CELLCUBE ENERGY STORAGE SYSTEMS INC.

(Formerly Stina Resources Ltd.)

Management Discussion & Analysis
for the three month period ended
September 30, 2018

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FORM 51-102F1

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(and containing information as of December 10, 2018)

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Item 1: MANAGEMENT DISCUSSION & ANALYSIS

Forward-looking Information

This Management Discussion and Analysis ("MD&A") contains certain forward-looking statements and information relating to CellCube Energy Storage Systems Inc. (formerly Stina Resources Ltd.) (the "Company" or "CellCube") that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of Company exploration properties and the manufacture and sale of vanadium redox flow batteries. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Aside from factors identified in the annual MD&A, additional important factors, if any, are identified here.

NATURE OF BUSINESS:

CellCube Energy Storage Systems Inc. (formerly Stina Resources Ltd.) was incorporated in 1986 under the laws of British Columbia and is engaged in the acquisition, exploration and development of resource properties and more recently the development, manufacture and sale of vanadium redox flow battery energy storage systems.

On May 17, 2018 the Company changed its name to CellCube Energy Storage Systems Inc. and began trading under the Symbol CUBE on the CSE. (see Subsequent Events below)

The Company changed its year end from September 30 to June 30, 2018.

The Company's primary activity has been the exploration of the Bisoni McKay Vanadium Property and the Bisoni - Rio property in northern Nevada. CellCube is now also advancing a vanadium redox flow battery energy storage systems business through the acquisition and development of vanadium redox flow batteries and related technologies. The Company has completed the acquisition of three assets, Gildemeister Energy Storage GmbH (renamed Enerox GmbH), Jet Power and Controls Ltd. (renamed EnerCube Switchgear Systems Inc.) and Hillcroft Consulting Ltd. (renamed Power Haz Energy Mobile Solutions Inc.). Jet Power and Controls Ltd and Hillcroft Consulting Ltd. were subsequently amalgamated after acquisition. The Company decided at year end to write off its interest in the Soft Wave water technology that it acquired the rights to in February 2016.

1.1 DATE

The following discussion and analysis was approved by the Directors of the Company on December 10, 2018 and should be read in conjunction with the audited financial statements for year ended June 30, 2018, and unaudited financial statements for the quarters ending June 30, 2017, December 31, 2017, and March 31, 2018, and the related notes thereto. All figures are in Canadian dollars unless otherwise noted.

1.2 OPERATIONS DETAIL AND FINANCIAL CONDITIONS:

During the period ending September 30, 2018, the Company continued the development of its Bisoni McKay and recently acquired Bisoni-Rio property. The Company has set a date of January 4th, 2019 to spin out the properties into a new company called V23 Resource Corp. Existing shareholders as of that date will receive 1 common share of the new company for every 2 common shares of CellCube that they hold on the record date. CellCube will retain a 19.9% interest in the property.

The Company completed the previously announced transaction for Gildemeister Energy Storage GmbH. The total acquisition price of 5.21 million euros ($7,788,950) was paid for from proceeds of private placements. Additionally, a total of 1,040,000 Euros ($1,570,000) was paid to fund operating costs. In addition to its CellCube battery technology, the Company acquired the following significant assets of Gildemeister: all inventory on-hand, capital asset equipment used in the manufacturing of CellCube batteries, software, intellectual property, including patents and trademarks, office equipment, and Gildemeister's customer base. The Company did not acquire any debt on the acquisition. The Company has incorporated a wholly owned Austrian-based company, Enerox GmbH, which was used to acquire the assets and business on behalf of the Company.

The Company completed the previously announced acquisition of Jet Power and Controls Ltd., and Hillcroft Consulting Ltd. The Company had paid Jet Power $1,000,000 cash as a deposit toward the final purchase price, plus $775,000 in operating advances. The Company also issued 4,546,052 of the Company's common shares and the payment of an additional $1,659,309 (total cash consideration of $3,434,309).

In addition, the Company incorporated a wholly-owned Alberta company (2103387 Alberta Ltd.), as part of a three-cornered amalgamation to acquire all the issued and outstanding shares of Jet Power on behalf of the Company (See subsequent events below).

On May 2, the Company announced that it had made a $1.95 million USD ($2.5 million CAD) strategic investment in Braggawatt USA for Distributed Energy Solutions representing an ownership interest of slightly less than 10%. Braggawatt provides financing through an on-line platform that allows corporations and not-for-profit organizations to effectively adopt cost-saving on-site energy solutions. This investment will allow the Company and its wholly owned subsidiary, Enerox GmbH, to capitalize on quickly expanding market opportunities for enabling enterprise customers' effective adoption of cost-saving on-site energy storage solutions.

The Company wrote the interest in the Soft Wave water technology distribution writes down to NIL.

1) <u>Bisoni McKay Vanadium and Bisoni – Rio Properties in Nevada</u>

In 2005 the Company entered into an option agreement with Vanadium International Corp. ("VIC") to acquire 50% of the rights to 19 mining claims covering 392.6 acres, located in Nye County, Nevada, USA, called the Bisoni McKay Vanadium Property. In earning its interest, the Company made cash payments totaling $250,000, issued 1,250,000 shares to VIC, and funded $700,000 of exploration activities. On July 3, 2008 the Company issued an additional 800,000 common shares to VIC in a shares for debt arrangement to complete the initial 50% acquisition, then issued an additional 1,995,600 shares at a deemed price of $1 (Canadian) per share to VIC as payment of the $2-million (U.S.) purchase price (based on a deemed exchange rate of $1 (Canadian):$1.0022 (U.S.)) to VIC as option payment for the remaining 50% of the property. The Company now holds 100% of the rights to 37 mineral claims on the property.

<u>October 2015 and 2016 Work</u>
In October 2015 the Company worked on the property site. The fieldwork consisted of survey control on Northern Section A and review and reorganization of previous drilling samples for future bulk sampling. Additionally, samples in storage in Eureka have been organized for further bulk sampling testing that will be included in further metallurgical recovery studies.

The company also contracted the services of Edwin Bentzen, a metallurgist and an affiliate of Resource Development Inc., to assess the technical aspects of the mineral process studies conducted by Hazen and Lyntek in 2005 and 2011, respectively. Mr. Bentzen's report outlined a general direction the company should undertake in continuing the vanadium pentoxide recovery studies, of which he may be involved in directing. An initial budget of $150,000 has been allocated for metallurgy and recovery studies as the next step for property development, but a timetable has not yet been set for this.

<u>43-101 Report and Non-Compliance</u>
On October 29, 2015 the Company received an updated NI-43-101 report from Ed Ullmer and was subsequently available on the Company's website.
On February 9, 2016 the Company was advised by the BCSC that the report had deficiencies with regard to NI 43-101 and Form NI 43-101 F1. As a result of this non-compliant report, the Company had been placed on the BC Securities Commission Issuers in Default List.

On September 13, 2016 the Company filed an amended NI 43-101 compliant report and the Company was removed from the Default Issuer's List. The Company has commissioned an updated NI 43-101 which is expected to be completed in early 2019.

<u>Impairment</u>
In January 2013 the Company Directors elected to impair the property value by $1,962,257 effective September 30, 2012. Managements' review for indications of impairment primarily considered that the acquisition costs of this property appeared non-recoverable in light of the market conditions at that time. The acquisition costs were primarily based on 3,245,000 common shares that were issued at an average cost of $0.78 per share. At September 30, 2012, the shares would have been worth $0.18 per share. During fiscal 2012, the Company recorded an impairment charge of $1,962,257 to decrease the carrying value of the property based on market indicators.

At year end September 30, 2015 the Company recorded an impairment of the Bisoni McKay Property a further $856,599 to a net value of $897,722 as of September 30, 2015. The Company believes that this impairment leaves the property with a recoverable value at this time, considering the current resources exploration market, the current price of vanadium, but also the fact that vanadium energy storage batteries, while not fully developed at this time, may provide a future demand for vanadium in the next few years.

As at year end September 30, 2016 the Company did not record a further impairment the property, citing a slightly improving market outlook and a mild interest in the property externally, in addition to the further field work conducted in October 2015.

<u>2017 Activity</u>
In April and May 2017, the Company staked an additional 164 claims immediately to the north of the existing 37 Bisoni McKay claims in an area known as the Bisoni Property, and the Bisoni- Rio Property. The Company has also arranged for Hazen Research in Golden, CO to continue the metallurgical studies initiated and undertaken between 2005 and 2007 in an attempt to improve recovery, particularly on carbonaceous material.

In November 2017 the Company did reclamation work on the property where previous drilling had been conducted. The Company is in the process of having a re-assessment of its reclamation accrual reviewed by the Bureau of Land Management. Management determined that no impairment to the carrying value of the asset was required.

<u>2018 Activity</u>

On March 27, 2018 the Company announced the 2018 exploration plans for the Bisoni McKay and the adjacent Bisoni – Rio property, including approximately 1,600m of core drilling, and approximately 9,000 m of reverse circulation drilling. In addition, the company plans to collect a 20-tonne bulk sample of mineralized material for additional metallurgical testing. The estimated budget for the program is $1.6 million USD. An exploration permit from the BLM has been obtained, with a bond estimate. Management determined that no impairment to the carrying value of the asset was required.

2) <u>Gildemeister Energy Storage GmbH</u>

On April 24, 2018 the Company completed the arm's-length transaction to acquire all the outstanding assets of former Gildemeister Energy Storage GmbH, including its CellCube vanadium flow battery and its energy storage business. The total asset acquisition price of 5.21 million euros ($8.2 million) was paid for from proceeds of private placements. The total purchase price, including the costs required to fund the ongoing operations prior to closing of 1.0 million Euros, totaled $9.8 million. (see note 6 of Audited Consolidated Financial Statements for the nine months ended June 30, 2018)

Besides the CellCube battery technology, the major assets the Company acquired include all inventory on-hand, capital asset equipment used in the manufacturing of the CellCube battery, software, intellectual property, including patents and trademarks, office equipment, Gildemeister's customer base, and goodwill. The Company did not acquire any debt on the acquisition.

The Company incorporated an Austrian-based shell company, Enerox GmbH, to acquire the Gildemeister assets and business, and become a wholly owned subsidiary in the completion of the transaction.

Prior to its insolvency, Gildemeister Energy Storage GmbH has been a world leader in development of vanadium redox flow batteries since 2000. After extensive research and development, Gildemeister developed the patented CellCube battery, with now over 100 battery installations in use around the world. The largest number of installations is in Europe (63); but as energy storage has become increasingly important, new installations have been done in Australia/New Zealand (three); South America/Caribbean (three); Africa (five); Asia (five) and single installations in many other areas including Canada and the United States.

CellCube vanadium flow batteries are used for a variety of purposes including grid storage, micro-grids; off-grid storage for solar and wind power storage; diesel power replacement; back-up power systems; farming applications; electrical vehicle charging stations; industrial plants; office building applications; emergency power sources and many other uses.

Gildemeister holds 19 active patent families including 40 filed patents for its core intellectual property which was fully developed by its in-house research and development team. One of the key design factors that Gildemeister has developed is the plug-and-play model which enables scaling to larger sizes just by plugging in additional units.

The energy storage market is growing substantially. According to Navigant Research, energy storage for renewable integration will increase from about $1-billion (U.S.) in 2017 to a $23-billion (U.S.) per year industry in 2026.

One of the biggest factors increasing market demand for energy storage is the growing government emphasis on renewable energy around the world. An example would be the National Renewable Energy Action Plan of the European Economic Union which reported targets of 330 per cent (Netherlands); 213 per cent (Poland); 199 per cent (Greece); 244 per cent (United Kingdom) increase in electricity from renewable energy from 2010 to 2020. Management expects this trend to continue. Many places in the world do not have grid-scale infrastructure. They typically use expensive diesel generation which can easily be replaced by environmentally friendly wind or solar power and CellCube batteries. The thousands of islands in the Philippines and the underdeveloped areas in Africa are examples. Diesel replacement also provides an opportunity in small communities and industrial sites in cold climate areas such as northern Canada.

3) Jet Power and Controls Ltd.

On May 23, 2018 the Company completed the arm's length transaction for Jet Power and Controls Ltd., and subsequently issued 3,642,507 common shares to the entity's shareholders valued at $2,108,975. Jet Power common shares held by Jet Power shareholders were exchanged for common shares of the Issuer in accordance with an exchange ratio of 8.7896177 to 1.

The Company had paid to Jet Power $1,000,000 cash as part of the purchase price, plus $775,000 in operating advances. This total paid amount of $1,750,000 was refundable, non-secured, and non-interest bearing. Management is still in the process of determining the fair values of the consideration paid and net assets acquired in connection with the acquisition of Jet Power and Controls Ltd.

The Company has incorporated an Alberta shell company (2103387 Alberta Ltd.), as part of a three-cornered amalgamation to acquire all the issued and outstanding shares of Jet Power in the completion of the transaction, and which will become a wholly-owned subsidiary of the Company in finalizing the transaction.

Jet Power and Controls is a leading-edge provider of custom and off-the-shelf electrical equipment and systems. It has been providing innovative and high-quality products for over 10 years to heavy power users, pipeline companies, refineries, manufacturers, municipalities and infrastructure providers. It offers a one-stop shop to its customers in terms of complete turnkey engineering and electrical solutions and equipment. Its key products include electrical switchgear, motor control switchers and solar power inverters.

Highlights of the Jet Power and Controls Ltd. acquisition:

- Accelerates accomplishing CellCube's goal of becoming a fully vertically integrated producer of vanadium redox flow batteries for the fast-growing energy storage industry;
- Provides complementary electrical equipment for CellCube's recently announced purchase of the assets of Gildemeister Energy Storage GMBH, a leading supplier of utility scale energy storage systems worldwide;
- Brings a full team of engineering, design, integration, installation and monitoring professionals with a long history of innovation and safety in the power grid infrastructure sector;
- Significantly increases CellCube's presence in North America;
- Brings a well-established customer list of major resource and industrial companies.

Jet Power and Controls Ltd. will be able to provide not only entry into the vast North American market, but will also be able to provide installation, monitoring and service of the CellCube battery, which was previously conducted from Austria.

4) Soft Wave Water Technology Distribution in Canada

On February 3, 2016 the Company entered into a product distribution agreement among America Greener Technologies Inc. and AGT Soft Wave Inc. for the non-exclusive Canadian distribution rights for the manufacturer's water treatment technology, Soft Wave, in exchange for a one-time payment of $25,000 (Paid during the 2017 fiscal year) and a 12-per-cent royalty of all Soft Wave technology distributed and sold within Canada. The Company wrote this interest down to NIL as of June 30, 2018 year end.

Selected Financial Information:

The following table sets forth selected audited financial information of the Company for the last 3 completed financial years.

	FISCAL YEARS ENDED		
	9 months	12 months	12 months
	30-Jun-18	30-Sep-17	30-Sep-16
Total Revenue	552,167	-	-
Gross Profit	288,997	-	-
Operating Expenses	8,412,843	1,113,758	475,419
Net Income (Loss)	(8,049,165)	(113,758)	(512,419)
Loss Per Share	(0.09)	(0.03)	(0.01)
Total Assets	27,572,419	2,190,212	959,834

Summary of Quarterly Results

The following table sets forth selected (unaudited) quarterly financial information for each of the last eight most recently completed quarters:

	QUARTERS ENDED			
	30-Sep-18	30-Jun-18	31-Mar-18	31-Dec-17
Total Revenue	1,383,481	552,167	-	-
Gross Profit	254,989	(288,997)	-	-
Oper. Expenses	2,999,143	6,906,648	564,010	942,185
Net Income (Loss)	(2,759,093)	(6,542,970)	(564,010)	(942,185)
Income (Loss) Per Share	(0.02)	(0.06)	(0.01)	(0.02)
Total Assets	25,174,529	27,572,419	10,193,590	4,502,954
Total Liabilities	7,947,528	7,769,111	74,302	75,901

	QUARTERS ENDED			
	30-Sep-17	30-Jun-17	31-Mar-17	31-Dec-16
Total Revenue	-	-	-	-
Gross Profit	-	-	-	-
Oper. Expenses	831,488	181,996	52,085	48,189
Net Income (Loss)	(853,719)	(181,996)	(55,355)	(22,689)
(Loss) Per Share	(0.03)	-	-	-
Total Assets	2,190,212	1,674,443	1,203,084	961,225
Total Liabilities	100,372	59,054	296,770	262,806

Discussion of results for the 3 months ended September 30, 2018 compared to the 3 months ended September 30, 2017

The following summarizes the changes in the items comprising revenue and expenses

	Three months ended September 30, 2018	Three months ended September 30, 2017	Variance
Revenue	$ 1,383,481	$ -	$ 1,383,481
Cost of goods sold	(1,128,492)	-	(1,128,492)
Gross margin	254,989	-	254,989
Expenses			
Professional fees	221,688	37,321	184,367
Amortization	105,546	4,082	101,464
Consulting, financing and acquisition related fees	420,726	77,444	343,282
Exchange gain (loss)	36,753	1,279	35,474
Office and sundry	664,747	11,496	653,251
Regulatory fees and shareholder communications	17,619	7,818	9,801
Rent	55,023	4,800	50,223
Salaries and benefits	1,267,060	1,804	1,265,256
Share based-payments	93,750	754,112	(660,362)
Transfer agent	61,816	3,034	58,782
Travel and promotion	54,415	19,824	34,591
Interest expense	75,273	-	75,273
Accretion expense	103,861	-	103,861
Gain on debt settlement	(164,195)	(69,296)	(94,899)
Loss for the period	**$ 2,759,093**	**$ 853,718**	**$ 1,905,375**

The net loss for the three months ended September 30, 2018 was $2.8 million compared to $0.9 million for the three months ended September 30, 2017. Revenue of $1.4 and a gross margin of $0.3 compared to $NIL for the three months ended September 30, 2017, the variance due to the acquisitions in the prior period of Enerox and Enercube both contributing to revenue and cost of sales in the current period and NIL in the comparative period.

All expense categories increased for the three months ended Septmeber 30, 2018 compared to the three months ended September 30, 2017 due to the inclusion in the current period of expenses for Enerox and Enercuibe.

Comparative mineral exploration and evaluation assets as follows:

	As at September 30 2018	As at June 30, 2018
Bisoni McKay Vanadium Property, Nevada, USA		
Acquisition costs		
Balance, beginning of period	**$ 931,907**	931,907
Exploration expenditures		
Balance, beginning of period	**$ 276,901**	160,981
Geological consulting	**50,967**	85,018
Claim fees and staking		53,228
Storage		1,367
Reduction in restoration obligation	**-**	(23,693)
Balance, end of period	**327,868**	276,901
Total Bisoni McKay Vanadium Property	1,259,775	1,208,808

Bisoni McKay Budget

In March 2018 the Company outlined a new phase of exploration on the property, estimated at $1.5 million USD. The plans are still being evaluated.

<u>Liquidity and Solvency</u>

The company's liquidity will depend upon its ability to raise financing for the continued development of the energy storage business and the Bisoni McKay and Bisoni-Rio property.

During the period ended September 30, 2018 cash resources decreased $0.6 million from the balance at June 30, 2018.

As of September 30, 2018, the Company had a working capital surplus of $8.2 million (June 30, 2018 – surplus of $10.6 million).

<u>Capital Resources</u>

The Company's liquidity depends upon its ability to raise additional financing to meet exploration requirements and asset development prior to revenues generated from the Enerox and EnerCube subsidiaries. The Company has conducted several non-brokered private placements throughout the year (see Note 13 of the Financial Statements), including raising $4.49 Million through the sale of convertible debenture units.

1.3 EXPLORATION, NEWS RELEASES & MATERIAL CHANGE REPORTS

<u>1) Bisoni McKay Vanadium Property in Nevada</u>

<u>Exploration events during Prior Periods</u>

In September 2005 the Company contracted Kettle Drilling of Coeur d'Alene, Idaho and drilled 1,024 feet of diamond core drilling on the Bisoni McKay property. Included was a fence of three holes on the north end of the property, immediately adjacent to Vanadium International's second reverse circulation hole drilled in 2004, as well as adjacent to 1970s Hecla RC holes BMK 17, 18 and 19 respectively, each of which showed strong grades of V2O5 at various intervals. Holes were drilled at angles of 45 degrees, 57.5 degrees and 66 degrees to the northwest.

A second fence of two diamond core holes was drilled on the southern end of the property adjacent to Vanadium International's first reverse circulation hole, and also to Hecla's RC holes BMK 6, 7 and 8 respectively. All four of these RC holes showed reasonable V2O5 grade at various intervals. This was the first diamond drilling ever conducted on the property. Results of this diamond drilling showed very encouraging results from the northern fence, including grades much higher than from any other drilling on the property. The results from the southern fence of diamond drilling were less encouraging. The Company encountered technical difficulties in drilling these two holes and eventually had to abandon the second hole of this fence. The angle of the holes was reduced to 35 degrees from the planned 57.5 degrees to attempt to overcome these difficulties. As a result, the Company believes that it may have overshot the zone of mineralization encountered the year before by Vanadium International in its reverse circulation drilling.

In November 2005, the Company contracted O'Keefe Drilling of Butte, MT to drill 10 RC holes at 45 degrees angles to the northwest at step out intervals of 210 feet from the two diamond drill fences; 3 holes to the north of the northern fence, 3 to the south of the northern fence, and three holes drilled to the north of the southern diamond drill fence. One RC hole was drilled vertically in Trench ASC50. Results from the three RC holes stepping out south of the northern diamond drill fence were released on November 29, 2005, and which were very encouraging to the Company.

In April 2006 the Company contracted Hazen research of Colorado for the metallurgical and leach testing of vanadium from core and reverse circulation drilling on the Bisoni McKay property in the fall of 2005. Hazen carried out mineralogical characterization to determine the mode of occurrence of vanadium, followed by two sets of tests on samples from three zones: oxidized zone (mudstone), transition zone (mudstone to carbonaceous shale) and unoxidized zone (carbonaceous shale).

<u>The tests comprised of:</u>

(i) direct acid leaching with sulfuric acid, at two grinds and at two temperatures, for a total of 12 experiments; and
(ii) roasting experiments, with at least four roasting conditions for samples from each zone, followed by appropriate leaching, either alkaline or acidic, i.e., a minimum of 12 roasting/leaching experiments.

The tests were designed to define the steps and conditions needed to obtain reasonable vanadium extraction and examine the reagent consumptions in leaching and roasting, and thus develop the first stages of a process flowsheet. The Company received final test results in January 2007, and a report on recovery of oxidized vanadium pentoxide using an acid pug/ leach recovery method, including some results as high as 95%. Test results on transition and carbonaceous material showed recovery as high as 70% and 75% of vanadium pentoxide using a roast/ leach recovery method. Hazen Research also recommended further metallurgical test work to continue the refinement of these processes, as well as explore other recovery options In May 2007, the Company contracted O'Keefe Drilling of Boise, ID to conduct reverse circulation (RC) drilling on Northern Section "A" of the Bisoni McKay property. A total of 12 RC holes were drilled according to schedule, for a total of 5,130 feet. This drilling campaign was comprised of step-out holes at 100 foot intervals directly north for 700 feet along strike length from core hole fence DDH-05-1/2/3. Additionally, drilling was conducted parallel to the immediate west by 100 feet and north by 700 feet. The result of this campaign is a section approximately 700 feet long by 100 feet wide, with 100 foot intervals, immediately to the north of core hole fence DDH-05 and inclusive of RC holes BMK-05-04, BMK-05-05 and BMK-05-06 drilled by the Company in 2005.

The detailed drilling on the north half of Area A reveals a thick section of vanadiferous carbonaceous shale capped with mineralized weathered, oxidized shale. Vanadium-bearing rock begins essentially on or within a few feet of the surface and continues down-dip below 450 feet, the current depth limit of drilling into vanadium-bearing strata. From Area A-North, the vanadium trend continues south over 6,000 feet to Area B. The character of the mineralization in Area B appears similar to that drilled in Area A, but parts of the trend appear to have been narrowed and thinned by faulting, especially between Area A and Area B. Evidence that the vanadiferous trend continues south of Area B comes from two historic borings and trenching by Hecla Mining Company. The southernmost area of the projected strike of the vanadiferous trend in Area C and beyond is still unexplored. In the fall of 2007 the Company contracted Edward Ullmer, P. Geo, to produce an updated geological technical report based on the report presented to Stina by JA Mine in 2005, and updated in 2006. The report also included a resource estimate on a sub-section of Northern Section "A" which extends 700 feet long by 100 feet wide, directly north of BMK DDH – 2005, and with 100 foot interval RC drilling. The Company contracted Maptek Co. of Lakewood, CO to conduct the resource estimate.

In February 2008 the Company received a further updated geological technical report from Ed Ullmer, P. Geo, and included a resources estimate, the first ever conducted on the Bisoni McKay property, and which was conducted by Maptek of Lakewood, CO. The report was amended in May 2012 and is available on the company website. A map of the Bisoni McKay drill locations can be found on the Company website.

<u>2011/ 2012/ 2013/ 2014 Exploration</u>

In the spring of 2011 the Company contracted Lyntek Corp., of Lakewood, CO to conduct a Conceptual Study of the Bisoni McKay to better assess the potential economic viability of the property, the vanadium pentoxide and ferrovanadium markets, and how the property fits into the world vanadium industry. On June 30, 2011, the Company announced that further metallurgical work was required to complete the Conceptual Study.

No significant work was conducted on the Bisoni McKay Property in 2012, 2013 or 2014. The Company has recorded an impairment charge of $1,962,257 in 2012 to decrease the carrying value of the property, primarily considering the acquisition costs of it appeared non-recoverable under general market conditions. In addition, the Company had not conducted a significant work program in four years. However, another venture mineral exploration company is currently developing an adjacent vanadium property approximately 20 miles to the northwest, on the same geological vanadium belt.

<u>2015 Exploration</u>

In October 2015 the Company worked on the property site. The fieldwork consisted of survey control on Northern Section A and review and reorganization of previous drilling samples for future bulk sampling. Additionally, samples in storage in Eureka have been organized for further bulk sampling testing that will be included in further metallurgical recovery studies. The company also contracted the services of Edwin Bentzen, a metallurgist and an affiliate of Resource Development Inc., to assess the technical aspects of the mineral process studies conducted by Hazen and Lyntek in 2005 and 2011, respectively. Mr. Bentzen's report outlined a general direction the company should undertake in continuing the vanadium pentoxide recovery studies, of which he may be involved in directing.

43-101 Report and Non-Compliance
On October 29, 2015 the Company received an updated NI-43-101 report from Ed Ullmer and was subsequently available on the Company's website. On February 9, 2016 the Company was advised by the BCSC that the report has deficiencies with regard to NI 43-101 and Form NI 43-101 F1. As a result of this non-compliant report, the Company had been placed on the BC Securities Commission Issuers in Default List.

On September 13, 2016 the Company filed an amended NI 43-101 compliant report and the Company was removed from the Default Issuer's List.

2016 Impairment (none)
As at year end September 30, 2016 the Company elected not to further impair the property, citing a slightly improving market outlook and a mild interest in the property externally, in addition to the further field work conducted in 2015.

2017 and 2018 Work and Staking of New Claims (no impairment)
During the year ending September 30, 2017, the Company staked an additional 162 claims directly adjacent, and north of the Bisoni McKay Property, for a total of 4,115 acres, known as the Bisoni-Rio Claims on the Bisoni McKay Property. This was done to extend control of the land between the company's Bisoni McKay property and the nearby Gibellini property (Prophecy Development Corp.). The company sees an advantage to securing the additional lands because of the increasing world demand for vanadium largely resulting from its non-traditional use in vanadium redox flow battery technology. The Vanadium belt of central Nevada is host to an important concentration of single-product vanadium deposits in North America. The Company's Bisoni McKay property is a high-grade, pure play vanadium project located in the Vanadium belt of central Nevada. Past exploration drilling reveals the occurrence of high-grade V2O5 (vanadium pentoxide) in the primary (carbonaceous shale) mineralized material which contains the largest vanadium resource on the property. Several drill holes completed in primary mineralization suggest the deposit is open at depth in some areas. A supergene enrichment zone of up to 35 feet in width has been identified immediately below the Redox zone. The concentration of the past exploration drilling campaigns at Bisoni McKay was within a relatively small portion of the project area and was designed to evaluate and characterize the vanadium continuity, grade distribution and spatial characteristics of the vanadiferous beds. The results confirmed the continuity of mineralization within a persistent kerogen-rich carbonaceous shale, which hosts the high-grade ore. It also revealed the presence of a zone reporting grade surges of 50 per cent to 150 per cent (as high as 1.79 per cent vanadium (V) pentoxide (V2O5)) up to 35 feet thick, immediately below the redox zone that is likely due to a supergene enrichment process. This enrichment zone is not well understood at this time and will be the target of the next exploration drilling campaign.

Phase III of the 2016 revised Bisoni McKay Technical report calls for further metallurgical studies, and in the fall of 2017, the Company initiated further studies at Hazen Research in Golden, CO, the site of earlier recovery bench tests in 2006 and 2007. As the target end product is no longer necessarily vanadium pentoxide (or ferrovanadium, due to the recent strong advancements in vanadium redox flow battery technology, recovery direction has changed to the output of vanadium for processing into vanadium electrolyte. Recovery tests at Hazen look more promising than previously, and in December the Company reported strong preliminary results from recovery tests at Hazen, on previous tailing cuttings from 2005 and 2007 drilling.

Testing involved roasting-leaching and pressure oxidation processes. Preliminary mineralogical testing also showed low levels of carbonate minerals, viewed as a positive as these are notorious acid-consuming minerals. Both methods were successful in destruction of the organic matter to liberate the vanadium for subsequent leaching.

The roast-leaching experiments resulted in vanadium extraction in the range of 60 per cent. More work needs to be done to determine the vanadium compounds present to better formulate the leaching reagents.

The pressure oxidation experiments produced the best results with extraction levels exceeding 90 per cent. The carbon content in the feed for the autoclave experiments was 6 per cent and the pyrite 0.6 per cent. These levels are considered advantageous in self-combustion in the autoclave process. Further experiments involving lower temperatures and coarser grind may show processes that could lead to lower operating and capital costs.

The Company is in the process of planning a drilling campaign on the original Bisoni McKay property and the Bisoni-Rio extension in 2019, in addition to continuing the recovery studies.

The Company has also signed an agreement with the University of Calgary to conduct vanadium studies. The research conducted will focus on processing of vanadium from Bisoni McKay into vanadium electrolyte by evaluating impurities and other factors that will affect electrolyte for vanadium redox flow batteries. The Company has also established a relationship with Pacific Northwest National Laboratories which has done extensive research into vanadium flow batteries. The Company also has access to PNNL's patented vanadium electrolyte formulations.

In the fall of 2017, the Company did reclamation work on the property where previous drilling had been conducted and has a receivable of a partial refund of the reclamation bond.

The Company has set January 4th, 2019 as the record date to spin out the property into a newly formed corporation V23 Resource Corp. (see section 1 above).

The Company has determined that no impairment to the property will be assigned as of September 30, 2018. The Company has commissioned an updated NI 43-101 which is expected to be completed by the end of 2018 or early 2019.

2) <u>Gildemeister Energy Storage GmbH (non-mineral exploration)</u>

See Section 1.2 (2) Above

3) <u>Jet Power and Controls (non-mineral exploration)</u>

See Section 1.2 (3) Above

4) <u>Soft Wave Water Technology Distribution in Canada (non-mineral exploration)</u>

See section 1.2 (3) above

5) <u>Pure Vanadium (non-mineral exploration)</u>

In July 2017, the Company announced a letter of intent to acquire Pure Vanadium Corp, a technology company involved in the development of vanadium electrolyte formulations for grid scale electrical storage batteries. The letter of intent provided for a share transaction and allocation or funds for continuing research activities. The letter of intent provided that any acquisition subject to due diligence and development of a definitive agreement for review by the Board. The Company anticipates completing the transaction for Pure Vanadium Corp. in December 2018 (subsequent period). The Company will acquire all of the outstanding shares of Pure Vanadium Corp for consideration of 4,200,000 common shares.

<u>RECENT NEWS RELEASES</u>

12/07/2018	CellCube Energy Storage Announces the Filing of Audited Annual Financials
11/29/2018	Cellcube to File Financials Next Week and Extends Record Date for Spin Out
11/09/2018	CellCube Announces Further Delay Filing Audited Financial
11/05/2018	CellCube Halted for delay in Filing Annual Financial Statements
10/22/2018	Cellcube Energy's Murray resigns as director
10/18/2018	Cellcube Energy Storage appoints Philip Hughes to board
10/16/2018	Cellcube Energy arranges $4-million placement
10/11/2018	Cellcube Energy sets Nov. 30 as V spinout record date
10/10/2018	Cellcube Energy to deliver $565,000 in equipment in Q4
10/9/2018	Cellcube Energy Storage to resume at 10:45 a.m. PT

10/9/2018	Cellcube signs master service deal with Pembina
10/5/2018	Cellcube Energy halted at open
9/27/2018	Cellcube to provide energy storage to E.ON in Sweden
9/25/2018	Cellcube expects Enercube to complete 6 projects in Q3
9/6/2018	Cellcube products to be sold in Thailand by Bettenergy
9/5/2018	Cellcube appoints Bruno Arnold to board
8/14/2018	Cellcube receives $1.67M refund from Austrian gov't
8/7/2018	Cellcube Energy comments on unusual trading activity
8/3/2018	Cellcube Energy arranges $2-million placement
8/2/2018	Cellcube to cancel $15-million financing with Alumina
8/2/2018	Cellcube to receive $1.67-million in tax, fees refunds
7/31/2018	Cellcube arranges $15M equity financing with Alumina
7/24/2018	Cellcube Energy appoints Neylan chairman of spinout
7/16/2018	Cellcube delivers battery to university for research
7/11/2018	Cellcube installs energy storage system in New York
7/9/2018	Cellcube delivers 1st energy storage system to Germany
7/5/2018	Cellcube Energy closes Pure Vanadium acquisition
7/3/2018	Cellcube Energy begins trading on OTCQB

1.4 OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-Balance Sheet Arrangements

1.5 TRANSACTIONS WITH RELATED PARTIES

Key management personnel compensation

	For the three months ended September 30, 2018	For the three months ended September 30, 2017
Short-term employee benefits - consulting fees	**$ 194,033**	$ 50,188
Short-term employee benefits - salaries and wages	**-**	8,645
Share-based compensation	**93,750**	-
	$ 287,783	$ 58,833

The Company incurred director fee expenses totaling $3,000 for the period from a former director during the period (period ending Sept 30, 2017 - NIL), consulting fee expenses of $121,052 from a company owned by an officer during the period. (period ending Sept 30, 2017 - NIL), consulting fee expenses of $12,265 from an officer and director of the Company during the period. (period ending Sept 30, 2017 - NIL) consulting fee expenses of $51,416 from an officer of the Company during the period. (period ending Sept 30, 2017 - NIL), consulting fee expenses of $6,300 from the investor relations officer of the Company during the period. (period ending Sept 30, 2017 - NIL).

1.6 PROPOSED TRANSACTIONS / COMMITMENTS

The Company proposes the spin out its 100-per-cent-owned vanadium project, the Bisoni Mackay and Bisoni-Rio in Nevada, into a newly formed subsidiary called V23 Resource Corp. Upon completion of the spinout arrangement, the company intends to issue one share of V23 Resource Corp. for every two shares of Cellcube held by Cellcube shareholders of record. The Company intends to retain a 19.9-per-cent interest in V23 Resource Corp. and enter into a vanadium off-take agreement. On October 11, 2018, the Company set a record date for the spin out of the Bisoni and Bisoni – McKay vanadium properties to the newly formed corporation, V23 Resource Corp. ("U23"), as November 30, 2018 and on November 29, 2018 extended the record date to January 4, 2019. Cellcube shareholders of record owning common shares of the Company on January 4, 2019, will be eligible to receive the distribution of one common share of V23 for every two common shares of Cellcube upon completion of the spinout arrangement. Cellcube intends to retain a 19.9-per-cent interest in V23, in addition to certain off-take rights and a net smelter royalty.

In July 2017, the Company announced a letter of intent to acquire Pure Vanadium Corp, a technology company involved in the development of vanadium electrolyte formulations for grid scale electrical storage batteries. The letter of intent provided for a share transaction and allocation or funds for continuing research activities. The letter of intent provided that any acquisition subject to due diligence and development of a definitive agreement for review by the Board. The Company anticipates completing the transaction for Pure Vanadium Corp. in 2018 or early 2019.

1.7 CRITICAL ACCOUNTING ESTIMATES

Use of Estimates:

The company's financial statements have been prepared in conformity with International Financial Reporting Standards and form the basis for discussion and analysis of critical accounting policies and estimates. Management is required to make estimates and assumptions that affect the report amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period, see Note 3 of the Audited Consolidated Financial Statements for the nine months ended June 30, 2018. Financial results as determined by actual events could differ from those estimates.

Risk Management:

The Company is engaged primarily in the manufacture and development of vanadium redox flow batteries and mineral exploration and manages related industry risk issues directly. Observed potential risks include those for environmental reclamation and fluctuations in commodity based market prices associated with resource property interests. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements. Company management acknowledges that there is no certainty that all environmental risks and contingencies have been addressed.

Credit Risk
The Company is exposed to credit risk by holding cash and short-term investments. Holding the cash and short-term investments in large Canadian financial institutions minimizes this risk. The Company has minimal accounts receivable exposure, and its various refundable credits are due from Canadian governments.

Currency Risk
The Company's functional currency is the Canadian dollar. There is moderate foreign exchange risk to the Company relating to the US dollar as one of its mineral property interests is located in Nevada, USA. Additionally, the Company's subsidiary, Enerox, operates in Austria and as a result the Company faces moderate foreign exchange risk relating to the Euro. Management monitors its foreign currency balances and makes adjustments based on anticipated need for currencies. The Company does not engage in any hedging activities to reduce its foreign currency risk.

Interest Rate Risk
The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash accounts is relatively unaffected by changes in short term interest rates. The income earned on certain bank accounts is subject to the movements in interest rates. Currently, this risk will have an immaterial effect on operations. The Company's existing debt are fixed rate instruments and therefore faces no current risk relating to changes to borrowing interest rates.

Price Risk
Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk). The Company is at risk to changes in commodity prices which may affect financing options available.

Liquidity Risk
Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company manages this risk by careful management of its working capital and may need to raise debt and/or issue equity to meet obligations as they come due and may also need to curtail expenditures to maintain adequate liquidity.

Stock-based compensation:

The Company follows the guidelines of the IFRS 2 –"Share Based Payment", relating to stock-based compensation and other stock-based Payments. The Company follows a fair-value method for all stock-based compensation and similar stock based awards to directors, employees and consultants. Where the Company has issued options that vest over a period of expected service, the fair value of the options at the date of grant is estimated and charged to income over the respective vesting periods. See Note 18 of the Audited Consolidated Financial Statements for the nine months ended June 30, 2018.

1.8 CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

New accounting pronouncements

Certain new accounting standards and interpretations have been adopted by the Company as of the beginning of the current fiscal period. The adoption of the following standard during the period did not have a material impact on the Company's financial statements. The following are future changes in accounting policies not yet effective as at September 30, 2018:

(a) IFRS 9 - Financial Instruments - The standard was issued in its final version by the International Accounting Standards Board ("IASB") in July 2014 The standard retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018. The Company is assessing the impact of this standard.

(b) IFRS 15 - Revenue from Contracts with Customers – This standard will replace IAS 18, "Revenue", IAS 11 "Construction Contracts", and related interpretations on revenue. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers, except for contracts that are within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 uses a control-based approach to recognize revenue which is a change from the risk and reward approach under the current standard. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual periods beginning on or after January 1, 2018. The Company is assessing the impact of this standard.

(c) IFRS 16 – Leases – The standard was issued by the IASB on January 13, 2016, and will replace IAS 17, "Leases". IFRS 16 will bring most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and financing leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. The new standard is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted if IFRS 15 has also been applied. The Company is assessing the impact of this standard.

1.9 FINANCIAL AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash, short term investments, accounts receivables, amounts due to and from related parties, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency risks arising from financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

1.10 OTHER MD&A REQUIREMENTS

Additional information relating to the Company's operations and activities can be found by visiting the Company's websites www.cellcubeenergystorage.com, as well as news releases and 43-101 reports filed on SEDAR at www.sedar.com

A. Authorized and Issued Share Capital as at September 30, 2018:

Authorized: Unlimited common shares without par value

Issued and outstanding: 138,017,953 common shares

See Note 16 – Share Capital of the Financial Statements

B. Options, Warrants & Convertible Securities Outstanding as at September 30 2018:

Stock options

Under the Company's Incentive Share Option Plan, the Company may grant options to employees, consultants and directors when the number of shares reserved does not exceed 10% of the issued and outstanding share capital at the date of grant. The exercise price of the options granted will be no less than the discounted market price of the Company's shares and the maximum term of the options will be 5 years

As of September 30, 2018 the following stock options were outstanding:
4,040,000 @ $0.15, expiring June 27, 2019
1,400,000 @ $0.28, expiring October 16, 2019

Escrow shares

As of September 30, 2018 no shares were held in escrow.

Share purchase warrants

As of September 30, 2018 the following share purchase warrants were outstanding:

Year ended September 30, 2017	Issued	(Exercised)	Year ended June 30, 2018	Issued	(Exercised)	Three months ended June 30, 2018	Terms
2,100,000	-	(100,000)	2,000,000	-	-	2,000,000	Exercisable at $0.15 until September 19, 2018 (i)
4,000,000	-	(2,500,000)	1,500,000	-	-	1,500,000	Exercisable at $0.10 until February 27, 2019 (ii)
525,000	-	-	525,000	-	-	525,000	Exercisable at $0.15 until July 5, 2020 (i)
325,000	-	-	325,000	-	-	325,000	Exercisable at $0.15 until September 11, 2020 (i)
500,000	-	-	500,000	-	-	500,000	Exercisable at $0.15 until January 22, 2020 (i)
11,000,000	-	(3,225,000)	7,775,000	-	-	7,775,000	Exercisable at $0.10 until April 28, 2019
1,000,000	-	(1,000,000)	-	-	-	-	Exercisable at $0.155 until October 29, 2019
1,040,832	-	(125,000)	915,832	-	(377,916)	537,916	Exercisable at $0.15 until January 8, 2019
	7,500,000	(2,265,000)	5,235,000	-	-	5,235,000	Exercisable at $0.45 until October 13, 2020
	811,200	(298,650)	512,550	-	-	512,550	Exercisable at $0.20 until October 13, 2020
-	677,777	-	677,777	-	-	677,777	Exercisable at $0.45 until February 9, 2021
-	3,166,368	-	3,166,368	-	-	3,166,368	Exercisable at $0.45 until February 26,2021
-	1,711,409	-	1,711,409	-	-	1,711,409	Exercisable at $0.45 until March 15, 2021
-	197,742	-	197,742	-	-	197,742	Exercisable at $0.27 until February 26, 2020
-	121,358	-	121,358	-	-	121,358	Exercisable at $0.27 until March 15, 2020
-	5,305,000	-	5,305,000	-	-	5,305,000	Exercisable at $0.60 until March 28, 2021
-	4,480,002	-	4,480,002	-	-	4,480,002	Exercisable at $0.60 until April 5, 2021
-	2,836,503	-	2,836,503	-	-	2,836,503	Exercisable at $0.60 until April 7, 2021
-	8,211,829	-	8,211,829	-	-	8,211,829	Exercisable at $0.60 until April 20, 2021
	251,000	-	251,000	-	-	251,000	Exercisable at $0.27 until March 15, 2020
-	638,395	-	638,396	-	-	638,396	Exercisable at $0.60 until April 20, 2021
-	1,000,000	-	1,000,000	-	-	1,000,000	Exercisable at $0.53 until May 7, 2021
-	200,000	-	200,000	-	-	200,000	Exercisable at $0.53 until May 7, 2021
-	500,000	-	500,000	-	-	500,000	Exercisable at $0.375 until June 20, 2021
-	-	-	-	84,475	-	84,475	Exercisable at $4.39 until February 17, 2020
-	-	-	-	64,489	-	64,489	Exercisable at $4.39 until May 5, 2020
				13,409	-	13,409	Exercisable at $4.39 until May 5, 2020
20,490,832	**37,608,583**	**(9,504,650)**	**48,585,766**	**162,373**	**(377,916)**	**48,370,223**	

As at the date of this report the Company had common shares outstanding of 138,471,703, options outstanding of 5,215,000 and warrants outstanding of 48,378,805.

C. **Subsequent Events**

In July 2017, the Company announced a letter of intent to acquire Pure Vanadium Corp, a technology company involved in the development of vanadium electrolyte formulations for grid scale electrical storage batteries. The letter of intent provided for a share transaction and allocation or funds for continuing research activities. The letter of intent provided that any acquisition subject to due diligence and development of a definitive agreement for review by the Board. The Company anticipates completing the transaction for Pure Vanadium Corp. in 2018 or early 2019. The Company will acquire all of the outstanding shares of Pure Vanadium Corp. for consideration of 4,200,000 common shares.

On August 3, 2018 the Company announced a non-brokered private placement for up to 10 million units of the Company at a price of 20 cents per unit for gross proceeds of approximately $2 million. The Company has already received sufficient interest from individuals to complete the $2 million financing. Each unit comprises one common share of the Company and one-half of one common share purchase warrant of the Company. Each warrant entitles the holder thereof to purchase one common share of the Company at an exercise price of 40 cents for a period of 36 months from the date of issuance of the warrant. The financing is subject to customary closing conditions, including Canadian Securities Exchange approval. All securities issued pursuant to the private placement will be subject to a four-month hold period from the date of issue. As of the date of this report the private placement has not been closed.

On October 16, 2018 the Company announced that it was continuing with the August 3, 2018 announced fully subscribed non-brokered private placement financing. The Company is issuing 26,666,667 units at a price of 15 cents per unit for gross proceeds of $4 million. Each unit comprises one common share of the Company and one-half of one common share purchase warrant, each full purchase warrant exercisable into one common share of the Company at a price of 30 cents for a period of 36 months from closing. The Company has reserved the right to issue an additional $1 million (6,666,667 units) through an overallotment provision. As of the date of this report, the private placement has not been closed.

On October 11, 2018 the Company set a record date for the spin out of the Bisoni and Bisoni – McKay vanadium properties to the newly formed corporation, V23 Resource Corp ("U23"), as November 30, 2018 and on November 29, 2018 extended the record date to January 4, 2019. Cellcube shareholders of record owning common shares of the Company on January 4, 2019, will be eligible to receive the distribution of one common share of V23 for every two common shares of Cellcube upon completion of the spinout arrangement. Cellcube intends to retain a 19.9-per-cent interest in V23, in addition to certain off-take rights and a net smelter royalty.

On August 2, 2018 and October 23, 2018 statements of claim relating to all of the convertible debentures issued by Jet Power (notes 16 and 23) and an alleged event of default were filed with the Court of Queen's Bench of Alberta demanding repayment of principal and interest and court costs.

On November 5, 2018, the British Columbia Securities Commission issued a cease trade order against the Company in connection with the delay by the Company in the filing of its annual audited financial statements for the nine months ended September 30, 2018. This order restricts all trading in the Company's securities until the default is remedied. The audited consolidated financial statements and MD&A were filed on December 7, 2018.

Subsequent to the quarter end 75,000 options were exercised at $0.15 for proceeds of $11,250, 150,000 options were exercised at $0.15 for proceeds of $$22,500, 378,750 warrants were exercised at $0.15 for proceeds of $56,813, 580,000 warrants were exercised at $0.10 for proceeds of $58,000 and 41,667 warrants were exercised at $0.15 for proceeds of $6,250.

On December 10, 2018 Stefan Schauss was appointed to the Board of Directors replacing Greg Gibson who has resigned from the Board of Directors.

D. Evaluation of Disclosure Controls and Procedures

Due to the delays in filing its annual financial statements resulting from the increased complexity of the required reporting after the acquisitions completed in April and May 2018, the Company has recognized that it has certain internal control deficiencies relating to its financial reporting. The Company has begun an initiative to improve these internal controls going forward. The Company is in the process of engaging external consultants and additional internal accounting resources to meet the increased financial reporting complexities due to the recent international acquisitions and the numerous equity-based transactions.

E. Corporate Governance Disclosure

The Company has submitted to its members and shareholders details in the Information Circular dated February 1, 2018 Corporate Governance Disclosure guidelines that have been presented to the Board of Directors for periodic review. Some of these guidelines are: Outlining the Company's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Company's internal control and management information systems. The Management of the Company periodically updates directors with regulatory policy changes. Management encourages and promotes a culture of ethical business conduct. The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

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Listing

Canadian Securities Exchange (CSE)
Symbol: CUBE
OTC Symbol: CECBF
Frankfurt Symbol: 01X, WKN A2JMGP