FOGCHAIN CORP.

Management's Discussion and Analysis
For the Six Months Ended June 30, 2019

1.1 Date

This Management Discussion and Analysis ("MD&A") of FogChain Corp. (formerly Mukuba Resources Ltd.) (the "Company") has been prepared by management as of August 23, 2019 and should be read in conjunction with the condensed interim consolidation financial statement and related notes thereto for the six months ended June 30, 2019 and 2018, the audited financial statements and related notes thereto of the Company for the years ended December 31, 2018 and 2017, which were prepared in accordance with International Financial Reporting Standards ("IFRS") and are reported in United States ("US") dollars unless otherwise noted, and the annual Management Discussion and Analysis ("MD&A") of the Company prepared by management as of April 30, 2019.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This MD&A contains certain statements that may constitute "forward-looking statements". Forward-looking statements include but are not limited to, statements regarding future anticipated business developments and the timing thereof, regulatory compliance, sufficiency of working capital, and business and financing plans. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made and they involve a number of material risks and uncertainties. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company's ability to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

The Company has based the forward-looking statements largely on the Company's current expectations, estimates, assumptions, and projections about future events and financial and other trends that the Company believes, as of the date of such statements, may affect its business, financial condition and results of operations. Such expectations, estimates, assumptions, and projections, many of which are beyond the Company's control, include, but are not limited to: management's expectations regarding the future business, objectives and operations of the Company; the Company's anticipated cash needs and the need for additional financing; the Company's ability to successfully complete future financings; the acceptance by the marketplace of new technologies and solutions; the Company's expectations regarding its competitive position; the Company's expectations regarding regulatory developments and the impact of the regulatory environment in which the Company operates; the Company's ability to attract and retain qualified management personnel and key employees; and anticipated trends and challenges in the Company's business and the markets in which it operates. Assumptions underlying the Company's working capital requirements are based on management's experience with other public companies. Forward-looking statements pertaining to the Company's need for and ability to raise capital in the future are based on the projected costs of operating a blockchain software development platform and management's experience with raising funds in current market circumstances. Forward-looking statements regarding treatment by governmental authorities assumes no material change in regulations, policies, or the application of the same by such authorities. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements with the risks set forth.

1.2 Overall Performance

FogChain Corp. (formerly Mukuba Resources Limited) ("FogChain" or the "Company") was incorporated on February 7, 1984 under the *Business Corporations Act (Ontario).*

On May 24, 2018, the Company completed a reverse takeover transaction (the "RTO"), which was effected pursuant to a merger agreement between Mukuba Resources Ltd. and FogChain Inc. ("Fog Inc."), a private company existing under the laws of Delaware with its head office in San Carlos, California. As part of the transaction, the Company consolidated its share capital at a ratio of one post consolidated common shares for 1.66 pre-consolidated common shares, created restricted voting shares in the capital of the Company ("Restricted Common Shares"), changed its name to FogChain Corp. effective May 23, 2018, voluntarily delisted its common shares from the TSX Venture Exchange effective May 28, 2018, and commenced trading its shares on the Canadian Securities Exchange ("CSE") on May 29, 2018, under the symbol FOG.

Pursuant to the RTO, the Company issued an aggregate of 45,353,884 common shares and 18,630,000 Class A convertible restricted common shares (the "restricted shares") of the Company in exchange for all of the issued and outstanding shares of Fog Inc. In conjunction to the RTO, the Company issued an aggregate of 12,990,451 common shares for finder's fees, debt settlement and conversion of convertible notes. Upon closing of the transaction, the shareholders of Fog Inc. owned 96% of the common shares of the Company and, as a result, the transaction is considered a reverse acquisition of the Company by Fog Inc.

On July 25, 2019, the Company entered into a non-binding letter of intent with Loop Media Inc. ("Loop Media"), whereby the parties will complete a business combination that will constitute a reverse takeover of the Company by Loop Media. See 1.11 Proposed Transaction.

Loop Media is an innovative premium streaming media company building products and solutions for both businesses and consumers. Loop Media improves the entire viewing experience for premium short-form content by focusing on venues and consumers in the evolving frontier of digital out-of-home, streamlining the public-to-private viewing experience.

General Description of the Business

FogChain is a fully integrated, end-to-end software development life cycle (SDLC) and quality assurance solutions provider. FogChain's suite of services and technology provides application development at scale with greater speed, efficiency and at a lower cost. FogChain's Build-Once-Deploy-Everywhere software architecture provides developers with a suite of tools to build, test, and monitor exciting new applications in a unified environment.

Company Highlights

During the first half of the fiscal period ended June 30, 2019, the Company:

- Was selected as one of the 30 Best Small Companies to Watch in 2019 by the Silicon Review, a leading global business technology publication.
- Was named one of the Top Ten Automated Testing Solutions Providers of 2019 by CIO Applications, an independent technology magazine that specializes in enterprise solutions.
- Appointed Newgate Communications as PR adviser to build the Company's investor presence.
- Engaged a consultant on January 8, 2019 to provide advisory services for strategic consulting matters and investor relations activities in exchange for total cash consideration of $100,000 paid in equal quarterly payments and an aggregate of 2 million common shares over a one year term. This engagement was terminated effective June 30, 2019. The Company paid a total of $50,000 in cash and issued 1 million common shares with a deemed value of $60,000.

The Company continues to focus on development of its RadJav, Test Case Manager, and App Monitoring products into a unified platform, Trident. The Company also continues its efforts in identifying further merger and acquisition targets in the industry.

Products

RadJav

RadJav is a software development platform and decentralized datacenter. This platform provides rapid application development tools and resources to build and launch applications across all devices and operating systems all using the same code.

To-date, RadJav has completed its integration of RadJav to connect with top operating systems, Linux, Microsoft Windows, Mac OSX and Apple iOS 12, Google's Chrome DevTools and Android 9 operating system, and Visual Studio Code.

In April 2019, RadJav released its latest version and is now in Beta phase. Highlights of the latest release include:

- Create native applications using a single code base across all mainstream desktop, tablet and mobile operating systems
- Fully integrated with FogChain's Trident platform for development, testing and monitoring
- Cryptographic library included for the development of secure apps
- Visual Studio code is integrated and will be fully bundled for easy setup and deployment of applications
- Bundled batch file scripts to easily and quickly create iOS and Android apps
- Easily create databases using RocksDB, an embeddable key-value store for fast storage
- Full documentation, templates, and examples provided in our GitHub repository

The Company filed a Blockchain-based patent application covering RadJav's proof of competition consensus methodology and a new patent covering secured data access control using localized cryptographic technology.

Test Case Manager (TCM)

TCM is a patented automated testing product that allows organizations to accomplish substantial cost savings and improved time to market by automating their test cases. This container-based solution is comprised of a sleek, web UI and an innovative Selenium/Appium architecture that product development teams strive to achieve. The container approach is highly scalable and can exist onsite or accessed in the Cloud. The UI defines workflows and communication to aid in the implementation of Continuous Improvement & Continuous Development (CI/CD,) Test Driven Development (TDD), Business Process Testing (BPT), and the needs of independent QA teams. Automation engineers can leverage their Selenium and Appium skills by developing code within a tightly organized, keyword structure. Application analysts and subject matter experts will gravitate to the user-friendly drag-and-drop features for creating automation steps.

In March 2019, FogChain completed the development and release of significant new capabilities including the ability to capture mobile objects and elements to build an object repository for functional mobile automation.

AppMark

This full-featured Synthetic Monitoring service allows organizations to monitor the performance of their applications in a new and efficient manner. Users receive daily benchmarked performance reports, set timers, and email notifications when an issue occurs with their product thereby minimizing customer impact.

Trident

A unified cross-platform application combining FogChain's RadJav, Test Case Manager and Synthetic Monitoring services applications into one platform. This platform provides developers with a suite of tools to build, test and monitor new applications using a single code-base while being natively deployed across desktop, tablet and mobile devices.

In June 2019, the Company completed the integration of AppMon, a 24/7 application monitoring solution that identifies performance issues, into the Trident platform. Users will have the ability to manage local/cloud devices, test scripts (codeless), alarms and servers, and view all important reports within a single dashboard with a mobile friendly design.

1.3 Selected Annual Information

		December 31, 2018		December 31, 2017		April 13, 2016 (Date of incorporation) to December 31, 2016
Total revenues	$	194,345	$	Nil	$	Nil
Gross Profit	$	100,863	$	Nil	$	Nil
Net and Comprehensive Loss	$	(6,495,346)	$	(74,267)	$	(2,520)
Loss per share	$	(0.10)	$	(0.00)	$	(0.00)
Total assets	$	4,317,086	$	353,462	$	Nil
Total long-term liabilities	$	Nil	$	Nil	$	Nil
Cash dividends declared per share for each class of share	$	Nil	$	Nil	$	Nil

1.4 Results of Operations

Six months ended June 30, 2019

During the six months ended June 30, 2019, the Company incurred an overall net loss of $1,348,104 or $0.02 per share compared to a net loss of $3,383,681 or $0.08 per share, a decrease in loss of $2,035,571. The decrease in loss was primarily a result of the Company's listing expense incurred in the six months ended June 30, 2018.

During the first half of 2019, the Company earned sales totaling $424,965 for IT support services, specifically, automated quality assurance test scripting, software development, performance monitoring, and onsite consulting & training. The Company earned a gross profit of $200,715 or 47%. There were no sales in the comparative period in fiscal 2018.

The following increases in costs were attributable to the net loss:

Amortization (non-cash) by $480,989 on its equipment and intangible assets.

Marketing costs by $128,640 as the Company hired two advisory firms to increase the Company's presence to existing and potential investors.

Office and administration by $32,026 which includes administrative services, general office costs as operations have increased and foreign exchange gains on Canadian bank balances.

Rent by $6,354 as the Company leased additional office space for its developers in South Carolina and California.

Salaries and benefits by $439,694 paid to the officers of the Company, developers and other technical and support staff.

The Company recorded a fair value of $84,029 on the vested portion of stock options granted in October 2018. During the period ended June 30, 2018, the Company recorded a fair market value of $13,624 on 32,524 common shares issued as consideration for a waiver and release of a voting support agreement with two shareholders.

Travel by $39,389 for management's travel costs for various meetings with the management team and developers, brokers, lawyers and various investors.

Offsetting the increase in expenses was a decrease in:

Consulting fees by $138,839 for business development, financial and advisory services.

Professional fees by $109,961. During the first half in fiscal 2018, the Company incurred higher legal fees in connection to general corporate matters, private placement and accounting and audit fees. During the six months ended June 30, 2019, the Company recorded a discounted amount received on its legal fees.

Regulatory and transfer agent fees by $4,328. The Company incurred additional fees in connection to its RTO transaction in the six months ended June 30, 2018. There were no such costs in the current fiscal quarter.

Software costs by $97,556 as the Company did not acquire new software during the period.

EBITA and Adjusted EBITA

	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Net loss – as reported	$ (699,225)	$ (3,076,374)	$ (1,348,104)	$ (3,383,681)
Add back (deduct):				
Interest Income	(283)	(5,033)	(307)	(5,033)
Amortization of equipment and intangible assets	241,168	-	480,989	-
EBITA (loss)	(458,340)	(3,081,407)	(867,422)	(3,388,714)
Other non-cash items:				
Share based compensation	29,520	13,624	84,029	13,624
Listing expenses	-	2,536,300	-	2,536,300
Marketing fees	55,000	-	55,000	-
Adjusted EBITA (loss)	$ (373,820)	$ (531,483)	$ (728,393)	$ (838,790)

EBITDA is defined as Earnings (from operations) before Interest, Taxes, Depreciation and Amortization. Adjusted EBITDA is defined as Earnings (from operations) before Interest, Taxes, Depreciation, Amortization and other non-cash items including share-based payment costs.

EBITDA and Adjusted EBITDA are not performance measures defined under IFRS and they are not considered an alternative to income or loss from operations, or to comprehensive earnings or loss, in the context of measuring a company's performance. Management believes that providing certain non-GAAP performance measures, in addition to IFRS measures, provides users of the Company's financial statements with an enhanced understanding of its results and related trends and increases transparency and clarity. Management believes that EBITDA and Adjusted EBITDA are important measures of operating performance because it allows management, investors and others to evaluate and compare the Company's operating results, including its return on capital and operating efficiencies, from period-to-period by removing the impact of the Company's capital structure (interest expense to service outstanding debt), asset base (depreciation and amortization), tax consequences, and other non-operating items not requiring cash outlays including the adjustment to the fair value of investments and share-based compensation. Securities regulations require that companies caution readers that earnings and other measures adjusted to a basis other than IFRS do not have standardized meanings and are unlikely to be comparable to similar measures used by other companies. Accordingly, they should not be considered in isolation.

Summary of Quarterly Results

The following is a summary of certain unaudited financial information for each of the last quarters since inception on April 13, 2016:

Quarter ended	Sales	Gross Profit	Operating expenses	Net Loss	Loss per share
June 30, 2019	$ 199,735	$ 99,772	$ 799,280	$ (699,225)	$ (0.01)
March 31, 2019	225,230	100,943	749,846	(648,879)	(0.01)
December 31, 2018	162,825	69,343	2,124,157	(2,570,262)	(0.04)
September 30, 2018	31,520	31,520	573,344	(541,403)	(0.00)
June 30, 2018	-	–	395,006	(3,076,374)	(0.06)
March 31, 2018	-	-	307,307	(307,307)	(0.00)
December 31, 2017	-	-	47,267	(47,267)	(0.00)
September 30, 2017	-	-	9,000	(9,000)	(0.00)

June 30, 2019 and March 31, 2019 – consistency in sales and operations.
December 31, 2018 – higher net loss due to increased operations and recognition of impairment of intangible assets.
September 30, 2018 – increased operating activities with the acquisition of two software products. The quarter also earned its first sales from IT support services.
June 30, 2018 – the quarter included listing expenses in connection to the completion of the RTO.
March 31, 2018 – the first full quarter to reflect the increase in operations of the Company.
December 31, 2017 – the Company commenced active operations during this period.
September 30, 2017 – the Company was newly incorporated on April 13, 2016 and operations were not active during this period.

1.6/1.7 Liquidity and Capital Resources

The Company reported working capital of $883,612 at June 30, 2019 compared to working capital of $1,693,571 at December 31, 2018, representing a decrease in working capital of $809,959.

As at June 30, 2019, the Company had net cash on hand of $851,947 compared to $1,801,412 as at December 31, 2018, representing a decrease of $949,465. During the period ended June 30, 2019, the Company used $921,053 of its cash in operating activities.

The Company's investing activities included the acquisition of equipment totaling $27,918.

Current assets excluding cash as at June 30, 2019 consisted of receivables of $114,537 (December 31, 2018 - $65,129) which comprised of government sales tax credits of $4,478 (December 31, 2018 - $2,783) and trade receivables of $110,059 (December 31, 2018 - $62,346), and prepaids and deposits of $20,567 (December 31, 2018 - $18,230).

Current liabilities as at June 30, 2019 consisted of trade payables and accrued liabilities of $103,439 (December 31, 2018 - $191,200).

The continuing operations of the Company are dependent upon its ability to raise adequate financing and to commence profitable operations in the future. The Company has an accumulated deficit of $7,920,237 including a loss for the period ended June 30, 2019 of $1,348,104. These uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

Although the Company has been successful in raising funds in the past, there can be no assurance that the

Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future. The other sources of funds potentially available to the Company are through the exercise of outstanding stock options and share purchase warrants. See Item 1.15 – Other Requirements – Summary of Outstanding Share Data. There can be no assurance, whatsoever, that any or all of these outstanding exercisable securities will be exercised. The Company has and may continue to have capital requirements in excess of its currently available resources.

Risk Factors and Uncertainties

The Company can be exposed, in varying degrees, to a variety of financial related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

<u>Credit risk</u>
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts which is held with reputable US and Canadian banks. Therefore, credit risk is assessed as low.

The Company's secondary exposure to credit risk is on its receivables. The Company has credit risk as it relates to the collection of its receivables. Current receivables are due from four customers consisting of 96% and refundable Canadian government sales taxes consisting of the remaining 4% of total receivables.

<u>Liquidity risk</u>
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by maintaining cash and cash equivalent balances to ensure that it is able to meet its short term and long term obligations as and when they fall due.

As at June 30, 2019, the Company had working capital of $883,612 (December 31, 2018 – $1,693,571).

<u>Market risk</u>
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk
Interest rate risk is the risk that the value of a financial instrument will change due to a change in the level of interest rates. The Company is exposed to interest rate risk as its bank account earns interest income at variable rates and is subject to the movement in interest rates. Management considers the interest rate to be minimal.

(b) Foreign currency risk
The Company is exposed to foreign currency risk on fluctuations related to cash, receivables, and accounts payable and accrued liabilities that are denominated in Canadian Dollars. Management does not hedge its exposure to foreign exchange risk and does not believe the Company's net exposure to foreign currency risk is significant.

As at June 30, 2019, the Company had net financial liabilities of CAD$45,905. A 10% change in the US dollar versus the Canadian dollar would give rise to a gain/loss of approximately $3,508.

(c) Price risk
The Company is not exposed to price risk.

1.8 Off-Balance Sheet Arrangements

The Company did not enter into any off-balance sheet arrangements.

1.9 Related Party Transactions

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include executive and non-executive directors and officers.

During the six months ended June 30, 2019 and 2018, the remuneration of the key management personnel were as follows:

		June 30, 2019		June 30, 2018
Chief Executive Officer	$	58,500	$	58,500
VP Product Marketing & Corporate Secretary		50,000		33,333
Chief Strategy Officer		65,000		-
Total	$	173,500	$	91,833

Other related party transactions and balances

(i) The Company leases office space on a month to month basis from Newton Energy, Inc., a company with a common director and shareholder, James Cerna, for a monthly rent of $1,500 plus $210 in telecommunication services, reduced from $3,000 plus $420 in telecommunication services, effective January 1, 2019.

During the period ended June 30, 2019, the Company paid a total of $10,260 (2018 - $20,520) in rent and telecommunications charges.

(ii) As at June 30, 2019, $Nil (December 31, 2018 - $200) was owed to Anthony Cerna, officer of the Company for reimbursement of expenses. This amount was included in the trade payables and accrued liabilities.

(iii) As at June 30, 2019, $Nil (December 31, 2018 – $930) was owed to Patrick Quilter, director and officer of the Company for reimbursement of expenses. This amount was included in the trade payables and accrued liabilities.

(iv) During the year ended December 31, 2018, in connection to the purchase agreement dated August 29, 2018, 4,100,000 common shares were issued to Quilmont, a company wholly owned by Patrick Quilter, a director and officer of the Company.

(v) The former Chief Executive Officer and former Chief Financial Officer of FogChain is a senior employee of Marrelli Support Services (“Marrelli”). During the year ended December 31, 2018, the Company issued 84,868 common shares to settle outstanding debt of $45,829 due to Marrelli.

(vi) During the year ended December 31, 2018, the Company’s former legal counsel, Peterson McVicar LLP, was issued 123,059 common shares to settle outstanding debt of $91,452.

1.10 Fourth Quarter

None

1.11 Proposed Transactions

On July 25, 2019, the Company entered into a non-binding letter of intent with Loop Media whereby the parties will complete a business combination that will constitute a reverse takeover of the Company by Loop Media (the "Transaction"). The Transaction will be considered a fundamental change within the meaning of the policy 8 of the CSE policies. The resulting issuer (the **"**Resulting Issuer**"**) upon completion of the Transaction will change its name to Loop Media Ltd or some other name as acceptable to the parties and will operate the current business of Loop Media.

Transaction
Pursuant to the Transaction, all of the issued and outstanding common stock in the capital of Loop Media (the **"**Loop Shares") will be exchanged for common shares in the capital of the Company which will result in Loop Media becoming a wholly owned subsidiary of the Company or otherwise combining its corporate existence with a wholly owned subsidiary of the Company.

Under the terms of the LOI, upon completion of the Transaction, the shareholders of the Company will retain approximately 20% of the issued and outstanding share capital of the Resulting Issuer on a fully diluted basis, inclusive of any securities which may be issued pursuant to any financing which Loop Media may pursue concurrent with the Transaction.

The final structure of the Transaction will be determined by the parties following the receipt of tax, corporate and securities law advice. The Transaction is an arm's length transaction and pursuant to the terms of the LOI it is anticipated that the definitive agreement (the "Definitive Agreement") in respect of the Transaction will be signed on or before August 31, 2019.

Completion of the Transaction is subject to a number of conditions, including but not limited to the following key conditions:

- execution of the Definitive Agreement;
- completion of mutually satisfactory due diligence; and
- receipt of all required regulatory, corporate and third party approvals, including the approval of the CSE and the shareholders of the Company and Loop Media (if required) and the fulfillment of all applicable regulatory requirements and conditions necessary to complete the Transaction.

New Board and Management
Effective on the closing of the Transaction it is anticipated that the current members of the board of directors of the Company (the "Board") and the current management of the Company will resign. With respect of the Board, the current members will be replaced by nominees to the Board appointed by Loop Media (the "Nominees") and the existing management team of Loop Media will replace the current management of the Company.

Shareholder Approval
Prior to the completion of the Transaction, the Company will call an annual and special meeting of its shareholders for the purpose of approving, among other matters (i) the election of the Nominees to the Board; and (ii) the change of name of the Company.

1.12 Critical Accounting Estimates

Not applicable to venture issuers.

1.13 Changes in Accounting Policies including Initial Adoption

Our significant accounting policies are set out in Note 2 of the condensed interim consolidated financial statements for the six months ended June 30, 2019 and the audited financial statements for the year ended December 31, 2018.

1.14 Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, receivables, and trades payables.

The Company has exposures to financial risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The principal financial risks to which the Company is exposed are liquidity risk and funding risk.

1.15 Other Requirements

Summary of Outstanding Share Data as at August 23, 2019:

Authorized - Unlimited common shares without par value

Issued – Common Shares: 78,365,224 (includes 1,944,000 in escrow shares)
Issued – Class A Restricted Convertible Voting Common Shares – 16,767,000 (includes 11,178,000 in escrow shares)
Warrants – 686,255
Options – 1,907,500

Additional disclosures pertaining to the Company's management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors, thank you for your continued support.

"James Cerna"
James Cerna
Director & CEO