

FIRST BITCOIN CAPITAL CORP.
Management's Discussion and Analysis
For the years ended December 31, 2017 and 2016
(Expressed in US dollars)

Date: June 26, 2018

The following management discussion and analysis (“MD&A”) is a review of operations, current financial position and outlook for First Bitcoin Capital Corp. (the “company”, “we”, “us”, “our” or “First Bitcoin”) for the years ended December 31, 2017 and 2016 and should be read in conjunction with the consolidated financial statements for the years ended December 31, 2017 and 2016. Amounts reported and financial figures contained herein are denoted in United States dollars, unless otherwise noted as being denominated in Canadian dollars (“C\$”) and are based upon the consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”), unless otherwise noted. Information contained herein is presented at June 20, 2018. Certain information in this MD&A or incorporated by reference, and in other public announcements by the Company is forward-looking and is subject to important risks and uncertainties. Words such as “may”, “will”, “believe”, “expect”, “anticipate”, “estimate” and similar expressions identify forward-looking statements. Forward-looking information includes information concerning the Company’s future financial performance, business strategy, plans, goals and objectives. Forward-looking statements are necessarily based upon estimates and assumptions considered reasonable by management but which are subject to business, economic and competitive uncertainties. Results could differ materially from those projected in forward-looking statements.

Although the forward looking information contained herein is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward looking statements. We have attempted to identify important factors that could cause actual results to differ materially from those contained in forward looking statements, however there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking statements. First Bitcoin does not undertake to update any forward looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

Business Overview

First Bitcoin is engaged in the business of digital cryptocurrency development and blockchain development. We were originally organized in the State of Nevada on November 7, 1989 as United Development International. In July 2005, we were renamed Mindenao Gold Mining Corporation and reincorporated in the State of Oregon. On February 6, 2006, we dissolved our filing in the State of Oregon and reincorporated in British Columbia, Canada as Grand Pacaraima Gold Corp. On February 27, 2014, we changed our name to First Bitcoin Capital Corp., which was approved by the Financial Industry Regulatory Authority on November 15, 2016.

In September 2016, we commenced our cryptocurrency generation operations. Throughout 2017, we expanded our cryptocurrency operations with the generation of more than 100 unique cryptocurrencies. We also entered into agreements with third parties in order to develop blockchains to track petroleum and agricultural supply chain management.

During 2017, we organized several crowdsales utilizing a protocol built upon the Bitcoin Blockchain. These included, but are not limited to Altcoin (COIN:ALT) based on our website www.Altcoinmarketcap.com and WEED (COIN:WEED). The latter resulted in our company exchanging a portion of our WEED coin inventory for 5,000,000 shares of SinglePoint Inc. (\$SING), a company trading on the OTCQV Venture Market. The crowdsale of ALT was in exchange for Tether

(COIN:USDT). Both of these crowdsales began trading on the New Zealand Crypto exchange, Cryptopia. A complete list of all cryptocurrencies owned by our company as at December 31, 2017 is disclosed in the schedule to our consolidated financial statements.

In February 2018, we received 2,000,000 shares of Medical Cannabis Payment Solutions (\$REFG) as compensation for providing feasibility and technical details to utilize WEED coins as alternative payment solutions involving the cannabis industries. REFG acquired WEED coins from a third party crowdsale participant.

Our cryptocurrency exchange, COINQX, which has been in testing and designed for institutional cryptocurrency traders has been redesigned to appeal to retail traders based on a user friendly interface with a planned launch late July 2018.

The price of Bitcoins or the anemic markets for our diversified altcoin inventories are volatile and fluctuations are expected. Declines in the price of Bitcoin would have negative impact in our operating results, liquidity and would harm the price of our common stock. Movements may be influenced by various factors, including, but not limited to, government regulation, security breaches experienced by service providers, as well as political and economic uncertainties around the world.

Historical results from all of the Company's activities are available in the Company's news releases which are available on the Company's website (<http://bitcoincapitalcorp.com>) and SEDAR.

Selected Financial Information and Results of Operations

	December 31, 2017	December 31, 2016	December 31, 2015
Total assets	1,279,832	403,960	362,920
Total long-term liabilities	-	-	-
Cash dividends declared	-	-	-
Total revenues	100,000	-	41,207
Cost of goods sold	-	-	(38,548)
Operating expenses	(2,848,265)	(34,208)	(50,989)
Other income	415,153	38,000	-
Net (loss) income	(2,333,112)	3,792	(48,331)
Comprehensive (loss) income	(1,899,976)	3,792	(48,331)
Net (loss) income per share – basic and diluted	(0.01)	0.00	0.00

Total assets increased from \$362,920 at December 31, 2015 to \$403,960 at December 31, 2016. As at December 31, 2015, assets included mining rights to a mineralized property in the Pacaraima region in Southern Venezuela, with a carrying value of \$360,000. This property was exchanged for one billion KiloCoins valued at \$398,000 in November 2016, which resulted in the increase in total assets at December 31, 2016.

Total assets increased from \$403,960 at December 31, 2016 to \$1,279,832 at December 31, 2017. During the year ended December 31, 2017, we exchanged one million WEED coins for five million common shares of Singlepoint Inc. ("Singlepoint"). Our equity investment in Singlepoint was recorded at its fair value of \$500,000 as at December 31, 2017. The increase to our assets as at December 31, 2017 was also a result of investments in kiosk equipment with a carrying value of \$82,033 and accounts receivable of \$100,000 related to our revenues earned from blockchain development.

Our revenues increased by \$100,000 from the year ended December 31, 2016 to the year ended December 31, 2017 as a result of revenues earned from blockchain development. In 2016, we had not begun our business of blockchain development.

Our expenses increased to \$2,848,265 for the year ended December 31, 2017 from \$34,208 for the year ended December 31, 2016. 2017 represented a full year of cryptocurrency generation as we began this segment of our business in September 2016. During 2017, we issued 3,415,924 shares of our common stock, valued at \$2,356,988, as a fee for mining activity performed on our BITCF coin. The mining activity fee is a non-recurring event. In addition, overall increase in activity resulted in increases in general and administration expense, professional fees and sales and marketing expense.

Other income increased from \$38,000 for the year ended December 31, 2016 to \$415,153 for the year ended December 31, 2017. During 2016, we exchanged our mineralized property, with a carrying value of \$360,000, for one billion KiloCoins valued at \$398,000 and recorded a gain on exchange of \$38,000. During 2017, we exchange one million WEED coins for five million common shares of Singlepoint and recorded a gain on exchange of \$150,000. We settled amounts payable to our Chief Executive Officer with 2,000 Bitcoin Futures (XBU) and recorded a gain on settlement of \$154,179. In addition, we conducted a crowdsale of ALT coins and received 113,214 USDT coins, which resulted in a gain on acquisition of digital currencies of \$108,410 included in other income.

Summary of Quarterly Results

The following is a summary of the Company's financial results for the past eight quarters:

	Three Months Ended			
	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017
Revenues	100,000	-	-	-
Other income	-	304,456	105,893	4804
Net income (loss)	(2,280,932)	(18,187)	(21,719)	(12,274)
Net income (loss) per share – basic and diluted	(0.01)	(0.00)	(0.00)	(0.00)

	Three Months Ended			
	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Revenues	-	-	-	-
Other income	38,000	-	-	-
Net income (loss)	11,589	(2,169)	(5,007)	(621)
Net income (loss) per share – basic and diluted	0.00	(0.00)	(0.00)	(0.00)

During the fourth quarter of 2017, we earned consulting income of \$100,000 pursuant to a supply chain technology services agreement with Petroteq Energy Inc. Net loss during the fourth quarter of 2017 was significantly higher than the previous quarters as we recorded \$2,356,988 of mining activity fees and \$374,500 of directors' fees related to common shares issued for these services.

Other Financial Disclosure

Our general and administrative expenses consists of:

	December 31, 2016	December 31, 2015
Investor relations	1,495	-
Office	1,581	175
Regulatory	17,333	3,075
Travel	6,148	-
Website	5,424	1,500
Total general and administrative	31,981	4,750

Liquidity and Capital Resources

As of December 31, 2017, we had cash of \$6,540 compared to \$5,960 as of December 31, 2016. We had working capital deficit of \$29,552 at December 31, 2017 (December 31, 2016 - \$187,615). During the year ended December 31, 2017, we generated \$92,005 of cash inflow from operating activities (December 31, 2016 – \$34,208 cash outflow). During the year ended December 31, 2017, we used \$91,425 of cash in investing activities due to the purchase of kiosks.

We have historically financed our business through management’s advancement of funds or payment our obligations as they come due. Management’s plans include putting into operation our supply management blockchain services being developed through joint ventures. We also plan on exchanging existing digital asset inventories for Bitcoins, other altcoins and common shares of publicly traded companies, raising new capital through equity or debt issuances and potentially curtailing any operations to ensure our company can continue operations.

As of the date of this report, our company has no commitments for capital expenditures.

Off-Balance Sheet Arrangements

We have no obligations, assets or liabilities which would be considered off-balance sheet arrangements. We do not participate in transactions that create relationships with unconsolidated entities or financial partnerships, often referred to as variable interest entities, which would have been established for the purpose of facilitating off-balance sheet arrangements.

Transactions with Related Parties

Payable to related parties include \$197,500 due to our company’s Chief Executive Officer (December 31, 2016 - \$193,575; January 1, 2016 - \$156,327) and \$4,848 due to a company owned by our company’s Chief Executive Officer (December 31, 2016 and January 1, 2016 - \$nil). During the year ended December 31, 2017, we recognized a gain on settlement of amounts due to our company’s Chief Executive Officer of \$154,179 as a result of being settled with 2,000 Bitcoin Futures (XBU) digital currency.

During the year ended December 31, 2017, we issued 350,000 common shares to directors for services and recorded the fair value of the shares, \$374,500, as directors’ fees.

Changes in Accounting Policy

Our company adopted IFRS on January 1, 2017, with a transition date of January 1, 2016. Under IFRS 1 First-time Adoption of International Financial Reporting Standards the IFRS are applied retrospectively at the transition date with all adjustments to assets and liabilities taken to retained

earnings unless certain exemptions are applied. A detailed description of our transition to IFRS is included in Note 16 to the consolidated financial statements for the years ended December 31, 2017 and 2016.

Financial Instruments and Other Instruments

The Company's financial instruments are exposed to certain risks, which include credit risk, liquidity risk and market risks (market price risk).

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Our accounts receivable is due from a single customer and was received subsequent to year end. As such, we considers this risk to be minimal.

Liquidity risk

Liquidity risk is the risk that our company will not be able to meet its financial obligations as they fall due. Accounts payable and accrued liabilities and due to related parties are due within the current operating period. Our company manages liquidity risk through the management of its capital structure.

Market risk

Our company is exposed to market risk related to the fluctuation in the market price of our investment. The market price for the investment has experienced significant volatility over the period covered by our consolidated financial statements and we therefore closely monitors the market value of the investment in order to determine the most appropriate course of action.

Outstanding Share Data

Our company is authorized to issue 500,000,000 common shares with a par value of \$0.001 per share.

	Issued and Outstanding	
	At December 31, 2017	At the date of this MD&A
Common shares	301,842,291	301,842,291