined by discounting the expected future cash flows to present value.

BitGold Inc.

Notes to Consolidated Financial Statements

For the Period from Incorporation, August 14, 2014, to March 31, 2015

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(s) *Subscription receipts*

Subscription receipts issued are considered a liability due to the inclusion of a contingent settlement provision that is beyond the control of both the issuer and the holder of the instrument. Related transaction costs are included in equity.

(t) *Critical accounting judgments and estimates*

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment.

Convertible debentures

Management makes certain estimates when determining the value of the debt component of the convertible debentures. These estimates affect the allocation between the liability and equity components, based on the estimate of the interest rate that a non-convertible debenture with similar terms would bear. If the interest rate used had decreased/increased by 5% with all other variables held constant, the equity portion of convertible debentures would have increased/decreased by approximately \$30,000 and accretion expense would have increased/decreased by approximately \$1,000.

Valuation of warrants

The fair value of warrants is determined using the Black-Scholes option pricing formula. Option pricing models require the input of subjective assumptions including expected dividend yield, expected volatility and expected average life. If the volatility used had increased/decreased by 20% with all other variables held constant, the fair value of warrants would have increased/decreased by approximately \$34,000 and \$38,000, respectively.

BitGold Inc.

Notes to Consolidated Financial Statements

For the Period from Incorporation, August 14, 2014, to March 31, 2015

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(u) New accounting standards and interpretations

IFRS 9 – Financial instruments (“IFRS 9”) addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009, October 2010, November 2013 and finalized in July 2014. It replaces the parts of IAS 39 Financial Instruments: Recognition and Measurement that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into three measurement categories: those measured at FVTPL, those measured at FVOCI and those measured at amortized cost, with the determination made at initial recognition. The classification depends on an entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. 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 selected for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the consolidated statements of operations, unless this creates an accounting mismatch. IFRS 9 has also been updated to amend the requirements around hedge accounting, however, there is no impact to the Company from these amendments as it does not apply hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company has not yet assessed the impact of adoption.

IFRS 15, ‘Revenue from contracts with customers’ deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 ‘Revenue’ and IAS 11 ‘Construction contracts’ and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017, however BitGold Inc. has chosen to early-adopt this standard effective April 1, 2015.

3. Capital risk management

The Company manages its capital with the following objectives:

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

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company considers its capital to be equity, comprising share capital, subscription receipts costs, equity portion of convertible debentures, warrants and deficit, which at March 31, 2015 totalled \$1,286,403.

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on actual activities. Selected information is provided to the Board of Directors of the Company.

BitGold Inc.

Notes to Consolidated Financial Statements

For the Period from Incorporation, August 14, 2014, to March 31, 2015

(Expressed in Canadian Dollars)

4. Categories of financial instruments

	As at March 31, 2015
Financial assets:	
FVTPL	
Current	
Short-term investments	\$ 199,567
Gold inventory	\$ 553,070
Loans and receivables	
Current	
Cash and cash equivalents	\$ 1,701,799
Restricted cash	\$ 6,999,999
Financial liabilities:	
Other financial liabilities	
Current	
Accounts payable and accrued liabilities	\$ 779,782
Convertible debentures	\$ 660,487

As of March 31, 2015, for financial instruments held at fair value, investment in gold is considered to be Level 1 and short-term investments are considered to be Level 2 under the fair value hierarchy.

5. Financial instruments

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

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

Credit Risk

The Company's credit risk is primarily attributable to cash and cash equivalents, restricted cash, short-term investments and gold inventory. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents, restricted cash, short-term investments and gold inventory are held with reputable institutions, from which management believes the risk of loss to be remote. The maximum exposure to credit risk is the carrying value of cash and cash equivalents, restricted cash, short-term investments and gold inventory.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. As at March 31, 2015, the Company had a cash and cash equivalents, restricted cash and short-term investments balance of \$8,901,365 to settle current liabilities of \$8,440,268. If the escrow release conditions were not satisfied on or before April 27, 2015, the Subscription Receipts would have been cancelled and all proceeds from the sale of Subscription Receipts would have been returned to the subscribers. If the proceeds of the Subscription Receipts had been returned, the Company would have been required to raise additional financing to continue development. Subsequent to March 31, 2015, the escrow release conditions were met and the proceeds were received by the Company.

BitGold Inc.

Notes to Consolidated Financial Statements

For the Period from Incorporation, August 14, 2014, to March 31, 2015

(Expressed in Canadian Dollars)

5. Financial instruments (continued)

Market Risk

Interest rate risk

The Company has cash balances and no variable interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term certificates of deposits issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian and US dollars. The Company also holds financial instruments denominated in US dollars, Euros and Pound Sterling. The Company is affected by changes in exchange rates between the Canadian and these foreign currencies.

Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors prices of gold. The Company's investment in gold is subject to fair value fluctuations arising from changes in the gold price.

Sensitivity analysis

Based on management's knowledge of and experience with the financial markets, the Company believes the following movements are "reasonably possible":

- (i) The Company's gold inventory amounting to \$553,070 is subject to fair value fluctuations. As at March 31, 2015, if the fair value of the Company's gold inventory had decreased/increased by 10% with all other variables held constant, net loss and comprehensive loss and shareholders' equity for the period ended March 31, 2015 would have been approximately \$55,000 higher/lower.
- (ii) The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash and cash equivalents, short-term investments, investment in gold and accounts payable and accrued liabilities. Financial instruments are denominated in US dollars, Euros and Pound Sterling. As at March 31, 2015, the net loss and comprehensive loss would have been approximately \$59,000 higher/lower, had the Canadian dollar weakened/strengthened by 5%, as a result of foreign exchange gains/losses on translation of US dollar denominated financial instruments related to cash and cash equivalents and accounts payable and accrued liabilities. As at March 31, 2015, currency risk for Euros and Pound Sterling was not significant.

6. Short-term investments

The Company has two company credit cards with a major financial institution. The financial institution holds \$60,000 and US\$110,000 in two Guaranteed Investment Certificates as collateral on the credit amount as long as the credit cards are active.

BitGold Inc.

Notes to Consolidated Financial Statements

For the Period from Incorporation, August 14, 2014, to March 31, 2015

(Expressed in Canadian Dollars)

7. Gold inventory

March 31, 2015	Cost	Market Value Adjustment	Fair Value
Gold bullion	\$ 572,160	\$ (19,090)	\$ 553,070

8. Property and equipment

Cost	Computer Equipment	ATM Machines	Leasehold Improvements	Tooling	Office Equipment and Furniture	Total
Balance, August 14, 2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additions	19,744	75,397	23,377	5,630	17,991	142,139
Balance, March 31, 2015	\$ 19,744	\$ 75,397	\$ 23,377	\$ 5,630	\$ 17,991	\$ 142,139

Accumulated Depreciation	Computer Equipment	ATM Machines ⁽¹⁾	Leasehold Improvements	Tooling	Office Equipment and Furniture	Total
Balance, August 14, 2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Depreciation for the period	1,334	-	872	455	1,116	3,777
Balance, March 31, 2015	\$ 1,334	\$ -	\$ 872	\$ 455	\$ 1,116	\$ 3,777

Carrying Value	Computer Equipment	ATM Machines	Leasehold Improvements	Tooling	Office Equipment and Furniture	Total
Balance, August 14, 2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance, March 31, 2015	\$ 18,410	\$ 75,397	\$ 22,505	\$ 5,175	\$ 16,875	\$ 138,362

(1) ATM machines are not depreciated as they are not currently in use.

9. Intangibles

Cost	Patent	Total
Balance, August 14, 2014	\$ -	\$ -
Additions	10,095	10,095
Balance, March 31, 2015	\$ 10,095	\$ 10,095

Accumulated Amortization	Patent ⁽¹⁾	Total
Balance, August 14, 2014	\$ -	\$ -
Amortization for the period	-	-
Balance, March 31, 2015	\$ -	\$ -

(1) Patent is not amortized as it is currently under application.

BitGold Inc.

Notes to Consolidated Financial Statements

For the Period from Incorporation, August 14, 2014, to March 31, 2015

(Expressed in Canadian Dollars)

9. Intangibles (continued)

Carrying Value	Patent	Total
Balance, August 14, 2014	\$ -	\$ -
Balance, March 31, 2015	\$ 10,095	\$ 10,095

10. Convertible debentures

On December 11, 2014, the Company issued interest free unsecured convertible debentures with a principal amount of \$800,000. Total transaction costs of \$8,000 were incurred on the issuance.

The Convertible Debentures shall be due and payable in full on the earlier of (i) 12 months from the Closing Date (assuming that the Company has not completed a Liquidity Event by such date); and (ii) the occurrence of an event of default that is not waived by the Purchaser (the earliest of which being the "Maturity Date"). "Liquidity Event" means the earlier of (i) the Company completing a Going Public Transaction; or (ii) the Company completing one or more equity offerings for minimum aggregate gross proceeds of \$10 million at a pre-money valuation of no less than \$8 million.

In the event that the Company completes a Liquidity Event prior to the Maturity Date, the Convertible Debentures shall automatically convert into an aggregate of 3,789,600 common shares.

Provided that the Convertible Debentures are outstanding or for so long as the Purchaser owns 10% of the issued and outstanding shares of the Company, or the successor party to the Company following a Going Public Transaction, the Purchaser shall be entitled to participate in all equity or convertible debt transactions in order to maintain its pro rata ownership interest, on an as converted basis.

The Company used the residual value method to allocate the principal amount of the convertible debenture between the liability and equity components. The Company valued the debt component of the debentures by calculating the present value of the principal and interest payments, discounted at a rate of 25%, being management's best estimate of the rate that a non-convertible debenture with similar terms would bear. The equity conversion feature of the debenture comprises the value of the conversion option, being the difference between the face value of the debenture and the liability element calculated above. Based on this calculation, the liability component is \$619,446 (\$613,252 net of transaction costs) and the residual equity component is \$180,554 (\$178,748 net of transaction costs). Accretion charges attributable to the debenture for the period ended March 31, 2015 were \$47,235. This amount is added to the liability component on the consolidated statement of financial position and is included in accretion expense on the consolidated statement of loss and comprehensive loss.

The fair market value of the convertible debentures approximated the carrying value.

11. Share capital

As part of the 30 for 1 share split completed on December 3, 2014 all applicable references to the number of shares and per share information have been restated.

a) Authorized share capital

The authorized share capital consisted of unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

BitGold Inc.

Notes to Consolidated Financial Statements

For the Period from Incorporation, August 14, 2014, to March 31, 2015

(Expressed in Canadian Dollars)

11. Share capital (continued)

b) Common shares issued

	Number of common shares	Amount
Balance, August 14, 2014	-	\$ -
Private placement (i)	15,750,000	525,000
Private placement (iv)	4,554,952	2,004,179
Shares issued for professional fees and advertising and promotion (ii)	3,000,000	100,000
Shares issued for services (iii), (v)	548,000	321,600
Balance, March 31, 2015	23,852,952	\$ 2,950,779

(i) On August 14, 2014, the Company completed a private placement for 15,750,000 common shares at \$0.033 per common share to directors and an officer of the Company.

(ii) On August 14, 2014, the Company issued 3,000,000 common shares at a price of \$0.033 per common share for expenses related to advertising and promotion and professional fees incurred by an officer and director of the Company. The transaction price was determined based on the value of the Company's shares on issuance as the value of the services could not be reliably measured.

(iii) On September 30, 2014, the Company issued 198,000 common shares at a price of \$0.033 per common share for consulting services. The transaction price was determined based on the value of the Company's shares on issuance as the value of the services could not be reliably measured.

(iv) On December 31, 2014, the Company completed a private placement for 4,554,952 common shares at \$0.44 per common share.

(v) On January 30, 2015, the Company issued 350,000 common shares at a price of \$0.90 per share pursuant to an advisory services agreement. The transaction price was determined based on the value of the Company's shares on issuance as the value of the services could not be reliably measured.

(vi) On February 19, 2015, the Company completed a brokered private placement raising gross proceeds of \$6,999,999 through the issuance of subscription receipts ("Subscription Receipts") at a price of \$0.90 per Subscription Receipt. On April 27, 2015, each Subscription Receipt automatically converted for no additional consideration into one BitGold unit (a "Unit").

Each Unit was comprised of one BitGold Share and one-half of one BitGold warrant, with each whole BitGold warrant entitling the holder thereof to acquire one BitGold Share at a price of \$1.35 until August 19, 2016, subject to acceleration by BitGold if the volume-weighted average price of the BitGold Shares on the principal stock exchange upon which they trade exceeds \$2.00 for a period of 20 consecutive trading days. Pursuant to the Amalgamation, each BitGold Share and BitGold Warrant issued upon conversion of the Subscription Receipts was exchanged for comparable securities of Amalco.

In connection with the Financing, the Agents are entitled to a cash commission of \$416,112 (included in accounts payable and accrued liabilities) and 462,346 broker warrants exercisable for Units. Pursuant to the Amalgamation, each one broker warrant issued pursuant to the Financing was exchanged for one broker warrant of Amalco.

BitGold Inc.

Notes to Consolidated Financial Statements

For the Period from Incorporation, August 14, 2014, to March 31, 2015

(Expressed in Canadian Dollars)

11. Share capital (continued)

b) Common shares issued (continued)

(vi) (continued) The fair value of the 462,346 broker warrants was estimated at \$218,594 using the Black-Scholes option pricing formula with the following assumptions: exercise price – \$0.90, expected dividend yield - 0%, expected volatility - 100%, risk-free interest rate - 1.01% and an expected average life of 2 years.

A director and officer and an officer purchased 1,008,000 and 10,000 Subscription Receipts, respectively.

12. Warrants

	Number of warrants	Weighted average exercise price
Balance, August 14, 2014	-	\$ -
Issued (note 11(b)(vi))	462,346	0.90
Balance, March 31, 2015	462,346	\$ 0.90

Number of warrants outstanding	Exercise price (\$)	Expiry date
462,346	0.90 ⁽¹⁾	February 19, 2017

(1) Each warrant is exercisable into one common share and one half of one warrant, with each whole warrant entitling the holder thereof to acquire one common share at a price of \$1.35 for a period of 18 months after issuance.

13. Related party transactions

Related parties include the Board of Directors, senior management, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Related party transactions conducted in the normal course of operations are measured at fair value.

The Chief Financial Officer ("CFO") is a senior employee of Marrelli Support Services Inc. ("MSSI"), a firm providing CFO and accounting services. During the period ended March 31, 2015, the Company incurred \$21,350 for services rendered by MSSI, which are included in professional fees. As at March 31, 2015, MSSI was owed \$7,654 and this amount was included in accounts payable and accrued liabilities.

See notes 11 (b)(i), (ii) and (vi).

BitGold Inc.**Notes to Consolidated Financial Statements****For the Period from Incorporation, August 14, 2014, to March 31, 2015****(Expressed in Canadian Dollars)**

14. Income taxes

The following table reconciles the expected income tax expense (recovery) at the Canadian Federal and Provincial statutory rate of 26.5% to the amounts recognized in the consolidated statement of loss and comprehensive loss.

	Period ended March 31, 2015
Net loss for the period before income taxes	\$ (1,326,498)
Expected income tax recovery	(351,522)
Non-deductible expenses and other	17,576
Tax benefits not recognized	333,946
Income tax expense	\$ -

The tax benefit of the following unused tax losses and deductible temporary differences have not been recognized in the consolidated financial statements due to the unpredictability of future earnings:

	As at March 31, 2015
Deductible temporary differences	
Non-capital losses carried forward	\$ 333,946
	\$ 333,946

The Company's non-capital income tax losses expire as follows:

Year of expiry	2035	\$ 1,260,173
		\$ 1,260,173

15. Commitments

(i) The Company entered into two lease agreements on its premises, expiring October 2017 and February 2020, respectively. Under the terms of the lease agreements the Company has the following remaining base lease commitments in the following fiscal years:

2016	\$ 41,429
2017	41,778
2018	32,138
2019	18,499
2020	<u>17,270</u>
	\$ <u>151,114</u>

BitGold Inc.

Notes to Consolidated Financial Statements

For the Period from Incorporation, August 14, 2014, to March 31, 2015

(Expressed in Canadian Dollars)

16. Amalgamation

On January 28, 2015, the Company entered into a binding letter of intent for a business combination agreement with Loma Vista Capital Inc. ("Loma Vista"), which resulted in a reverse take-over, completed on April 29, 2015.

Pursuant to the business combination, Loma Vista amalgamated with BitGold to form a corporation to continue under the name, BitGold Inc. (the "Amalgamation"). Following completion of the Amalgamation, the amalgamated company ("Amalco") holds all of BitGold's assets and conducts the business of BitGold.

Pursuant to the Amalgamation, approximately 16.5 shares of Loma Vista were exchanged for one common share of Amalco, and one share of the Company was exchanged for one common share of Amalco. Immediately prior to Amalgamation, there were 9,158,667 Loma Vista common shares issued and outstanding and 36,064,329 BitGold shares outstanding (which includes 3,789,600 common shares issued on the conversion of the convertible debentures, 7,777,777 common shares issued for the Subscription Receipts and 644,000 private placement common shares (see note 17)).

In conjunction with the Amalgamation, BitGold completed a brokered private placement (the "Financing") through a syndicate of agents co-led by Dundee Securities Ltd. and Clarus Securities Inc., and including GMP Securities L.P. and Canaccord Genuity Corp. (the "Agents") raising gross proceeds of approximately \$7,000,000 through the issuance of subscription receipts ("Subscription Receipts") at a price of \$0.90 per Subscription Receipt (see note 11(b)(vi)).

As a result of the Amalgamation, including the private placement (see note 17), the Company has 36,619,885 issued and outstanding common shares on an undiluted basis. Approximately 1.5% of those shares are held by former shareholders of Loma Vista, and 75.5% are held by former shareholders of BitGold, with the remaining 23.0% held by the private placement investors.

17. Subsequent events

On April 22, 2015, the Company completed a brokered private placement of 504,000 common shares at \$0.90 per common share for aggregate gross proceeds of \$453,600, and a non-brokered private placement of 140,000 common shares at \$0.90 per common share for aggregate gross proceeds of \$126,000. The Company paid a cash commission of \$9,072 in connection with the brokered portion of the financing.

On April 29, 2015, BitGold granted 892,500 stock options at an exercise price of \$0.90 and 1,042,500 stock options at an exercise price of \$2.00 expiring April 29, 2020 to officers, directors, employees and consultants. Of the 892,500 options, (i) 500,000 vested in full on the grant date, and (ii) 392,500 vest as to 1/3 on the grant date, 1/3 on the first anniversary of the grant date, and 1/3 on the second anniversary of the grant date. Of the 1,042,500 options, (i) 500,000 will vest in full on the first anniversary of the grant date, and (ii) the remaining 542,500 vest as to 1/3 on the grant date, 1/3 on the first anniversary of the grant date, and 1/3 on the second anniversary of the grant date.

**BITGOLD INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD FROM INCORPORATION,
AUGUST 14, 2014, TO MARCH 31, 2015**

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of BitGold Inc. (the "Company" or "BitGold") constitutes management's review of the factors that affected the Company's financial and operating performance for the period from incorporation, August 14, 2014, to March 31, 2015. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited consolidated financial statements of the Company for the period from incorporation, August 14, 2014, to March 31, 2015, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the period from incorporation, August 14, 2014, to March 31, 2015 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at April 24, 2015 unless otherwise indicated.

The consolidated financial statements for the period from incorporation, August 14, 2014, to March 31, 2015, have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risks and Uncertainties" section below. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or

more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

BitGold Inc. ("BitGold" or the "Company") was incorporated on August 14, 2014 and organized under the laws of Ontario, Canada. The primary office of the Company is located at 334 Adelaide Street West, Suite 305, Toronto, Ontario M5V 1P8.

The Company is a development stage internet technology and money services business. Through the use of its proprietary software, the Corporation is establishing a business that can reach individuals and commercial users around the world with a service to acquire, store and spend gold bullion securely and efficiently.

Overall Performance

At March 31, 2015, the Company had working capital of \$1,137,946, cash and cash equivalents of \$1,701,799 and restricted cash of \$6,999,999. During the period from incorporation, August 14, 2014, to March 31, 2015, the Company had a net loss of \$1,326,498.

On August 14, 2014, the Company completed a private placement for 15,750,000 common shares at \$0.033 per common share to directors and an officer of the Company.

On August 14, 2014, the Company issued 3,000,000 common shares at a price of \$0.033 per common share for expenses related to advertising and promotion and professional fees incurred by an officer and director of the Company.

On September 30, 2014, the Company issued 198,000 common shares at a price of \$0.033 per common share for consulting services.

On December 11, 2014, the Company issued interest free unsecured convertible debentures with a principal amount of \$800,000. Total transaction costs of \$8,000 were incurred on the issuance.

The Convertible Debentures shall be due and payable in full on the earlier of (i) 12 months from the Closing Date (assuming that the Company has not completed a Liquidity Event by such date); and (ii) the occurrence of an event of default that is not waived by the Purchaser (the earliest of which being the "Maturity Date"). "Liquidity Event" means the earlier of (i) the Company completing a Going Public Transaction; or (ii) the Company completing one or more equity offerings for minimum aggregate gross proceeds of \$10 million at a pre-money valuation of no less than \$8 million.

In the event that the Company completes a Liquidity Event prior to the Maturity Date, the Convertible Debentures shall automatically convert into an aggregate of 3,789,600 common shares.

Provided that the Convertible Debentures are outstanding or for so long as the Purchaser owns 10% of the issued and outstanding shares of the Company or the successor party to the Company following a

Going Public Transaction, the Purchaser shall be entitled to participate in all equity or convertible debt transactions in order to maintain its pro rata ownership interest, on an as converted basis.

On December 31, 2014, the Company completed a private placement for 4,554,952 common shares at \$0.44 per common share.

On January 30, 2015, the Company issued 350,000 common shares at a deemed issue price of \$0.90 per share pursuant to an advisory services agreement.

On February 19, 2015, the Company completed a brokered private placement raising gross proceeds of approximately \$7,000,000 through the issuance of subscription receipts at a price of \$0.90 per subscription receipt. See "Amalgamation" below.

On April 22, 2015, the Company closed a \$579,600 private placement of \$0.90 per common share to 115 purchasers. Each purchaser acquired 5,600 shares for an aggregate purchase price of \$5,040. See "Subsequent Events" below.

Off-Balance-Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Amalgamation

On January 28, 2015, the Company entered into a binding letter of intent for a business combination agreement with Loma Vista Capital Inc. ("Loma Vista"), which resulted in a reverse take-over, completed on April 29, 2015.

Pursuant to the business combination, Loma Vista amalgamated with BitGold to form a corporation to continue under the name, BitGold Inc. (the "Amalgamation"). Following completion of the Amalgamation, the amalgamated company ("Amalco") holds all of BitGold's assets and conducts the business of BitGold.

Pursuant to the Amalgamation, approximately 16.5 shares of Loma Vista were exchanged for one common share of Amalco, and one share of the Company was exchanged for one common share of Amalco. Immediately prior to Amalgamation, there were 9,158,667 Loma Vista common shares issued and outstanding and 36,064,329 BitGold shares outstanding (which includes 3,789,600 common shares issued on the conversion of the convertible debentures, 7,777,777 common shares issued for the Subscription Receipts and 644,000 private placement common shares (see "Subsequent Events" below).

In conjunction with the Amalgamation, BitGold completed a brokered private placement (the "Financing") through a syndicate of agents co-led by Dundee Securities Ltd. and Clarus Securities Inc., and including GMP Securities L.P. and Canaccord Genuity Corp. (the "Agents") raising gross proceeds of approximately \$7,000,000 through the issuance of subscription receipts ("Subscription Receipts") at a price of \$0.90 per Subscription Receipt. On April 27, 2015, each Subscription Receipt automatically converted for no additional consideration into one BitGold unit (a "Unit").

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Each Unit was comprised of one BitGold Share and one half of one warrant, with each whole warrant (a "BitGold Warrant") entitling the holder thereof to acquire one BitGold Share at a price of \$1.35 for a period of 18 months after issuance, subject to acceleration by BitGold if the volume-weighted average price of the BitGold Shares on the principal stock exchange upon which they are listed exceeds \$2.00 for a period of 20 consecutive days. Pursuant to the Amalgamation, each BitGold Unit was exchanged for one Amalco Unit.

In connection with the Financing, the Agents are entitled to a cash commission of \$416,112 (included in accounts payable and accrued liabilities) and 462,346 broker warrants exercisable for Units. Pursuant to the Amalgamation, each one broker warrant issued pursuant to the Financing was exchanged for one broker warrant of Amalco.

As a result of the Amalgamation, including the private placement (see "Subsequent Events" below), the Company has 36,619,885 issued and outstanding common shares on an undiluted basis. Approximately 1.5% of those shares are held by former shareholders of Loma Vista, and 75.5% are held by former shareholders of BitGold, with the remaining 23.0% held by the private placement investors.

Selected Annual Financial Information

	For the Period from Incorporation, August 14, 2014, to March 31, 2015
Revenue	\$268,536
Net loss for the period	\$(1,326,498)
Basic and diluted loss per share	\$(0.06)
Total assets	\$9,726,671

Selected Quarterly Information

A summary of selected information for each of the three most recent quarters is as follows:

Three Months Ended	Net Revenues (\$)	Net Income (Loss)	
		Total (\$)	Basic and Diluted Loss Per Share (\$)
March 31, 2015	268,536	(988,567)	(0.04)
December 31, 2014	-	(211,453)	(0.01)
August 14, 2014 to September 31, 2014	-	(126,478)	(0.01)

Result of Operations

The Company commenced operations during August 2014. The focus of management during the period from incorporation, August 14, 2014 to March 31, 2015 was organizing the Company, developing AURUM, its key technology, and other elements of its platform and completion of the Amalgamation.

During the period from incorporation, August 14, 2014, to March 31, 2015 and three months ended March 31, 2015, the Company had incidental revenue and cost of sales of \$268,536 and \$291,469, respectively, related to initial beta testing of the Company's platform.

Period from Incorporation, August 14, 2014, to March 31, 2015

During the period from incorporation, August 14, 2014, to March 31, 2015, the Company incurred a net loss and comprehensive loss of \$1,326,498 and operating expenses of \$1,258,491.

Operating expenses mainly consisted:

- Advertising and promotion expenses of \$145,183 related to pre-launch advertising and promotion;
- Professional fees of \$905,129 mainly related to development costs of the Company's platform and costs related to the Amalgamation;
- General and administrative expenses of \$153,864 related to general working capital purposes.

Three Months Ended March 31, 2015

During the three months ended March 31, 2015, the Company incurred a net loss and comprehensive loss of \$988,567 and operating expenses of \$927,563.

Operating expenses mainly consisted:

- Advertising and promotion expenses of \$109,011 related to pre-launch advertising and promotion;
- Professional fees of \$651,322 mainly related to development costs of the Company's platform and costs related to the Amalgamation;
- General and administrative expenses of \$132,340 related to general working capital purposes.

Liquidity and Financial Position

At March 31, 2015, the Company had \$1,701,799 in cash and cash equivalents, restricted cash of \$6,999,999 and working capital of \$1,137,946.

Cash used in operating activities was \$753,857 for the period. Operating activities were affected by the net loss of \$1,326,498 offset by non-cash items of \$469,708 largely because of professional fees paid in shares of \$396,600 and the positive change in non-cash working capital balances of \$102,933 largely because of an increase in accounts payables and accrued liabilities of \$779,782.

Cash used in investing activities was \$348,897 for the period. Investing activities were affected by net purchases of short-term investments of \$196,663, purchase of property and equipment of \$142,139 and purchase of intangibles of \$10,095.

Cash provided by financing activities was \$2,804,553 for the period. Financing activities were affected by proceeds from private placements, net of issue costs of \$2,529,179, proceeds from issuance of convertible debentures, net of issue costs of \$792,000, proceeds from subscription receipts, net of issue costs of \$6,483,373 and an increase in restricted cash of \$6,999,999.

The Company currently has minimal operating revenues and therefore must utilize its funds obtained from the equity financing and other financing transactions to maintain its ongoing operating activities. See "Overall Performance" above for financing closed after the period end.

Recent Accounting Pronouncements

IFRS 9 – Financial instruments ("IFRS 9") addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009, October 2010, November 2013 and finalized in July 2014. It replaces the parts of IAS 39 Financial Instruments: Recognition and Measurement that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into three measurement categories: those measured at FVTPL, those measured at FVOCI and those measured at amortized cost, with the determination made at initial recognition. The classification depends on an entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. 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 selected for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the consolidated statements of operations, unless this creates an accounting mismatch. IFRS 9 has also been updated to amend the requirements around hedge accounting, however, there is no impact to the Company from these amendments as it does not apply hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company has not yet assessed the impact of adoption.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after January 1, 2017, however BitGold Inc. has chosen to early-adopt this standard effective April 1, 2015.

Capital risk management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and

- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company considers its capital to be equity, comprising share capital, subscription receipts costs, equity portion of convertible debentures, warrants and deficit, which at March 31, 2015 totaled \$1,286,403.

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on actual activities. Selected information is provided to the Board of Directors of the Company.

Financial risk management

Credit Risk

The Company's credit risk is primarily attributable to cash and cash equivalents, restricted cash, short-term investments and gold inventory. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents, restricted cash, short-term investments and gold inventory are held with reputable institutions, from which management believes the risk of loss to be remote. The maximum exposure to credit risk is the carrying value of cash and cash equivalents, restricted cash, short-term investments and gold inventory.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. As at March 31, 2015, the Company had a cash and cash equivalents, restricted cash and short-term investments balance of \$8,901,365 to settle current liabilities of \$8,440,268. If the escrow release conditions were not satisfied on or before April 27, 2015, the Subscription Receipts would have been cancelled and all proceeds from the sale of Subscription Receipts would have been returned to the subscribers. If the proceeds of the Subscription Receipts had been returned, the Company would have been required to raise additional financing to continue development. Subsequent to March 31, 2015, the escrow release conditions were met and the proceeds were received by the Company.

Market Risk

Interest rate risk

The Company has cash balances and no variable interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term certificates of deposits issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian and US dollars. The Company also holds financial instruments denominated in US dollars, Euros and Pound Sterling. The Company is affected by changes in exchange rates between the Canadian and these foreign currencies.

Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors prices of gold. The Company's gold inventory is subject to fair value fluctuations arising from changes in the gold price.

Sensitivity analysis

Based on management's knowledge of and experience with the financial markets, the Company believes the following movements are "reasonably possible":

- (i) The Company's gold inventory amounting to \$553,070 is subject to fair value fluctuations. As at March 31, 2015, if the fair value of the Company's gold inventory had decreased/increased by 10% with all other variables held constant, net loss and comprehensive loss and shareholders' equity for the period ended March 31, 2015 would have been approximately \$55,000 higher/lower.
- (ii) The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash and cash equivalents, short-term investments, investment in gold and accounts payable and accrued liabilities. Financial instruments are denominated in US dollars, Euros and Pound Sterling. As at March 31, 2015, the net loss and comprehensive loss would have been approximately \$59,000 higher/lower, had the Canadian dollar weakened/strengthened by 5%, as a result of foreign exchange gains/losses on translation of US dollar denominated financial instruments related to cash and cash equivalents and accounts payable and accrued liabilities. As at March 31, 2015, currency risk for Euros and Pound Sterling was not significant.

Related Party Transactions

Related parties include the Board of Directors, senior management, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Related party transactions conducted in the normal course of operations are measured at fair value.

The Chief Financial Officer ("CFO") is a senior employee of Marrelli Support Services Inc. ("MSSI"), a firm providing CFO and accounting services. During the period ended March 31, 2015, the Company incurred \$21,350 for services rendered by MSSI, which are included in professional fees. As at March 31, 2015, MSSI was owed \$7,654 and this amount was included in accounts payable and accrued liabilities.

On August 14, 2014, the Company completed a private placement for 15,750,000 common shares at \$0.033 per common share to directors and an officer (Roy Sebag and Joshua Crumb) of the Company.

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On August 14, 2014, the Company issued 3,000,000 common shares at a price of \$0.033 per common share for expenses related to advertising and promotion and professional fees incurred by an officer and director (Roy Sebag) of the Company.

A director and officer (Roy Sebag) and an officer (Daniel Crandall) purchased 1,008,000 and 10,000 Subscription Receipts, respectively. See "Amalgamation" above.

Share Capital

As of the date of this MD&A, the Company had 32,274,729 issued and outstanding common shares, convertible debentures convertible into 3,789,600 common shares, 462,346 warrants exercisable into Units at a price of \$0.90 until February 19, 2017 and 3,888,888 warrants exercisable into common shares at a price of \$1.35 until August 19, 2016.

Subsequent Events

On April 22, 2015, the Company completed a brokered private placement of 504,000 common shares at \$0.90 per common share for aggregate gross proceeds of \$453,600, and a non-brokered private placement of 140,000 common shares at \$0.90 per common share for aggregate gross proceeds of \$126,000. The Company paid a cash commission of \$9,072 in connection with the brokered portion of the financing.

On April 29, 2015, BitGold granted 892,500 stock options at an exercise price of \$0.90 and 1,042,500 stock options at an exercise price of \$2.00 expiring April 29, 2020 to officers, directors, employees and consultants. Of the 892,500 options, (i) 500,000 vested in full on the grant date, and (ii) 392,500 vest as to 1/3 on the grant date, 1/3 on the first anniversary of the grant date, and 1/3 on the second anniversary of the grant date. Of the 1,042,500 options, (i) 500,000 will vest in full on the first anniversary of the grant date, and (ii) the remaining 542,500 vest as to 1/3 on the grant date, 1/3 on the first anniversary of the grant date, and 1/3 on the second anniversary of the grant date.

Risks and Uncertainties

An investment in the BitGold shares is highly speculative in nature and involves a high degree of risk. Due to the nature of BitGold's business and its present stage of development, prospective investors should carefully consider certain risks involved in an investment in the securities of BitGold including: (i) BitGold's absence of any operating history; (ii) future capital needs and uncertainty of additional financing; (iii) the competitive nature of the industry; (iv) unproven market for BitGold's services; (v) BitGold's ability to evaluate and respond to market conditions; (vi) volatility of gold prices and public interest in gold investment; (vii) the need for BitGold to manage its planned growth and expansion; (viii) action taken by regulatory authorities may limit BitGold's business and operations; (ix) lack of regulation and consumer protection; (x) the effects of product development and need for continued technology change; (xi) dependence on technical infrastructure; (xii) foreign growth restrictions; (xiii) gold trading risks; (xiv) protection of intellectual property rights; (xv) the effect of government regulation and compliance on BitGold and the industry; (xvi) use and storage of personal information and compliance with privacy laws; (xvii) network security risks; (xviii) the ability of BitGold to maintain properly working systems; (xix) market expansion risks; (xx) use of BitGold's services for improper or illegal purposes; (xxi) theft and risk of

BITGOLD INC.
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physical harm to personnel; (xxii) reliance on key personnel; (xxiii) customer complaints and negative publicity; (xxiv) global economic and financial market deterioration impeding access to capital or increasing the cost of capital; (xxv) volatile securities markets impacting security pricing unrelated to operating performance; (xxvi) dividend policy; (xxvii) concentration of control of BitGold; and (xxviii) uninsurable risks.

See "*ITEM 21 – RISK FACTORS*".

SCHEDULE "E"
PRO FORMA FINANCIAL STATEMENTS

Please see attached.

BitGold Inc.

Unaudited Pro Forma Consolidated Financial Statements

(Expressed in Canadian Dollars)

March 31, 2015

BitGold Inc.

Pro Forma Consolidated Statement of Financial Position

As at March 31, 2015

(Unaudited - Expressed in Canadian Dollars)

	Loma Vista Capital Inc.	BitGold Inc.	Note Ref.	Pro Forma Adjustments	Pro Forma Consolidated
	\$	\$		\$	\$
Assets					
Current assets					
Cash and cash equivalents	109,584	1,701,799	3(d)	6,999,999	
			3(e)	536,063	9,347,445
Restricted cash	-	6,999,999	3(d)	(6,999,999)	-
Prepays and other assets	9,045	123,779		-	132,824
Short-term investments	-	199,567		-	199,567
Gold inventory	-	553,070		-	553,070
Total current assets	118,629	9,578,214		536,063	10,232,906
Investment in CF Global	27,870	-		-	27,870
Property and equipment	-	138,362		-	138,362
Intangibles	-	10,095		-	10,095
	146,499	9,726,671		536,063	10,409,233
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	32,999	779,782		-	812,781
Convertible debentures	-	660,487	3(c)	(660,487)	-
Subscription receipts	-	6,999,999	3(d)	(6,999,999)	-
	32,999	8,440,268		(7,660,486)	812,781
Equity (Deficiency)					
Share capital					
	457,889	2,950,779	3(a)	431,445	
			3(b)	(457,889)	
			3(c)	839,235	
			3(d)	5,304,807	
			3(e)	536,063	10,062,329
Subscription receipts costs		(735,220)	3(d)	735,220	-
Equity portion of convertible debentures	-	178,748	3(c)	(178,748)	-
Contributed surplus	86,405	-	3(a)	11,449	
			3(b)	(86,405)	11,449
Warrants	-	218,594	3(d)	959,972	1,178,566
Deficit	(430,794)	(1,326,498)	3(a)	(329,394)	
			3(b)	430,794	(1,655,892)
	113,500	1,286,403		8,196,549	9,596,452
	146,499	9,726,671		536,063	10,409,233

See accompanying notes to the unaudited pro-forma consolidated financial statements.

BitGold Inc.

Pro Forma Consolidated Statement of Loss and Comprehensive Loss

For the Six Months Ended March 31, 2015

(Unaudited - Expressed in Canadian Dollars)

	Loma Vista Capital Inc.	BitGold Inc.	Note Ref.	Pro Forma Adjustments	Pro Forma Consolidated
	\$	\$		\$	\$
Revenue					
Gold Sales	-	268,536		-	268,536
Costs of sales					
Costs of sales	-	272,379		-	272,379
Loss on revaluation gold inventory	-	19,090		-	19,090
Total cost of sales	-	291,469		-	291,469
Gross loss	-	(22,933)		-	(22,933)
Operating expenses					
Advertising and promotion	-	120,183		-	120,183
Depreciation	-	3,777		-	3,777
Foreign exchange	-	(50,908)		-	(50,908)
General and administrative	8,219	153,864		-	162,083
Payroll expenses	-	79,505		-	79,505
Professional fees	29,813	803,651		-	833,464
Public company expenses	-	21,941		-	21,941
Share-based payments	5,642	-		-	5,642
Total gross loss and operating expenses	(43,674)	(1,154,946)		-	(1,198,620)
Interest income	-	2,161		-	2,161
Accretion expense	-	(47,235)	3(c)	47,235	-
Listing expense	-	-	3(a)	(329,394)	(329,394)
Net loss and comprehensive loss for the period	(43,674)	(1,200,020)		(282,159)	(1,525,853)
Weighted average number of common shares outstanding					
- basic and diluted (note 4)	9,158,667	21,329,697	3(a)	555,556	
			3(b)	(9,158,667)	
			3(c)	3,789,600	
			3(d)	7,777,777	
			3(e)	644,000	34,096,630
Basic and diluted loss per share	(0.00)	(0.06)			(0.04)

See accompanying notes to the unaudited pro-forma consolidated financial statements.

BitGold Inc.

Pro Forma Consolidated Statement of Loss and Comprehensive Loss

For the Year Ended September 30, 2014

(Unaudited - Expressed in Canadian Dollars)

	Loma Vista Capital Inc.	BitGold Inc.	Note Ref.	Pro Forma Adjustments	Pro Forma Consolidated
	\$	\$		\$	\$
Revenue					
Gold Sales	-	268,536		-	268,536
Costs of sales					
Costs of sales	-	272,379		-	272,379
Loss on revaluation gold inventory	-	19,090		-	19,090
Total cost of sales	-	291,469		-	291,469
Gross loss	-	(22,933)		-	(22,933)
Operating expenses					
Advertising and promotion	-	145,183		-	145,183
Depreciation	-	3,777		-	3,777
Exploration and evaluation costs	1,686	-		-	1,686
Foreign exchange	-	(50,908)		-	(50,908)
General and administrative	16,382	153,864		-	170,246
Payroll expenses	-	79,505		-	79,505
Professional fees	52,479	905,129		-	957,608
Public company expenses	-	21,941		-	21,941
Share-based payments	25,743	-		-	25,743
Total operating expenses	(96,290)	(1,281,424)		-	(1,377,714)
Interest income	-	2,161		-	2,161
Accretion expense	-	(47,235)	3(c)	47,235	-
Listing expense	-	-	3(a)	(329,394)	(329,394)
Net loss and comprehensive loss for the period	(96,290)	(1,326,498)		(282,159)	(1,704,947)
Weighted average number of common shares outstanding					
- basic and diluted (note 4)	9,158,667	20,802,542	3(a)	555,556	
			3(b)	(9,158,667)	
			3(c)	3,789,600	
			3(d)	7,777,777	
			3(e)	644,000	33,569,475
Basic and diluted loss per share	(0.01)	(0.06)			(0.05)

See accompanying notes to the unaudited pro-forma consolidated financial statements.

BitGold Inc.

Notes to the Pro Forma Consolidated Financial Statements

March 31, 2015

(Expressed in Canadian dollars)

(Unaudited)

1. Basis of presentation

The accompanying unaudited pro forma consolidated statement of financial position and statements of loss and comprehensive loss of BitGold Inc. ("BitGold") have been prepared by management to reflect the amalgamation of BitGold with Loma Vista Capital Inc. ("Loma") after giving effect to the amalgamation (the "Amalgamation") as described in Note 2, which was completed April 29, 2015.

The unaudited pro forma consolidated statement of financial position and statements of loss and comprehensive loss have been prepared using accounting policies and practices consistent with those used in the preparation of Loma's and BitGold's recent financial statements, both of which are prepared under International Financial Reporting Standards ("IFRS"). In the opinion of management, the unaudited pro forma consolidated financial statements include all adjustments necessary for fair presentation.

Certain significant estimates have been made by management in the preparation of these pro forma consolidated financial statements, in particular, the determination of the fair value of Loma's assets and liabilities acquired and the fair value of the share and option consideration given by BitGold.

The unaudited pro forma consolidated statement of financial position and statements of loss and comprehensive loss have been compiled from and include:

The unaudited pro forma consolidated statement of financial position as at March 31, 2015 has been compiled from:

- The statement of financial position of Loma as at March 31, 2015 obtained from the unaudited interim financial statements of Loma for the three and six month periods ended March 31, 2015.
- The statement of financial position of BitGold as at March 31, 2015 obtained from the audited annual financial statements of BitGold for the period from incorporation, August 14, 2014 to March 31, 2015.

The unaudited pro forma consolidated statement of loss and comprehensive loss for the six month period ended March 31, 2015 has been compiled from:

- The statement of loss and comprehensive loss of Loma for the six month period ended March 31, 2015, obtained from the unaudited interim financial statements of Loma for the three and six month period ended March 31, 2015.
- The unaudited statement of loss and comprehensive loss of BitGold for the six month period ended March 31, 2015, prepared by BitGold management.

BitGold Inc.

Notes to the Pro Forma Consolidated Financial Statements

March 31, 2015

(Expressed in Canadian dollars)

(Unaudited)

1. Basis of presentation (continued)

The unaudited pro forma consolidated statement of loss and comprehensive loss for the period ended September 30, 2014 has been compiled from:

- The statement of loss and comprehensive loss of Loma for the year ended September 30, 2014, obtained from the audited financial statements of Loma for the years ended September 30, 2014 and 2013.
- The statement of loss and comprehensive loss of BitGold for the period from incorporation, August 14, 2014 to March 31, 2015, obtained from the audited financial statements of BitGold for the period from incorporation, August 14, 2014 to March 31, 2015.

The unaudited pro forma consolidated statement of financial position and pro forma consolidated statements of loss and comprehensive loss have been prepared as if the transaction had occurred as of March 31, 2015 for the purposes of the pro forma consolidated statement of financial position, October 1, 2013 for purposes of the pro forma consolidated statements of loss and comprehensive loss for the six months ended March 31, 2015 and October 1, 2013 for purposes of the pro forma consolidated statements of loss and comprehensive loss for the year ended September 30, 2014.

The unaudited pro forma consolidated statement of financial position and statements of loss and comprehensive loss have been prepared for illustration purposes only and may not be indicative of the combined results or financial position had the Amalgamation been in effect at the date indicated.

2. Amalgamation agreement

Pursuant to the Amalgamation Agreement:

- each Loma shareholder received, in exchange for each 16.485587 Loma common share held, one Amalco common share, resulting in the issuance of 555,556 Amalco common shares to former Loma shareholders;
- each holder of Loma options received, in exchange for each 16.485587 Loma options, one Amalco option, resulting in the issuance of 39,428 Amalco options. Each Amalco option is exercisable at a price of \$2.47 until February 20, 2018;
- each BitGold shareholder received, in exchange for each BitGold common share held, one Amalco common share, resulting in the issuance of 36,064,329 Amalco common shares to former BitGold shareholders; and
- each outstanding convertible security of BitGold was exchanged for a comparable convertible security of Amalco, having regard for the 1 to 1 exchange ratio set forth above, resulting in the issuance of 3,888,888 Amalco Warrants to former holders of BitGold warrants, and 462,346 Amalco Agent Warrants to former holders of BitGold Agent Warrants. Each Amalco Warrant is exercisable at a price of \$1.35 for 18 months from issuance. Each Amalco Agent Warrants is exercisable into one Amalco common share and one-half of one Amalco Warrant at a price of \$0.90 for 24 months from issuance.

BitGold Inc.

Notes to the Pro Forma Consolidated Financial Statements

March 31, 2015

(Expressed in Canadian dollars)

(Unaudited)

2. Amalgamation agreement (continued)

As a result of the transaction, the former shareholders of BitGold own approximately 98.5% of the outstanding shares of Amalco, the corporation resulting from the Amalgamation. The substance of the transaction is a reverse acquisition of a non-operating company. The transaction does not constitute a business combination as Loma does not meet the definition of a business under IFRS. As a result, the transaction is accounted for as a capital transaction with BitGold being identified as the acquirer and the equity consideration being measured at fair value. The resulting consolidated financial statements are presented as a continuance of BitGold.

Amalco, the corporation resulting from the Amalgamation, was continued under the name "BitGold Inc.".

3. Pro forma assumptions and adjustments

(a)

Issuance of common shares	\$	431,445
Issuance of options		11,449
Total consideration paid	\$	<u>442,894</u>
Cash and cash equivalents	\$	109,584
Prepays and other assets		9,045
Investment in CF Global		27,870
Accounts payable and accrued liabilities		<u>(32,999)</u>
Loma net assets received	\$	<u>113,500</u>
Listing expense	\$	<u>329,394</u>

The fair values of Loma's net assets approximate the carrying value.

The 555,556 common shares issued to former Loma shareholders have an assigned value of \$0.7766 per share based on the value from the private placement described in 3(d) (price of the unit less fair value of warrants).

The fair value of the 39,428 options issued to former Loma option holders was estimated at \$11,449 using the Black-Scholes option pricing formula with the following assumptions: exercise price – \$2.47, expected dividend yield - 0%, expected volatility - 100%, risk-free interest rate - 1.06% and an expected average life of 2.90 years.

(b) Book values of Loma's share capital, contributed surplus, warrants and deficit were eliminated on the Amalgamation.

BitGold Inc.

Notes to the Pro Forma Consolidated Financial Statements

March 31, 2015

(Expressed in Canadian dollars)

(Unaudited)

3. Pro forma assumptions and adjustments (continued)

(c) BitGold convertible debentures were automatically converted into 3,789,600 common shares on the Amalgamation.

(d) Each Subscription Receipt automatically converted for no additional consideration into one BitGold unit (a "Unit") immediately prior to the Amalgamation (converted on April 27, 2015). Each Unit is comprised of one BitGold share and one half of one BitGold warrant, with each whole BitGold warrant entitling the holder thereof to acquire one BitGold share at a price of \$1.35 until August 19, 2016, subject to acceleration by BitGold if the volume-weighted average price of the BitGold Shares on the principal stock exchange upon which they trade exceeds \$2.00 for a period of 20 consecutive trading days. Pursuant to the Amalgamation, each BitGold Share and BitGold Warrant issued upon conversion of the Subscription Receipts were exchanged for comparable securities of Amalco.

In connection with the placement, the brokers are entitled to a cash commission of \$416,112 and 462,346 broker warrants exercisable for Units. As well, the Company incurred cash expenses of \$100,514 related to the placement. Pursuant to the Amalgamation, each one broker warrant issued was exchanged for one broker warrant of Amalco.

The fair value of the 3,888,888 warrants was estimated at \$959,972 using the Black-Scholes option pricing formula with the following assumptions: exercise price – \$1.35, expected dividend yield - 0%, expected volatility - 100%, risk-free interest rate - 1.00% and an expected average life of 1.5 years.

The fair value of the 462,346 broker warrants was estimated at \$218,594 using the Black-Scholes option pricing formula with the following assumptions: exercise price – \$0.90, expected dividend yield - 0%, expected volatility - 100%, risk-free interest rate - 1.01% and an expected average life of 2 years.

(e) The Company completes a brokered private placement of 504,000 common shares at \$0.90 per common share for aggregate gross proceeds of \$453,600, and a non-brokered private placement of 140,000 common shares at \$0.90 per common share for aggregate gross proceeds of \$126,000. In connection with the brokered portion of the financing, the brokers are entitled to a cash commission of \$9,072. The private placement was completed on April 22, 2015.

BitGold Inc.**Notes to the Pro Forma Consolidated Financial Statements****March 31, 2015****(Expressed in Canadian dollars)****(Unaudited)**

4. Pro forma share capital

(a) The following table summarizes the pro-forma share capital:

	Note	Number	Amount
Loma common shares issued and outstanding March 31, 2015		9,158,667	\$ 457,889
BitGold common shares issued and outstanding March 31, 2015		23,852,952	2,950,779
BitGold common shares issued on conversion of convertible debentures	3(c)	3,789,600	839,235
Issuance of Subscription Receipts	3(d)	7,777,777	6,999,999
Valuation of warrants	3(d)		(959,972)
Cost of issuance - agent warrants	3(d)		(218,594)
Cost of issuance - cash	3(d)		(516,626)
Common shares private placement	3(e)	644,000	579,600
Cost of issuance - cash	3(e)		(43,537)
Issuance of common shares pursuant to the Amalgamation	3(a)	555,556	431,445
Elimination of Loma common shares pursuant to the Amalgamation	3(b)	(9,158,667)	(457,889)
		<u>36,619,885</u>	<u>10,062,329</u>

(b) Pro forma weighted average number of shares outstanding:

	Six Months Ended March 31, 2015
BitGold weighted average number of common shares issued and outstanding	21,329,697
Issuance of common shares pursuant to the Amalgamation	555,556
BitGold common shares issued on conversion of convertible debentures	3,789,600
Issuance of Subscription Receipts	7,777,777
Common shares private placement	644,000
	<u>34,096,630</u>
	Year Ended September 30, 2014
BitGold weighted average number of common shares issued and outstanding	20,802,542
Issuance of common shares pursuant to the Amalgamation	555,556
BitGold common shares issued on conversion of convertible debentures	3,789,600
Issuance of Subscription Receipts	7,777,777
Common shares private placement	644,000
	<u>33,569,475</u>