Blockchain Power Trust

Management's Discussion & Analysis

For the year ended December 31, 2017

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017

BASIS OF PRESENTATION

This Management's Discussion and Analysis ("**MD&A**") of Blockchain Power Trust (formerly Transeastern Power Trust, the "**Trust**" or "**Blockchain Power**") is dated as of May 15, 2018 and should be read in conjunction with the Trust's audited consolidated financial statements and the related notes for the periods ended December 31, 2017 and December 31, 2016 together with the notes thereto. The above referenced filings have been prepared in accordance with IFRS.

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

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

Cautionary statements regarding forward-looking information are included in this MD&A.

TRUST OVERVIEW

The Trust is an unincorporated open-ended limited purpose trust established under the laws of the Province of Ontario on February 3, 2014 pursuant a declaration of trust, later replaced by the Trust Indenture (defined below). On February 4, 2014, an amended and restated trust indenture (the "**Trust Indenture**") between Equity Financial Trust Company ("**Equity**"), as trustee, and the Administrator replaced the Trust's original declaration of trust. Equity was succeeded by TSX Trust Company (the "**Trustee**") as trustee pursuant to a first supplement to the Trust Indenture dated September 26, 2016. The Trust subsequently changed its name from "Transeastern Power Trust" to "Blockchain Power Trust" pursuant to a second supplement to the Trust Indenture dated January 4, 2018 (the "**Second Supplemental Trust Indenture**").

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

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

In addition to the Projects, the Trust anticipates expanding its operations through the expansion into data centers, cryptocurrency mining and other blockchain related activities. In the first quarter of 2018, the Trust acquired its first HashTank H40 from Green Revolution Cooling, Inc. ("**GRC**"), which is a containerized cryptocurrency mining unit that employs GRC's proprietary immersion cooling system and is anticipated to deliver 5.832 petahash per second ("**PH/s**") while utilizing a maximum of 670 kilowatts of electricity. As of the date of this MD&A, the Trust is in the process of installing the HashTank and anticipates that it will be operational by the end of the second quarter of 2018. Additionally, subsequent to year end, the Trust acquired 1,550 additional cryptocurrency mining units increasing the Trust's overall hashing power to an aggregate of 21.7 PH/s. This acquisition brings the Trust's aggregate installed petahashes to 27.8 PH/s.

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

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

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

HIGHLIGHTS

- Produced 75,865 MW hours ("**MWh**") of energy for the year ended December 31, 2017, generating revenue of $12.3 million with $3.2 million from the sale of electricity and $9.1 million from the sale of green certificates ("**GCs**").
- In December 2017, the Trust closed on the acquisition of OMV Petrom Wind Power SRL ("**OMV**"), a wind park located in Dobrogea County, Romania for net consideration of $30.7 million.
- Total energy production of 173,699 MWh from the Projects for the year including pre-acquisition production from OMV.
- The Trust recorded a loss of $34.6 million for the year compared to a loss of $21.7 million in 2016.
- The Trust earned an operating margin (revenues less operating expenses) of $8.5 million for the year, an increase of 44% over 2016 where operating margin was $5.9 million (see reconciliation of operating margin under "Non-GAAP Measures").

- In December 2017, the Board approved changing the name of the Trust to “Blockchain Power Trust”, which name change was effected in January 2018.
- In January 2018, the Trust closed a $43.2 million private placement, redeemed all of its outstanding $31.4 million principal amount of 7.5% unsecured convertible debentures, and repaid principal, accumulated interest and fees on certain promissory notes, bridge loans, and other liabilities in the aggregate amount of $10.7 million with trust units in the capital of the Trust (“**Units**”).

OUTLOOK AND STRATEGY

The Trust’s strategic plan is to create a vertically integrated data center, cryptocurrency mining and blockchain operations with its renewable energy platform that has the potential to become a large, efficient and environmentally sustainable mining operation. With the addition of OMV, the Trust has increased its power production profile, the volume of EU Green Certificates that are generated and increased its capacity to power cryptocurrency mining operations. Leveraging on its knowledge of renewable energy operations and experience with delivering large-scale infrastructure projects, the Trust continues to move forward as an integrated renewable energy producer, blockchain and cryptocurrency operation. This includes surveying the market for accretive acquisition opportunities.

The Trust’s goals for 2018 include:

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

SUMMARY OF ANNUAL OPERATIONAL AND FINANCIAL RESULTS

Selected Annual Financial Information

The selected financial information in the table below has been derived from the audited consolidated financial statements as at and for the years ended December 31, 2017 and 2016.

	For the years ended	
	Dec. 31, 2017 $	Dec. 31, 2016 $
Revenue	**12,311,039**	8,697,279
Operating Margin[1]	**8,477,258**	5,889,661
Cost of sales excluding Depreciation	**3,833,781**	2,807,618
Depreciation	**4,011,725**	4,499,543
Other Operating and Other Expenses (income)	**40,134,546**	21,153,063
Deferred Income Tax Expense	**1,056,681**	1,942,970
Net Loss for the Year	**34,612,332**	21,705,915
Comprehensive Loss for the Year	**36,003,896**	17,767,479
Basic and Diluted Loss per unit	**0.71**	0.58

	As at	
	Dec. 31, 2017 $	Dec. 31, 2016 $
Total Assets	**92,552,433**	75,592,306
Total Liabilities	**130,101,434**	77,184,223
Equity/(Deficit)	**(37,549,001)**	(1,591,917)

Note:

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

Review of Annual Operating Results

Hydro Projects

The three Hydro Projects are comprised of 10 hydroelectric run-of-river plants in Romania totaling over 4.4 MW of installed power. The Hydro Projects have installed power capacities as follows:

Hydro Project	Capacity
Rott	1.657 MW
Zagra	0.733 MW
Suha	2.02 MW

All information provided on the Hydro Projects in this section is as at December 31, 2017 unless otherwise indicated.

Rott

Rott is a cascade of two run-of-river generating plants located on the Little Cugir River, approximately 58 km west of Sibiu in the Şureanu Mountains of Romania's Parâng Range in the Southern Carpathians. The Cugir River originates as two tributaries, Raul Mic, or "Little River" and Raul Mare, or "Big River" before their confluence at the town of Cugir in Alba County. The Cugir River then flows north to its confluence with Mureș River. The project develops the hydraulic potential of the Little River (Raul Mic).

Project Name	Operational Construction Status	Turbine Type	Years of Historical Hydrological Data Available	In-Take Height (mdMN)	Gross Drop (Δh)	Installed Flow (m^3/s)	Capacity Power (MW)	Pipe (m)	Pipe Diameter (mm)	GCs Available MW
ROTT							**1.657**			**3.00**
Plant 1	Completed in June 2012	Pelton	63	513.0	122.5	0.98	0.928	3,635	800	
Plant 2	Completed in June 2012	Pelton	63	412.0	99.5	0.98	0.729	3,845	800	

Note:

(1) As a recipient of European Union ("**EU**") funding, 1.04 of every three GCs are not directly received by Rott until EU funding amount of €1,800,000 is repaid. The value attributed to each GC is based on the formula: 1.04 x yearly production x (the median of the floor and ceiling GC prices taking into account inflation). After repayment of the EU funding, the 1.04 GCs shall be available to Rott. Additionally, by law, 0.96 GC are restricted from trading until March 31, 2017, resulting in one GC being received and immediately tradable of every three GCs awarded

Rott was fully operational during the year, subject to hydrology, and production for the plants was 4,636 MWh for the year ended December 31, 2017 compared to 3,786 MWh for the year ended December 31, 2016.

Zagra

Zagra is located in the Rodna Mountains, Bistrita County, on the Zagra River. The Zagra River flows south from Rodna Mountains until its confluence with the Somesul Mare River.

Project Name	Operational Construction Status	Turbine Type	Years of Historical Hydrological Data Available	In-Take Height (mdMN)	Gross Drop (Δh)	Installed Flow (m^3/s)	Capacity Power (MW)	Pipe (m)	Pipe Diameter (mm)	GCs Available MW
ZAGRA							**1.430**			**2.3**
Zagra 1	Completed in April 2014	Pelton	45	880.0	126.0	0.42	0.450	3,027	600	
Zagra 2	Completed in April 2014	Pelton	45	754.9	74.0	0.60	0.310	2,383	700	

Zagra was fully operational during the year, subject to hydrology, and produced 2,242 MWh of electricity for the year ended December 31, 2017 compared to 2,244 MWh for the year ended December 31, 2016.

Suha

Suha is located in the Dorna Mountains, Suceava County, on the Suha Mare River and Suha Mica River. Both the Suha Mare River and the Suha Mica River flow east toward the Moldova River.

Project Name	Operational Construction Status	Turbine Type	In-Take Height (mdMN)	Gross Drop (Δh)	Installed Flow (m^3/s)	Capacity Power (MW)	Pipe (m)	Pipe Diameter (mm)	GCs Available MW
SUHA						**2.021**			**2.00**
Suha Mare	Completed in September 2014	Francis	688.0	47.0	0.800	0.289	2,040	1,000	
Valeni	Completed in September 2014	Pelton	640.0	119.0	0.600	0.233	8,300	600	
Poiana	Completed in September 2014	Francis	520.0	73.0	1.100	0.565	6,405	1,000	
Maleni	Completed in September 2014	Francis	446.0	42.5	0.850	0.249	4,525	1,000	
Gainesti	Completed in December 2014	Francis	519.0	80.0	1.050	0.122	7,366	1,000	
Slatina	Completed in October 2014	Pelton	438.0	70.0	0.230	0.563	2,590	600	

Suha was fully operational during the year, subject to hydrology and pending permit approvals for Slatina and Gainesti power plants and produced 714 MWh of electricity for the year ended December 31, 2017 compared to 1,284 MWh for the year ended December 31, 2016**.**

Hydro Projects Capital Improvements

Subject to ongoing capital maintenance, the Trust does not foresee any further significant capital expenditures on the Hydro Projects in the near term.

Solar Projects

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

Power Live

The solar photovoltaic plant owned by Power Live is a ground-mounted photovoltaic plant located in Gogosaru village, Izvoru, Giurgiu County (Romania).

Project Name	Operational Construction Status	Installed Capacity (MWp)	Panel Supplier	Panel Type	No. of Panels	Inverter Type	No. of Inverters	No. of Transformers	Land Area (sqm)	GCs Available MW
Power Live	Completed in March 2013	9.6	REC	Polycrystalline REC 240Wp	40,026	SMA SC800CP -XT	10	10	300,000	6[(1)]

Note:

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

Power Live was fully operational and produced 13,844 MWh of electricity for the year ended December 31, 2017 compared to 12,452 MWh for the year ended December 31, 2016.

Corabia

The solar photovoltaic plant owned by Corabia is a ground-mounted photovoltaic plant located in Corabia Municipality, Olt County, Romania.

Project Name	Operational Construction Status	Installed Capacity (MWp)	Panel Supplier	Panel Type	No. of Panels	Inverter Type	No. of Inverters	No. of Transformers	Land Area (sqm)	GCs Available MW
Corabia	Completed in February 2013	7	REC	Polycrystalline REC 240PE and REC 250PE	28,602	SMA SC500CP	14	7	210,000	6[(1)]

Note:

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

Corabia was fully operational and produced 9,861 MWh of electricity for the year ended December 31, 2017 compared to 9,383 MWh for the year ended December 31, 2016.

Wind Projects

The Wind Projects consist of two operational wind projects, namely Baia and OMV. The output of the Wind Projects is generally dependent on the speed and availability of wind. The peak period for wind in the area of Baia and OMV runs from January to April and from September to December. Peak consolidated power production by Baia and OMV is generally expected to occur during the first and fourth quarter of the year, with the monthly peak occurring usually in winter months. The Wind Projects have no capacity for energy storage and therefore periods of low wind create lower electricity production.

Baia

The first Wind Project acquired by the Trust is located in Baia village, Tulcea County, Romania ("**Baia**") and was developed in three stages and commissioned from January 2011 through until March 2012.

Project Name	Operational Construction Status	Installed Capacity (MW)	Wind Turbine Supplier	Turbine Type	No. of Turbines	Land Area (sqm)	GCs Available/ MW
Baia	Jan 2011 - March 2012	17	Vestas	Vestas V90	7 (3x V90 3.0 MW + 4 x V90 2.0 MW)	210,000	See below table

Green certificate accreditation for Baia is as follows:

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

Baia was fully operational and produced 44,567 MWh of electricity for the year ended December 31, 2017 compared to 40,745 MWh for the year ended December 31, 2016 (15,412 MWh of electricity for the post acquisition period from September 2, 2016 to December 31, 2016).

OMV

OMV is located in the Dobrogea Region, Romania. OMV is equipped with 15 Vestas-V90 turbines, each with a capacity of 3 MW.

Project Name	Operational Constructio n Status	Installed Capacity (MW)	Wind Turbine Supplier	Turbine Type	No. of Turbines	Land Area (sqm)	GCs Available/ MW
OMV	2011	45	Vestas	Vestas V90	7 (15x V90 3.0 MW)	N/A	See below table

Green certificate accreditation for OMV is as follows:

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

OMV produced 97,834 MWh of electricity for the full year ended December 31, 2017, including production prior to the acquisition of OMV on December 27, 2017.

Annual Production Summary

The following table lists the actual production and GCs added to inventory by the Hydro Projects, the Solar Projects and the Wind Projects for the years ended December 31, 2017 and 2016:

Project	Power generation for the year ended Dec. 31, 2017 (MWh)	Power generation for the year ended Dec. 31, 2016 (MWh)	GCs received for the year ended Dec.31, 2017	GCs received for the period ended Dec. 31, 2016
Solar				
Power Live	13,844	12,454	74,092	74,724
Corabia	9,861	9,383	53,340	56,298
Hydro				
Rott	4,636	3,786	9,087	7,421
Zagra	2,242	2,244	5,157	5,161
Suha	714	1,284	1,426	2,568
Wind				
Baia(1)	44,567	40,745	71,061	64,209
OMV (1)	97,834	83,867	143,223	128,151
TOTAL	**173,698**	**153,763**	**357,386**	**338,532**

Note:

(1) Annual production includes pre-acquisition production figures for Baia for 2016 and for OMV for 2016 and 2017.

Review of Annual Financial Results

In December 2017, the Trust announced that it had entered into an agreement with a syndicate of agents led by GMP Securities L.P. and Haywood Securities Inc. and including PI Financial Corporation and AltaCorp Capital Inc. (collectively, the "**Agents**") for a best efforts private placement offering of up to 83,333,333 unit (the "**Private Placement Units**") at a price of $0.48 per Private Placement Unit for aggregate gross proceeds of up to $40.0 million (the "**2018 Private Placement**"). Each Private Placement Unit was comprised of one Unit and one warrant (a "**2018 Warrant**"), with each 2018 Warrant entitling the holder thereof to acquire one Unit at an exercise price of $0.80 per Unit for a period of twenty-four months from the closing date of the 2018 Private Placement. Pursuant to the terms of the 2018 Private Placement, the Trust also granted the Agents an over-allotment option (the "**Over-Allotment Option**"), exercisable in whole or in part at any time up to 48 hours prior to close, to purchase such number of additional Private Placement Units that was equal to 25% of the Private Placement Units sold pursuant to the 2018 Private Placement. The 2018 Private Placement closed on January 8, 2018, for aggregate gross proceeds to the Trust of approximately $43.2 million, including the partial exercise of the Over-Allotment Option by the Agents. For further details on the 2018 Private Placement, see "Completed Transactions" below.

Revenue from Sale of Electricity

The Trust, through its Romanian subsidiaries, has energy contracts and GC off-take agreements for certain of its hydro, solar and wind production with Renovatio Trade.

The production from the Solar Projects for the year ended December 31, 2017 was 9% higher than 2016 production. Production for both such years was above expectations due to optimal production conditions.

Hydro production in 2017 was 4% higher than 2016 production due to increased availability.

The production from the Wind Projects were in line with expectations despite experiencing significant month over month variability. Annual production from the Wind Projects including pre-acquisition production figures for Baia for 2016 and for OMV for 2016 and 2017 was 14% higher in 2017 compared to 2016.

During the year ended December 31, 2017, the Trust earned $9.1 million of income from restricted and tradable GCs which were earned based on the power produced in the power generation summary above.

Revenue from Green Certificates

In March 2017, Romania issued amendments to the existing laws affecting the regulation and sale of GCs (the "**2017 GC Law Amendments**") resulting in significant changes in the GC market. The 2017 GC Law Amendments substantively changed the restricted period from the restricted GCs being tradeable after March 31, 2017 to the start date of January 1, 2018 for restricted GCs for wind production and January 1, 2025 for restricted GCs issued to solar plants. The 2017 GC Law Amendments replaced the procurement quota established by the National Energy Regulation Authority of Romania ("**ANRE**") on an annual basis using calculation methodology set by law which takes into account forecasted information including percentage of gross energy consumption to come from renewable generation, the associated "banding level" and the estimated final electricity consumption with a static quantity of GCs which have to be procured by suppliers.

During the year ended December 31, 2017, the Hydro Projects earned $0.7 million from GCs, the Wind Projects earned $3.0 million from GCs and the Solar Projects earned $5.4 million from GCs based on the power produced during the year.

Operating Expenses

Operating expenses for the Projects are comprised of fixed and variable components and represent the costs of maintaining and operating the plants and equipment, including employee salaries, insurance, maintenance, repairs, utilities and supplies and are generally expected to be stable.

Cost of sales including depreciation was $7.8 million for the year ended December 31, 2017 compared to $7.3 million for the year ended December 31, 2016.

Significant components of other operating expenses totaling $4.3 million for the year ended December 31, 2017 (2016 - $8.5 million) include the following:

- general and administrative expenses of $2.7 million for the year ended December 31, 2017 (2016 - $1.0 million) the significant components of which are public entity listing and administrative costs and executive and director salaries;

- Estimated fair value of milestone unit agreements of $Nil for the year ended December 31, 2017 (2016 – gain of $1.1 million) to reflect management's expectation that the milestones were not met for the year ended December 31, 2017;
- $0.4 million in professional fees incurred for the year ended December 31, 2017 (2016 - $0.3 million) relating to ongoing reporting issuer compliance advice and services performed on behalf of the Trust; and
- $1.1 million in non-recurring transaction costs related to corporate transactions incurred for the year ended December 31, 2017 (2016 - $0.9 million).

Significant components of other expenses totaling $35.8 million for the year ended December 31, 2017 (2016 - $19.9 million) include the following:

- mark-to-market fair value loss of $1.6 million for the year ended December 31, 2017 recorded in relation to the outstanding warrants issued by the Trust (2016 – gain of $2,860);
- interest and financing charges of $10.2 million for the year ended December 31, 2017 (2016 - $4.3 million);
- a non-cash impairment charge on certain assets of $17.0 million (2016 - $15.4 million);
- a fair value loss of $3.3 million on debentures and conversion features for the year ended December 31, 2017 (2016 – gain of $1.6 million);
- a loss on settlement of debt of $2.7 million (2016 - $Nil); and
- foreign exchange losses of $1.1 million (2016 - $1.8 million).

Impairment Charge and Reversal

For the year ended December 31, 2017, the Trust identified indicators of impairment on its Hydro Projects and Baia resulting in an impairment charge of $21.2 million for the year. The components of the impairment charge were $1.3 million relating to Rott, $1.3 million related to Zagra, $1.4 million related to Suha and $17.2 million relating to Baia. In addition, as at December 31, 2017, the carrying values of the Solar Projects exceeded the estimated recoverable amounts. As a result, an impairment reversal of $4.3 million was recognized for the year ended December 31, 2017 of which $2.3 million related to Power Live and $2.0 million related to Corabia. The net impact is a net impairment charge recognized on the consolidated statement of loss and comprehensive loss of $17.0 million for the year ended December 31, 2017.

The 2017 impairment tests were performed using a discounted cash flow analysis with the estimated recoverable value of each entity in Romania. Recoverable amounts were calculated by discounting the estimated future net cash flows of the projects over the estimated lives of the projects. The discounted cash flow analysis was based on a discount rate of 8.2%, commensurate with the estimated level of risk associated with the assets. The recoverable amount was based on third party reports supporting long term estimates of degradation, power prices and include maintenance capital and operating costs based on current operating model maintained by the Trust. The impairment loss was allocated to machinery and equipment included in the carrying value of the projects. The discounted cash flow approach uses significant unobservable inputs and is therefore considered a Level 3 fair value measurement under the fair value hierarchy.

In 2016, the Trust identified indicators of impairment at Zagra and Suha resulting from the removal of Zagra 3 from the Trust's projections as the Trust would not be pursuing permitting and connection of the third turbine and from lower forecast production from Suha based on historical performance of the assets. The estimated recoverable amounts from Zagra of $2.3 million and from Suha of $1.9 million were calculated by discounting the estimated future net cash flows of the projects over the estimated lives of the projects using a discount rate of 8.2%, commensurate with the estimated level of risk associated with the assets. The recoverable amount calculation was based on third party reports supporting long term estimates of hydrology levels, power prices and include capital and operating costs based on the current operating model maintained by the Trust. As the Zagra and Suha carrying amounts exceeded the estimated recoverable amount at December 31, 2016, impairment losses totaling $3.8 million ($1.7 million relating to Zagra and $2.0 million relating to Suha) were recognised. The impairment loss was allocated to construction in progress, machinery and equipment which are comprised mainly of turbines, penstock and fixtures included in the carrying value of the projects. The discounted cash flow approach uses significant unobservable inputs and is therefore considered a Level 3 fair value measurement under the fair value hierarchy.

In addition, for the year ended December 31, 2016, an impairment test was performed using a discounted cash flow analysis with the estimated recoverable value of the Corabia and Power Live solar projects estimated to be approximately $13.1 million and $18.3 million, respectively. The discounted cash flow analysis was based on a discount rate of 8.2%, commensurate with the estimated level of risk associated with the assets. The recoverable amount was based on third party reports supporting long term estimates of degradation, power prices and include maintenance capital and operating costs based on current operating model maintained by the Trust. As the carry values of the Corabia and Power Live solar projects exceeded the estimated recoverable amount at December 31, 2016, an impairment charge of $11.6 million ($4.2 million relating to Corabia and $7.4 million relating to Power Live) was recognized. The impairment was allocated to buildings and equipment which comprised mainly of the photovoltaic panels fixtures included in the carrying value of the project. The discounted cash flow approach uses significant unobservable inputs and is therefore considered a Level 3 fair value measurement under the fair value hierarchy.

Completed Transactions

Repayment of Sprott Facility

In January 2017, the Trust repaid approximately $4.6 million of secured indebtedness that it owed to Sprott Resource Lending (“**Sprott**”) through a combination of cash and the issuance of a $1.5 million principal amount unsecured convertible promissory note bearing interest at a rate of 5% per year (the “**Sprott Note**”).

Promissory Note Issuances

In May 2017, the Trust issued $3.4 million principal amount of term promissory notes (the “**May Notes**”) bearing interest at a rate of 1.5% per month. In December 2017, the Trust issued $0.9 million principal amount of term promissory notes (the “**December 1 Notes**”), $1 million principal amount of secured promissory notes (the “**December 15 Notes**”) and $23 million principal amount of addition secured promissory notes (the “**December 27 Notes**”, collectively with the Sprott Note and May Notes, the December 1 Notes, the December 15 Notes and the December 27 Notes, the “**2017 Notes**”). All of the 2017 Notes were issued to arm’s length parties. In the first quarter of 2018, the 2017 Notes, and accrued and unpaid interested thereon, were ultimately repaid by the Trust through the issuance of Units and cash (the “**Debt Recapitalization**”).

Wind Project Acquisition

In July 2017, the Trust signed a binding agreement with OMV Petrom SA (the "**Purchase Agreement**") for the acquisition of all of the outstanding shares and shareholder loans of OMV Petrom Wind Power SRL, a limited liability company existing under the laws of Romania, which owns and operates OMV, located in Dobrogea County, Romania. In December 2017, the Trust completed its acquisition of OMV for total net consideration of $30.7 million (€20.4 million). The acquisition of OMV was completed using $26.5 million of short-term bridge financing and a vendor take-back loan of $4.2 million (€2.8 million) from OMV Petrom SA, which were both ultimately repaid out of the proceeds of the 2018 Private Placement.

The preliminary allocation of the purchase price of OMV was allocated to the net assets acquired based on management's preliminary estimates of the assets acquired and liabilities assumed. The Trust will complete its valuation of the assets. It is likely that the fair values of assets and liabilities acquired will vary what is currently recorded in the Trust's consolidated financial statements and the differences may be material.

Name Change of the Trust

In December 2017, the Board approved changing the name of the Trust to "Blockchain Power Trust", which name change was ultimately effected pursuant to the Second Supplemental Trust Indenture in the first quarter of 2018. In connection with the name change of the Trust, the Units commenced trading on the TSX Venture Exchange under a new symbol, "BPWR.UN", in January 2018.

$43.2 Million Brokered Private Placement

In January 2018, the Trust completed the 2018 Private Placement of 90,047,832 Private Placement Units for aggregate gross proceeds to the Trust of approximately $43.2 million which included the partial exercise of the Over-Allotment Option by the Agents. Each Private Placement Unit was comprised of one Unit and one-half of one 2018 Warrant. Each 2018 Warrant entitles the holder thereof to acquire one Unit at an exercise price of $0.80 per Unit for a period of 24 months from the closing date of the 2018 Private Placement. In connection with the 2018 Private Placement, the Trust paid the Agents a cash fee of $3,024,000. The Agents were also issued 6,303,348 compensation options (the "**Compensation Options**"). Each Compensation Option entitles the holder thereof to acquire one Private Placement Unit at an exercise price of $0.48 per Private Placement Unit for a period of 24 months from the closing date of the 2018 Private Placement. The Trust utilized the net proceeds from the 2018 Private Placement to repay certain short-term bridge loans and the balance of the purchase price for the acquisition of OMV and for general working capital purposes. The 2018 Warrants are governed by a trust unit purchase warrant indenture between the Trust and the Trustee dated January 8, 2018.

Debt Recapitalization

In January 2018, the Trust redeemed all of its outstanding $31.4 million principal amount of debentures by issuing an aggregate of 72,235,554 Units to the holders of such debentures. As a result of such redemption, the series 1 debentures of the Trust were delisted from the TSX Venture Exchange.

In January 2018, the Trust also repaid or settled an aggregate of approximately $29.2 million principal amount of 2017 Notes (plus and accrued and unpaid interest and fees thereon) issued by the Trust in January 2017, May 2017 and December 2017, respectively by: (i) issuing 4,902,637 Units and $3,000 of cash to be paid by the Trust in full satisfaction of the Sprott Notes; (ii) issuing 7,904,154 Units in full satisfaction of the May Notes; (iii) issuing 1,964,267 Units and 3,280,322 Unit purchase warrants in full satisfaction of the December 1 Notes; (iv) issuing 1,237,500 unit purchase warrants in partial satisfaction of the December 15 Notes with the balance of such notes repaid in cash; and (iv) repaying the December 27 Notes in cash. Each of the aforementioned unit purchase warrants issued in connection with the repayment of the December 1 Notes and the December 15 Notes entitle the holder thereof to acquire one Unit at an exercise price equal to $0.65 per Unit for a period of 12 months form the date such Unit purchase warrants were issued, subject to acceleration in certain events.

Acquisition of Cryptocurrency Mining Equipment

In March, 2018, the Trust acquired its first HashTank H40 from GRC. The HashTank H40 is a containerized cryptocurrency mining unit that employs GRC's proprietary immersion cooling system and is anticipated to deliver 5.832 PH/s while utilizing a maximum of 670 kilowatts of electricity. As of the date of this MD&A, the Trust is in the process of installing the HashTank and anticipates that it will be operational by the end of the second quarter of 2018. Additionally, subsequent to year end, the Trust acquired 1,550 additional cryptocurrency mining units increasing the Trust's overall hashing power to an aggregate of 21.7 PH/s. This acquisition brings the Trust's aggregate installed petahashes to 27.8 PH/s. Pursuant to the rules of the TSX Venture Exchange, before the Trust can acquire any additional assets to support its cryptocurrency operations approval must be obtained from the exchange and Unitholders.

SUMMARY OF QUARTERLY OPERATIONAL AND FINANCIAL RESULTS

Selected Quarterly Financial Information

A comparison of operations between the periods set-out below is not relevant as it is difficult to compare operations over different parts of the year due to the seasonal nature of the respective Projects and the timing of the acquisitions. The following table provides the available summary financial data for the Trust's last eight completed quarters:

	Three months ended							
	Dec. 31, 2017 ($)	**Sept 30, 2017 ($)**	**Jun. 30, 2017 ($)**	**Mar. 31, 2017 ($)**	**Dec. 31, 2016 ($)**	**Sept. 30, 2016 ($)**	**June. 30, 2016 ($)**	**Mar. 31, 2016 ($)**
Revenue								
Electricity	925,033	749,792	767,143	790,804	748,986	578,302	483,020	324,188
Green Certificates	1,909,333	2,578,892	2,600,876	1,989,166	1,752,786	1,955,862	1,872,287	981,848
Revenue	2,834,366	3,328,684	3,368,019	2,779,970	2,501,772	2,534,164	2,355,307	1,306,036
Total Operating Expenses	4,533,018	2,672,557	2,488,781	2,442,999	3,429,593	1,974,660	958,665	2,177,642
Other Expenses (Income)	30,185,621	600,651	1,305,668	4,293,924	18,805,904	1,053,563	327,424	(267,227)
Tax recovery (expense)	1,357,153	(1,810,471)	1,386,867	123,132	(2,131,208)	41,965	95,248	51,025

	Three months ended							
	Dec. 31, 2017 ($)	**Sept 30, 2017 ($)**	**Jun. 30, 2017 ($)**	**Mar. 31, 2017 ($)**	**Dec. 31, 2016 ($)**	**Sept. 30, 2016 ($)**	**June. 30, 2016 ($)**	**Mar. 31, 2016 ($)**
Net Income (Loss) for the period	(30,527,120)	(1,211,828)	960,437	(3,833,821)	(21,864,923)	(452,094)	1,164,466	(553,354)
Total Comprehensive Income/(Loss)	(31,340,941)	(1,598,288)	869,273	(3,933,941)	(13,251,416)	(1,706,490)	(4,000,266)	1,190,693
Basic & Diluted Income (Loss) per Unit	(0.63)	(0.02)	0.02	(0.08)	(0.58)	(0.01)	0.04	(0.02)

Summarized selected consolidated financial information with respect to the Trust for the last eight quarter ends:

As at	**Dec. 31, 2017 ($)**	**Sept. 30, 2017 ($)**	**Jun. 30, 2017 ($)**	**Mar. 31, 2017 ($)**	**Dec. 31, 2016 ($)**	**Sept. 30, 2016 ($)**	**Jun. 30, 2016 ($)**	**Mar.31, 2016 ($)**
Total Current Assets	11,547,677	5,902,090	9,358,462	6,167,092	7,095,307	6,049,477	3,194,739	3,483,890
Total Current Liabilities	92,040,508	44,220,110	37,301,280	34,122,941	36,273,420	17,611,045	14,024,976	14,006,664
Working Capital deficit	80,492,831	38,318,020	27,942,818	27,995,849	29,178,113	11,561,568	10,830,237	10,522,744
Total Assets	92,552,433	76,433,247	78,872,570	74,574,813	75,592,306	85,764,640	54,883,792	57,149,768
Total Liabilities	130,101,434	82,649,116	83,490,151	80,100,671	77,184,223	73,995,848	48,914,512	52,008,666
Trust capital	35,371,094	35,363,286	35,363,286	35,324,282	35,324,282	35,433,575	27,407,131	26,066,781
Deficit	76,589,293	45,062,173	43,580,345	44,810,782	40,976,961	19,112,028	18,139,492	19,303,958
Unitholders Equity (Deficit)	(37,549,001)	(6,215,869)	(4,617,581)	(5,525,858)	(1,591,917)	11,768,792	5,969,280	5,141,102
Total Liabilities and Equity	92,552,433	76,433,247	78,872,570	74,574,813	75,592,306	85,764,640	54,883,792	57,149,768

Review of Quarterly Operating Results

Due to seasonal factors, the fourth quarter has historically been a period in which production overall for the Trust has been poor due to lack of sun and decreased river flows. In the fourth quarter of 2017, the Trust produced 17,875 MWh of electricity, which is a decrease of 1% over the fourth quarter of 2016 when the portfolio produced 18,112 MWh of energy.

Review of Quarterly Financial Results

Revenue

Revenues for the fourth quarter of 2017 were $2.8 million and consisted of $0.9 million from the sale of electricity and $1.9 million from the sale of GCs. This compares to revenues for the fourth quarter of 2016 of $2.5 million.

Operating Expenses

Cost of sales including depreciation was $1.9 million for the fourth quarter of 2017 compared to $3.0 million for the fourth quarter of 2016.

Significant components of other operating expenses totaling $3.2 million for the fourth quarter ended December 31, 2017 (2016 - $3.4 million) include the following:

- general and administrative expenses of $1.7 million for the year ended December 31, 2017 (2016 – general and administrative credit of $36,566);
- $0.2 million in professional fees (2016 – professional fees credit of $8,419) relating to ongoing reporting issuer compliance advice and services performed on behalf of the Trust; and
- $0.9 million in non-recurring transaction costs related to corporate transactions incurred for the year ended December 31, 2017 (2016 - $0.5 million).

Significant components of other expenses totaling $30.0 million for the fourth quarter ended December 31, 2017 (2016 - $18.8 million) include the following:

- mark-to-market fair value loss of $0.9 million recorded in relation to the outstanding warrants issued by the Trust (2016 – loss of $0.4 million);
- interest and financing charges of $4.9 million (2016 - $1.8 million);
- a non-cash impairment charge on certain assets of $17.0 million (2016 - $15.4 million);
- a fair value loss of $4.8 million on debentures and conversion features (2016 – gain of $0.5 million);
- a loss on settlement of debt of $1.8 million (2016 - $Nil); and
- foreign exchange losses of $0.7 million (2016 - $1.7 million).

LIQUIDITY AND CAPITAL RESOURCES

The Trust’s objectives when managing capital are primarily to support the creation of Trust unitholder (“**Unitholders**”) value while ensuring that the Trust is able to meet its financial obligations as they become due.

Summary of Financial Condition

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

	Year ended	
	December 31, 2017 **$**	December 31, 2016 $
Cash generated by (used in)		
Operating activities	**(1,779,344)**	(90,703)
Financing activities	**28,616,194**	(1,308,251)
Investing activities	**(27,552,577)**	(1,909,855)
Net increase (decrease) in cash	**888,821**	(1,470,368)
Cash and cash equivalents at end of period	**1,129,524**	240,703

	As at	
	December 31, 2017 **$**	December 31, 2016 $
Current Assets	**11,547,677**	7,095,307
Current Liabilities	**92,040,508**	36,273,420
Working Capital	**(80,492,831)**	(29,178,113)

Factors that could impact on the Trust's liquidity and cash flows from operations are monitored regularly and include production levels, the timing of GC cash inflows and operating costs. Energy production levels are impacted by variability in the timing and velocity of wind, hydrology levels, hours of sunlight as well as the operational capability of the Projects.

Cash as at December 31, 2017 was $1.1 million compared to $0.2 million as at December 31, 2016.

Working capital deficiency of $80.5 million as at December 31, 2017 compared to a working capital deficiency of $29.2 million as at December 31, 2016. The increase in the working capital deficit increased significantly as at December 31, 2017 due to build-up of accounts payable and an increase in convertible debentures and debt facilities which were settled subsequent to year end.

Summary of Cash Inflows (Outflows)

For the year ended December 31, 2017, the Trust had operating cash outflows of $1.7 million compared to outflows of $90,703 in 2016.

Financing cash outflows for the year ended December 31, 2017 were $28.6 million compared to inflows of $1.3 million for the year ended December 31, 2016.

The Trust has long term financial liabilities that were not settled subsequent to year end with proceeds obtained from the private placement in January 2018 on which there are ongoing principal and interest obligations as follows (in millions):

Within 1 year	$	0.3
1 – 5 years		5.8
Greater than 5 years		-
	$	**6.1**

Investing cash outflows for the year ended December 31, 2017 were $27.5 million compared to outflows of $1.9 million for the year ended December 31, 2016. Investing cash outflows primarily consist of cash paid for the acquisition of OMV. (refer to Section "Completed Transactions" for a complete discussion on the acquisition)

COMMITMENTS

The Trust has the commitments on asset management and maintenance contract with RGL. Security services and insurance as follows (in millions):

Within 1 year	$	3.7
1 – 3 years		6.6
3 – 5 years		6.3
After 5 years		6.4
	$	**23.0**

OFF-BALANCE SHEET ARRANGEMENTS

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

RELATED PARTY TRANSACTIONS

Apart from the transactions disclosed elsewhere in these consolidated financial statements, all transactions are in the normal course of business and are recorded at the exchange value agreed to by the related parties. Inter-company transactions and balances are eliminated upon consolidation. Key management of the Trust consists of members of the Board and officers of the Trust and Administrator. During the year ended December 31, 2017, the Trust expensed $1.0 million (2016 - $0.8 million) of salaries and benefits to the officers of the Trust in addition to $0.1 million (2016 - $0.1 million) in directors' fees, which are included in general and administrative expenses.

As at December 31, 2017, the Trust has amounts payable of $1.9 million (2016 - $0.5 million) to related parties consisting of deferred salaries, advances to the Trust as well as reimbursement of payments of expenses incurred on behalf of the Trust.

Renovatio Group Limited ("**RGL**") holds significant influence over the Trust and is a related party. The Trust sells power and green certificates to RGL and has operations and maintenance contracts with subsidiaries of RGL. During the year ended December 31, 2017, the Trust expensed $4.3 million (2016 - $1.8 million) of operations and maintenance and balancing fees and recognised $7.9 million (2016 - $6.0 million) in sales of power and green certificates to RGL and its subsidiaries. As at December 31, 2017, the Trust has $0.7 million (2016 - $2.8 million) in accounts receivable from and $1.9 million (2016 - $3.0 million) in accounts payable to RGL. In addition, the Trust acquired Baia from RGL in 2016.

SUMMARY OF OUTSTANDING SECURITIES

The authorized capital of the Trust consists of an unlimited number of Units, of which 226,095,074 Units are issued and outstanding as of the date of this MD&A. As at December 31, 2017, the Trust had 49,040,630 (2016 – 48,958,403) Units issued and outstanding.

The following table shows the Unit issuances during the year ended December 31, 2017.

Date of issue	Description	Units	Value ($)
	Opening Balance	48,958,403	35,324,282
June 15, 2017	Unit Purchase Plan	70,916	39,004
November 8, 2017	Warrant Exercise	12	12
December 15, 2017	Unit Purchase Plan	11,299	7,796
		49,040,630	**35,371,094**

The Trust has 65,079,770 Unit purchase Warrants ("**Warrants**") issued and outstanding, with each Warrant exercisable into a Unit for periods of 12 to 36 months from the date of the respective issuance, subject to applicable acceleration provisions. A total of 45,023,915 of the Warrants are exercisable at $0.80 per Unit, 15,011,836 of the Warrants are exercisable at $1.00 per Unit, 4,517,822 of the Warrants are exercisable at $0.63 per Unit, 259,142 of the Warrants are non-transferable broker warrants exercisable at $1.00 per Unit and 267,055 of the Warrants are non-transferable broker warrants exercisable at $1.20 per Unit. The Trust has also issued 225,000 Restricted Units ("**RTUs**") under the Trust's RTU plan. Further, up to 3,000,000 Units are issuable pursuant to existing milestone unit agreements the Trust in the event that the Trust achieves certain milestones over the periods covering any one of (i) the first full 12 fiscal quarters; (ii) the first 16 fiscal quarters; or (iii) the first 20 fiscal quarters after March 31, 2014. Subsequent to December 31, 2016, the Trust issued 6,303,348 compensation options (the "**Options**") in connection with the 2018 Private Placement, with each such Option exercisable into one Private Placement Unit at $0.48 per Private Placement Unit for a period of 24 months from the date of issuance.

Assuming the exercise or conversion of all of the Trust's outstanding convertible securities an aggregate of 303,854,866 Units would be issued and outstanding on a fully diluted basis.

NEW ACCOUNTING PRONOUNCEMENTS

A number of new standards and amendments to existing standards are not yet effective for the year ended December 31, 2017 and have not been applied in preparing these consolidated financial statements. Blockchain Power does not intend to early adopt any of the following amendments to existing standards and does not expect the amendments to have a material impact on the consolidated financial statements, unless otherwise noted.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") was issued by IASB in May 2014. IFRS 15 replaces IAS 18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations on revenue. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. Companies can elect to use cither a full or modified retrospective approach when adopting this standard. The Trust has completed its assessment of the impact of IFRS 15 and adopted a modified retrospective approach as of January 1, 2018. The Trust does not expect the new standard to have a material impact on the Trust's consolidated financial statements.

IFRS 9 *Financial Instruments*

On July 24, 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* ("IFRS 9"), which replaces IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 provides a revised model for the recognition and measurement of financial instruments including a single forward-looking 'expected loss' impairment model, amendments to the classification and measurement model for financial assets by adding a new fair value through comprehensive income category for certain financial instruments and provides guidance on how to apply the business model and contractual cash flow characteristics test. IFRS 9 also includes significant changed to hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Trust will adopt IFRS 9 for the annual period beginning January 1, 2018 on a retrospective basis. The Trust has completed its assessment of the impact of IFRS 9 and does not expect the new standard to have a material impact on the Trust's consolidated financial statements.

IFRS 16 *Leases*

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

IFRIC 23 *Uncertainty over Income Tax Treatments*

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

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Trust's consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amount of assets, amounts of assets, liabilities, income and expenses, and the accompanying disclosures.

These assumptions, judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the consolidated financial statements.

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

Areas of significant judgments, estimates and assumptions that could have a material impact on the amounts recognized in the consolidated financial statements are as follows:

Fair Value of Long Lived Assets and Impairment Assessments

The Trust has completed several acquisitions since its inception and at the conclusion of each acquisition, the Trust has assessed the Trust's acquired assets and liabilities in order to determine the fair value of the assets acquired. Post-acquisition, the Trust periodically assesses whether there are indications that an impairment might exist in the carrying values of the acquired companies, where there are indications, the fair value of the assets is assessed and compared to their carrying value. Assessing the fair value requires assumptions regarding forecasted prices of power, GC allotments, exchange rates, production costs, hydrology, wind, sunlight hours, cost of future maintenance and capital expenditures and discounting. Changes in any of the assumptions or estimates used in determining the fair values could impact the carrying values and require impairment analysis.

The Trust performs impairment assessments over the course of the reporting period as and when there are significant changes in circumstances or, at a minimum, annually. Where an indicator of impairment exists, an estimate of the recoverable amount is made, which is the higher of the fair value less costs to sell and value in use. The determination of the recoverable amount requires the use of fair value estimates and assumptions as noted above.

The Trust is also required to revalue certain financial instruments, including convertible debentures and warrants at each reporting period end. Assessing the fair value requires assumptions regarding Unit pricing, risk free interest rates and volatility. Changes in any of the assumptions or estimates used in determining the fair values could impact the carrying values of

Asset Retirement Obligations

Given the nature of its operations, the Trust incurs obligations to retire its renewable energy projects. Asset retirement activities may be governed by a combination of legislative requirements and Trust policies. The Trust's provision asset retirement obligations and similar liabilities represents management's best estimate of the present value of the future cash outflows required to settle the liabilities, which reflects estimates of future costs, inflation, movements in foreign exchange rates and assumptions of risks associated with the future cash outflows, and the applicable risk-free interest rates for discounting the future cash outflows. Changes in the above factors can result in a change to the provision recognized by the Trust. The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in environmental and/or regulatory requirements in the future.

Contingencies

Due to the nature and complexity of the Trust's operations, various legal and tax matters are outstanding from time to time. In the event that the Company's estimates of the future resolution of these matters changes, the effects of the changes will be recognized in the consolidated financial statements.

BUSINESS RISKS AND UNCERTAINTIES

There are a number of risk factors that could impact the Trust's ability to successfully execute its key strategies and may materially affect future events, performance or results. The risks and uncertainties described herein are not the only ones the Trust faces. Additional risks and uncertainties, including those that the Trust does not know about now or that it currently deems immaterial, could have a material adverse effect on the Trust. If any of the following or other risks occur, the Trust's business, prospects, financial condition, results of operations and cash flows could be materially adversely impacted. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks. Risk factors relating to the Trust include, but are not limited to, the factors set out below.

Risks Relating to Power Production

The Trust may be adversely affected due to a decline in natural resources and associated energy production.

The strength and consistency of the natural resources at the Projects may vary from what the Trust anticipates. Energy production estimates of the Trust are based on assumptions and factors that are inherently uncertain, which may result in actual energy production being different from the estimates of the Trust, including (i) the extent to which historical data accurately reflects the strength and consistency of the sun in the future; (ii) the strength of the correlation between the site-specific data and the longer-term regional data; (iii) the potential impact of climatic and weather factors; (iv) the accuracy of assumptions on a variety of factors, including but not limited to weather, climate, and site access; (v) the potential impact of topographical variations and local conditions; (vi) the inherent uncertainty associated with the specific methodologies and related models, in particular future-orientated models, used to project natural resources; and (vii) the potential for electricity losses to occur before delivery.

Risks related to climate change

The Trust acknowledges climate change may adversely affect its operations, and related legislation is becoming more stringent. The effects of climate change or extreme weather events may cause prolonged disruption to and may negatively affect the performance of its operations. The Trust makes efforts to mitigate climate risks by diversifying its assets across geography and asset classes. However, there is no assurance that the response will be effective or that the physical risks of climate change will not have an adverse effect on the Trust's operations and profitability.

The Trust may be adversely affected if the supply of natural resources are materially reduced.

The Projects require continuous access to natural resources to continue operation. Shifts in weather or climate patterns, seasonal fluctuations, the timing and rate of hydrology, wind and sunlight, and other factors beyond the control of the Trust, may reduce the energy production of the Projects. Any material reduction in natural resources to the Trust's facilities beyond ordinary seasonal variance would limit the Trust's ability to produce and market electricity from these facilities and also the number of GCs the Projects will receive and could have a material adverse effect on the Trust. Any such change in regulations regarding access to natural resources could have a material adverse effect on the Trust.

The Projects are required to be licensed in each region in which they operate. The denial of a renewal license or revocation of an existing license may impact the Trust's financial results and could have a material adverse effect on the Trust.

For the operation of renewable power plants in Romania, an energy production license must be obtained from ANRE for the commercial exploitation of energy plants. In order to benefit from the legal regime created for producers of renewable electricity, after the issuance of the production license, the Projects have to obtain from ANRE the accreditation of the plant for the application of the GC system.

If a Project is denied a license, has a license revoked or is not granted renewal of a license, such Project may not be permitted to produce electricity, in which case such Project will have no revenue and receive no GCs, in which case the financial results of the Trust may be negatively impacted and could have a material adverse effect on the Trust.

The Hydro Projects are subject to lease agreements with the Romanian Waters Agency for the right to use the river bed and subscription agreements for the right to use the water resources. Under Romanian law, both such lease agreements and subscription agreements must be entered into pursuant to public tendering process administrated by the Romanian Waters Agency. However, the procedures followed by the Romanian Waters Agency when entering into the agreements governing the Hydro Projects did not comply with the required tendering procedure. Third parties could request the annulment of such agreements provided that they prove that they have been adversely affected by the grant of the agreements. As a result, there is a risk that such agreements could be annulled as a consequence of failure to comply with the aforementioned tendering process, which could have a material adverse effect on the Trust. Management and its Romanian counsel believe that the practice of the Romanian Waters Agency not to follow the legal public awarding procedure in the past was not uncommon and therefore consider such risk as low.

Certain of the lease and subscription agreements contain clauses which allow the regulating body the option to require the decommissioning of a plant upon the expiry or termination of the agreements. Other plants have no specific obligations other than to maintain the plant in good working order. The Hydro Projects have an option to renew or extend their existing lease agreements and anticipate being in a position to extend their subscription agreements and continue to operate their facilities. Based on historical general practice within the Hydro Projects' regions, management of the Trust has assessed the probability of being required to decommission a plant upon the expiry of such agreements to be remote.

The operation and maintenance of the Trust's facilities involve risks that could have a material adverse effect on the Trust.

The revenue generated by the Projects' power generation facilities is dependent on the amount of electricity generated by them. The ability of the Projects' power generation facilities to generate power is a primary determinant in the quantum of revenue that will be received by the Trust. A number of different factors, including: changes in water flows, changes in solar and wind resources due to weather patterns, equipment failure due to wear and tear, latent defect, design error, operator error, slow response to outages due to underperforming monitoring systems, and vandalism or theft could adversely affect the amount of power produced, and thus the revenues and, ultimately, the cash available for distribution to Unitholders. Unplanned outages or prolonged downtime for maintenance and repair typically increase operation and maintenance expenses and reduce revenues as a result of selling less electricity and receiving fewer GCs. Although the Projects' generation facilities generally operate without unplanned outages or prolonged downtime for maintenance and repairs, there can be no assurance that they will continue to do so. To the extent that a plant's equipment requires longer than forecasted down times for maintenance and repair, or suffers disruptions of power generation for other reasons, the Trust's business, operating results, financial condition or prospects could be adversely affected. In addition, many of the Trust's generation facilities are located in remote areas which may make access for repair of damage difficult and result in a material delay to the resumption of operations.

There can be no assurance that the Trust's maintenance program will be able to detect potential failures in its facilities prior to occurrence or eliminate all adverse consequences in the event of failure. In addition, weather related interference, work stoppages and other unforeseen problems may disrupt the operation and maintenance of the Trust's facilities and could have a material adverse effect on the Trust.

While the Trust may maintain an inventory of, or otherwise make arrangements to obtain, spare parts to replace critical equipment and maintain insurance for property damage to protect against certain operating risks, these protections may not be adequate to cover lost revenues or increased expenses and contractual penalties which could result if the Trust is unable to operate its generation facilities at anticipated levels of production.

A significant increase in water rental costs or requirements could have a material adverse effect on the Trust.

The Trust is required to make rental payments for water rights and comply with other specific requirements imposed by the Romanian Waters Agency, which are subject to changes from time to time. Significant increases in water rental costs in the future or changes in the way that governmental authorities in the jurisdictions in which the Trust's hydroelectric assets are located regulate water supply could have a material adverse effect on the Trust.

A significant change in the policy for dispatching generation units could have a material adverse effect on the Trust.

The revenue generated by the Projects' power generation facilities is dependent on the amount of electricity generated by them. The Solar Projects are registered as dispatchable generation units. This translates in the capacity of the Transmission System Operator to control and/or limit the maximum hourly output of a dispatched project depending on the national Electrical Grid status, hourly energy production, hourly energy consumption, grid stability and any other related factors. Significant reduction of the hourly output of the Solar Projects could have a material adverse effect on the Trust.

Volatility and unforeseen events affecting the Romanian energy market could have a material adverse effect on the Trust.

If the economic or political climate in Romania, the European Union regions near to Romania or the world generally deteriorate, demand for energy products could diminish further, the value of the Romanian Leu ("**RON**") and/or Euro could diminish leading to decreased prices for electricity and GCs and actual prices for electricity and GCs could decrease, which could have a material adverse effect on the Trust.

Risks Relating to the Electricity, Foreign Currency, GCs and Other Markets

The Trust's revenues will be adversely affected by a decrease in the market price of electricity.

The power produced by the Projects is currently subject to long-term fixed-price contracts. However, once the term of such contracts has expired, there is no guarantee that the Trust will be able to extend or replace such contracts on terms equally as favourable to the Trust and it is possible that the prices received by the Projects for power could be reduced significantly in future. The price for the power produced by the Projects could be affected by a number of different factors including but not limited to, levels of economic activity, legislative or other regulatory changes (by Romania or the EU), changes in prices of oil, natural gas or other energy sources within the EU or globally, changing local weather patterns and global economic changes and political unrest in regions proximate to Romania. Decreases in market prices for electricity could negatively impact the Trust's revenues and results of operations, which could reduce or prevent the Trust from making distributions on its Units and/or negatively affect the Trust's ability to make interest or principal payments on its debt obligations. It is possible that future bilateral contracts or power prices may not be available at a price that provides for the level of profitability currently forecast by the Trust.

The Trust's revenues will be adversely affected by a reduction in the market price of GCs.

The revenue from the sale of GCs by the Projects currently represents a substantial portion of the Trust's revenues. The sale of GCs is currently subject to long-term off-take contracts. However, once the term of such contracts has expired, there is no guarantee that the Trust will be able to extend or replace such contracts on terms equally as favourable to the Trust and it is possible that the revenues received by the Projects for GCs could be reduced significantly in future. The Romanian government has made changes to the GC legislation over the past number of years and there is no guarantee it will not make future changes that could negatively impact the price of GCs. If the price of GCs continue to decline, the Trust's revenues and results of operations will be negatively impacted. Legislative changes by the EU, Romania or other European countries, changes in residential or industrial electricity demand, innovation of new electricity generation technologies, changes in EU, Romanian or other European countries' renewable incentive programs or other factors, could impact the demand for GCs, the market for GCs and also impact the pricing of GCs. Changes to the price of GCs could result in the Trust being unable to achieve the level of profitability and cash flow currently forecast, and adversely affect or reduce the Trust's ability to pay distributions on the Units and make interest or principal payments on its debt obligations.

The value of the Canadian dollar against the Euro and the Romanian Lei will affect the Trust's results and distributions.

All of the operating assets of the Trust are located in Romania with revenues received in RON or Euros. Intercompany interest and principal payments will be in Euros. The Trust, on the other hand, raises capital and pays any distributions to Unitholders in Canadian dollars. The Trust also raises funds primarily from the sale of Units in Canadian dollars and invests indirectly through its subsidiaries in Romanian assets, using Euros and RON. Thus, when the Canadian dollar increases in value against the Euro and/or the RON, the Trust's indirect investments in Romanian assets will be less expensive; however, the value of distributions received by the Trust directly or indirectly from the subsidiaries will also be reduced. When the Canadian dollar decreases in value against the Euro and/or RON, the cost of the Trust's indirect investments in Romanian assets will be more expensive. However, the value of distributions received by the Trust directly or indirectly from the subsidiaries will increase.

The Trust's subsidiaries may in the future utilize derivative instruments in order to manage exposures to changes in foreign currency rates and to mitigate the currency risk impact on the long-term sustainability of distributions to Unitholders. Derivative instruments are generally transacted over-the counter. The inability or failure of the Trust or its subsidiaries to manage and monitor foreign currency exchange risks could have a material adverse effect on the results of operations and cash flow of the Trust and on distributions on and the value of the Units.

The Trust may suffer economic losses where market risk management policies and programs do not work as planned.

The Trust's risk management programs may not work as planned. For example, actual prices for GCs and for electricity may be significantly different or more volatile than the historical trends and assumptions upon which the Trust based its risk management calculations. In addition, unforeseen market disruptions could decrease market depth and liquidity, negatively impacting the Projects' ability to enter into new acquisition transactions or renew existing arrangements on favourable pricing terms.

Risks Relating to the Power Generation Industry

Revenues and results from operations are expected to fluctuate on a seasonal and quarterly basis as a result of demand for electricity and the Projects' ability to produce energy.

The Trust's revenues and the results of operations of the Trust may fluctuate significantly on a seasonal basis as a result of changes in weather patterns and hydrology.

The impact of this seasonality may be exaggerated as a result of extreme weather conditions, resulting in variances in electricity demand and pricing. Depending on prevailing market prices for electricity, these and other unexpected circumstances may reduce revenues and results of operations. Fluctuations in revenues and results from operations will directly affect the amount of cash available to the Trust, which could have a material adverse effect on the Trust.

The Trust's facilities and operations are exposed to effects of natural disasters and other catastrophic events outside of the Trust's control and such events could result in a material adverse effect.

The Trust's facilities and operations are exposed to potential interruption and damage, partial or full loss, resulting from environmental disasters (e.g., floods, high winds, fires and earthquakes), major accident or incident and the like. There can be no assurance that in the event of an earthquake, hurricane, tornado, terrorist attack, act of war or other natural, manmade or technical catastrophe, all or some parts of the Trust's generation facilities and infrastructure systems (including but not limited to connection points and transmission lines) will not be disrupted. The occurrence of a significant event which disrupts the ability of the Trust's power generation facilities to produce or sell power for an extended period could have a material adverse effect on the Trust. In addition, many of the Trust's generation facilities are located in remote areas which may make access for repair of damage difficult and result in a material delay to the resumption of operations.

The power generation industry has certain inherent risks related to worker health and safety and the environment that could cause the Trust to suffer unanticipated expenditures or to incur fines, penalties or other adverse consequences material to its business and operations.

The ownership and operation of the Trust's power generation facilities carry an inherent risk of liability related to worker health and safety and the environment, including the risk of government imposed orders to remedy unsafe conditions and/or to remediate or otherwise address environmental contamination, potential penalties for contravention of health, safety and environmental laws, licenses, permits and other approvals, and potential civil liability. Compliance with health, safety and environmental laws (and any future changes thereto) and the requirements of licenses, permits and other approvals required to carry on Trust's business will remain material to the Trust's business. The occurrence of any of these events or any changes, additions to or more rigorous enforcement of, health, safety and environmental laws, licenses, permits or other approvals could have a material adverse effect on operations and/or result in additional material expenditures. As a consequence, no assurances can be given that additional environmental and workers' health and safety issues relating to presently known or unknown matters will not require unanticipated expenditures, or result in fines, penalties or other consequences (including changes to operations) material to its business and operations.

Unexpected changes in the cost of maintenance or in the durability and replacement cost of components for the Trust's facilities may adversely affect its results of operations.

Unexpected increases in the Trust's cost structure that are beyond the control of the Trust could materially adversely impact its financial performance. Examples of such costs include, but are not limited to: unexpected increases in the cost of procuring materials and services required for maintenance activities, and unexpected replacement or repair costs associated with equipment underperformance or lower-than-anticipated durability.

The Trust's communications and monitoring technology and operating systems may experience interruptions or breaches in security which could lead to increased operating costs and other liabilities.

The Trust relies on technology, mainly on computer, telephone, satellite, cellular and related networks and infrastructure, to conduct its business and monitor the production of its plants. These systems and infrastructure could be vulnerable to unforeseen problems, including, but not limited to vandalism and theft. The Trust's operations are dependent upon its ability to protect its operating technology against damage from fire, power loss, telecommunications failure or a similar catastrophic event. Any damage or failure that causes an interruption in operations could have an adverse effect on its customers. Additionally, the Trust must be able to protect its plants against physical damage, security breaches and service disruption from any of a variety of causes. Theft, vandalism, and other disruptions could jeopardize the security of information stored in and transmitted through the Trust's systems and network infrastructure, and could result in significant setbacks, potential liabilities, and deter future customers. While the Trust has backup systems, policies, hardware, practices, and procedures designed to prevent or limit the effect of the failure, interruptions or security breaches of its plants and their infrastructure, there can be no assurance that these measures will be sufficient and that such failures, interruptions or security breaches will not occur or, if they do occur, that they will be adequately addressed in a timely manner.

The Trust is not able to insure against all potential risks and may become subject to higher insurance premiums.

The Trust's business is exposed to the risks inherent in the operation of electricity generation facilities, such as breakdowns, manufacturing defects, natural disasters, theft, terrorist attacks and sabotage. The Trust maintains insurance policies, covering usual and customary risks associated with its business, with credit-worthy insurance carriers. The Trust's insurance policies, however, do not cover losses as a result of force majeure, natural disasters, terrorist attacks or sabotage, among other things. The Trust's insurance policies are subject to annual review by the respective insurers and may not be renewed at all or on similar or favorable terms. A significant uninsured loss or a loss significantly exceeding the limits of the Trust's insurance policies or the failure to renew such insurance policies on similar or favorable terms could have a material adverse effect on the Trust.

The Trust's facilities rely on national and regional transmission systems and related facilities that are owned and operated by third parties and have both regulatory and physical constraints that could impede access to electricity markets.

The Trust's power generation facilities depend on electric transmission systems and related facilities owned and operated by third parties to deliver the electricity the Trust generates to delivery points where ownership changes and the Trust is paid. These grids operate with both regulatory and physical constraints which in certain circumstances may impede access to electricity markets. There may be instances in system emergencies in which the Trust's power generation facilities are physically disconnected from the power grid, or their production curtailed, for short periods of time.

The Trust's power generation facilities may also be subject to changes in regulations governing the cost and characteristics of use of the transmission and distribution systems to which its power generation facilities are connected. Any such changes could negatively affect the Trust's revenues and financial condition.

Risks Relating to Cryptocurrency Business

Limited management experience.

The Trust has limited history in managing a cryptocurrency business up on which its business and future prospects may be evaluated. The Trust is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its operating goals, including the purchase and installation of cryptocurrency mining assets. Additionally, where the Trust experiences increased mining activity, the Trust's current operational infrastructure may require changes to scale the Trust's business efficiently and effectively and achieve long-term profitability.

Cryptocurrency inventories may be exposed to cybersecurity threats and hacks.

As with any other computer code, flaws in the cryptocurrency codes have been exposed by certain malicious actors. Several errors and defects have been found and corrected, including those that disabled some functionality for users and exposed users' information. Discovery of flaws in or exploitations of the source code that allow malicious actors to take or create money have been relatively rare.

Regulatory changes or actions may alter the nature of an investment in the Trust or restrict the use of cryptocurrencies in a manner that adversely affects the Trust's operations.

As cryptocurrencies have grown in both popularity and market size, governments around the world have reacted differently to cryptocurrencies with certain governments deeming them illegal while others have allowed their use and trade. Ongoing and future regulatory actions may alter, perhaps to a materially adverse extent, the ability of the Trust to continue to operate in the cryptocurrency space.

The effect of any future regulatory change on the Trust or any cryptocurrency that the Trust may mine is impossible to predict, but such change could be substantial and adverse to the Trust.

Governments may in the future curtail or outlaw, the acquisition, use or redemption of cryptocurrencies. Ownership of, holding or trading in cryptocurrencies may then be considered illegal and subject to sanction. Governments may also take regulatory action that may increase the cost and/or subject cryptocurrency companies to additional regulation.

Governments may in the future take regulatory actions that prohibit or severely restrict the right to acquire, own, hold, sell, use or trade cryptocurrencies or to exchange cryptocurrencies for traditional currency. Such a restriction could result in the Trust liquidating any cryptocurrency inventory at unfavorable prices and may adversely affect Unitholders.

Regulatory changes to renewable energy legislation.

Though the Trust currently believes that its prospective cryptocurrency operations would not impair its ability to obtain GCs in accordance with Romanian law related to the generation of power from its Projects, changes to energy legislation, or the interpretation thereof, could have a material adverse effect on the Trust's ability to earn and sell such GCs.

The value of cryptocurrencies, including those in the Trust's inventory, may be subject to extreme volatility.

The market price of the cryptocurrencies may be adversely affected by a variety of factors external to the Trust's business, including legislative or regulatory developments, geopolitical events and crises, competition from other cryptocurrencies and traditional currencies, technological change, global capital market activity and changes in interest. As an alternative to traditional currencies that are backed by central governments, cryptocurrencies, which are relatively new, are subject to supply and demand forces based upon the desirability of an alternative, decentralised means of buying and selling goods and services, and it is unclear how such supply and demand will be impacted by various external events. Nevertheless, political or economic crises, or other events external to the Trust, may motivate large-scale acquisitions or sales of cryptocurrency. Large-scale sales of cryptocurrencies would result in a reduction in their market prices and adversely affect the Trust's operations and profitability.

In addition, from time to time, the market for cryptocurrencies experiences significant price and volume volatility that may affect the market price of such cryptocurrencies for reasons unrelated to the Trust's performance. There can be no assurance that the market price of the Trust's cryptocurrency inventory will not experience significant fluctuations in the future, including fluctuations that are unrelated to the Trust's performance. The value of the Trust's prospective cryptocurrency inventory could affect the general creditworthiness of the Trust. The market value of the Trust's cryptocurrency inventory may also be affected by political, economic, financial and other factors that can affect the cryptocurrency markets generally, the exchanges on which cryptocurrencies are traded and the specific type of cryptocurrency the Trust may be mining. As a result, the Trust's cryptocurrency inventory, due to changing investor confidence in future appreciation (or depreciation) in their market prices, which could adversely affect the value of the Trust's cryptocurrency inventory and thereby affect Unitholders.

Decrease in demand for and usages of cryptocurrencies.

There is no assurance that any cryptocurrency will maintain its long-term value in terms of purchasing power in the future or that the acceptance of any cryptocurrency as a means for payments by mainstream retail merchants and commercial businesses will continue to grow. Further, there can be no assurance that the value any given cryptocurrency relative to any or all other cryptocurrencies will be maintained based upon the rate of adoption or acceptance. In the event that the price of cryptocurrency mined by the Trust declines, the Trust could be adversely impacted. As relatively new products and technologies, cryptocurrencies have only recently become accepted as a means of payment for goods and services by certain major retail and commercial outlets, and use of cryptocurrencies by consumers to pay such retail and commercial outlets remains limited. Banks and other established financial institutions may refuse to process funds for cryptocurrency transactions, process wire transfers to or from cryptocurrency exchanges, cryptocurrency related companies or service providers or maintain accounts for persons or entities transacting in cryptocurrency. Conversely, a significant portion of cryptocurrency demand is generated by speculators and investors seeking to profit from the short or long-term holding of cryptocurrency. A decrease in demand and use of a cryptocurrency could adversely affect the prospective cryptocurrency operations of the Trust.

Cryptocurrency exchanges and other trading venues are relatively new and, in many cases, largely unregulated and may therefore be more exposed to fraud and failure.

To the extent that cryptocurrency exchanges or other trading venues are involved in fraud or experience security failures or other operational issues, this could result in a reduction in cryptocurrency prices.

Cryptocurrency market prices depend, directly or indirectly, on the prices set on exchanges and other trading venues, which are new and, in many cases, largely unregulated as compared to established, regulated exchanges for securities, derivatives and other currencies. For example, during the past three years, a number of Bitcoin ("**BTC**") exchanges have been closed due to fraud, business failure or security breaches. In many of these instances, the customers of the closed BTC exchanges were not compensated or made whole for the partial or complete losses of their account balances in such BTC exchanges. While smaller exchanges are less likely to have the infrastructure and capitalization that provide larger exchanges with additional stability, larger exchanges may be more likely to be appealing targets for hackers and "malware" (i.e., software used or programmed by attackers to disrupt computer operation, gather sensitive information or gain access to private computer systems) and may be more likely to be targets of regulatory enforcement action. Further, such exchange closures due to fraud, business failure or security breaches may result in increased regulatory scrutiny and burden for cryptocurrency exchanges and could thereby increase the costs associated with buying or selling cryptocurrencies on such exchanges or generally, with such increased costs potentially having a negative and potentially materially adverse effect on the value of applicable cryptocurrencies.

Ability to obtain or maintain bank accounts.

A number of companies that provide cryptocurrency-related services have been unable to find banks that are willing to provide them with bank accounts and banking services. Similarly, a number of such companies have had their existing bank accounts closed by their banks. Banks may refuse to provide bank accounts and other banking services to cryptocurrency-related companies or companies that accept cryptocurrencies for a number of reasons, such as perceived compliance risks or costs. The difficulty that many businesses that provide cryptocurrency-related services have and may continue to have in finding banks willing to provide them with bank accounts and other banking services may be currently decreasing the usefulness of cryptocurrencies as a payment system and harming public perception of cryptocurrencies or could decrease its usefulness and harm its public perception in the future. Similarly, the usefulness of cryptocurrencies as a payment system and the public perception of cryptocurrencies could be damaged if banks were to close the accounts of many or of a few key businesses providing cryptocurrency-related services. This could decrease the market prices of cryptocurrencies and adversely affect the value of the Trust's cryptocurrency inventory.

The further development and acceptance of the cryptographic and algorithmic protocols governing the issuance of and transactions in cryptocurrencies is subject to a variety of factors that are difficult to evaluate.

The use of cryptocurrencies to, among other things, buy and sell goods and services and complete other transactions, is part of a new and rapidly evolving industry that employs digital assets based upon a computer-generated mathematical and/or cryptographic protocol. The growth of this industry in general, and the use of cryptocurrencies in particular, is subject to a high degree of uncertainty. The factors affecting the further development of the industry, include, but are not limited to:

- continued worldwide growth in the adoption and use of cryptocurrencies;
- governmental and quasi-governmental regulation of cryptocurrencies and their use, or restrictions on or regulation of access to and operation of the network or similar cryptocurrency systems;
- changes in consumer demographics and public tastes and preferences;
- the maintenance and development of the open-source software protocol of the network;
- the availability and popularity of other forms or methods of buying and selling goods and services, including new means of using traditional currencies;
- general economic conditions and the regulatory environment relating to digital assets; and
- negative consumer sentiment and perception of BTCs specifically and cryptocurrencies generally.

Acceptance and/or widespread use of cryptocurrency is uncertain.

Currently, there is relatively small use of cryptocurrencies in the retail and commercial marketplace in comparison to relatively large use by speculators, thus contributing to price volatility. The relative lack of acceptance of cryptocurrencies in the retail and commercial marketplace limits the ability of end-users to use them to pay for goods and services. A lack of expansion by cryptocurrencies into retail and commercial markets, or a contraction of such use, may result in increased volatility or a reduction in their market prices, either of which could adversely impact the Trust's operations, investment strategies, and profitability.

Possibility of transitioning to proof of stake validation.

Proof of stake is an alternative method in validating cryptocurrency transactions. Should a cryptocurrency's algorithm shift from a proof of work validation method to a proof of stake method, mining such cryptocurrency could require less energy and may render the Trust less competitive, and render its cryptocurrency equipment obsolete, as other miners are able to mine cryptocurrency with lower energy requirements.

Cryptocurrencies may be subject to loss, theft or restriction on access.

There is a risk that cryptocurrencies could be lost or stolen. Access to cryptocurrencies could also be restricted by cybercrime (such as a denial of service attack) against a service at which the Trust maintains a hosted online wallet. Any of these events may adversely affect the operations of the Trust and, consequently, its investments and profitability.

The loss or destruction of a private key required to access a cryptocurrency digital wallet may be irreversible. The loss of access to a private key or experiencing a data loss relating to the Trust's digital wallets could adversely affect its investments .

Cryptocurrencies are controllable only by the possessor of both the unique public and private keys relating to the local or online digital wallet in which they are held, which wallet's public key or address is reflected in the network's public blockchain. The Trust will publish the public key relating to digital wallets in use when it verifies the receipt of cryptocurrency transfers and disseminates such information into the networks, but it will need to safeguard the private keys relating to such digital wallets. To the extent such private keys are lost, destroyed or otherwise compromised, the Trust will be unable to access its coins and such private keys will not be capable of being restored by network. Any loss of private keys relating to digital wallets used to store the Trust's cryptocurrency could adversely affect its investments and profitability.

Incorrect or fraudulent coin transactions may be irreversible.

Cryptocurrency transactions are irrevocable and stolen or incorrectly transferred coins may be irretrievable. As a result, any incorrectly executed or fraudulent coin transactions could adversely affect the Trust's investments.

Cryptocurrency transactions are not, from an administrative perspective, reversible without the consent and active participation of the recipient of the transaction. In theory, cryptocurrency transactions may be reversible with the control or consent of a majority of processing power on the network. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer of a coin or a theft of coin generally will not be reversible and the Trust may not be capable of seeking compensation for any such transfer or theft. It is possible that, through computer or human error, or through theft or criminal action, cryptocurrencies could be transferred in incorrect amounts or to unauthorized third parties, or to uncontrolled accounts.

Licenses, Permits and Approvals.

Although the Trust has all required permits for its current operations, there is no assurance that delays will not occur in the Trust's obtention of any licenses, approvals or permits required for the purchase, installation and/or operation of the cryptocurrency mining equipment, acquisition of the lease of additional land, or other matters related to the Trust's prospective operations related to cryptocurrencies. In particular, the construction and operation of the cryptocurrency mining equipment requires permits from various governmental authorities. There can be no assurance that the Trust will be able to obtain all necessary licenses, approvals and permits that may be required, on reasonable terms or at all. Delays or a failure to obtain such licenses, approvals and permits, or a failure to comply with the terms of any such licenses, approvals and permits that the

Trust does obtain, could have a material adverse effect on the prospective cryptocurrency operations of the Trust.

To the extent such approvals or consents are required and are delayed or not obtained, the Trust may be curtailed or prohibited from commencing its prospective cryptocurrency operations. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing such operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

Amendments to current laws, regulations and permits governing operations and activities of cryptocurrency companies, or more stringent implementation thereof, could have a material adverse impact on the Trust and cause increases in expenses, capital expenditures or require abandonment or delays in development of new mining facilities.

Risks Relating to the Strategy of the Trust

There are potential undisclosed liabilities associated with any acquisitions completed by the Trust.

There may be liabilities and contingencies that the Trust fails or is unable to discover in its due diligence prior to consummation of any acquisitions undertaken by the Trust. The Trust may not be indemnified for some or all of these liabilities and contingencies. The discovery of any material liabilities or contingencies of any assets acquired post-acquisition could have a material adverse effect on the Trust.

The Trust's growth strategy is focused on the acquisition of high quality renewable power projects and potentially the acquisition of cryptocurrency mining assets and there is no certainty the Trust will be successful in the execution of this strategy.

The Trust's growth strategy includes the acquisition of high quality renewable power generation facilities that generate stable cash flows, with the objective of achieving returns on invested capital. However, there is no certainty that the Trust will be able to acquire high quality renewable power generation facilities, or at all. The Trust's growth strategy also includes the potential acquisition of cryptocurrency mining assets that provide higher margin revenues for the Trust. However, there is no certainty that the Trust will be able to acquire cryptocurrency assets at attractive prices to supplement its growth, or at all.

Expansion of the Trust's business through growth projects and acquisitions may place increased demands on management, operating systems, internal controls and financial and physical resources. In addition, the process of integrating acquired businesses or growth projects may involve unforeseen difficulties. Failure to successfully manage or integrate any acquired businesses or growth projects could have a material adverse effect on the Trust, its financial condition, results of operations and cash flows. Further, the Trust cannot make assurances that it will be successful in integrating any acquisition or that the commercial opportunities or operational synergies of any acquisition will be realized as expected.

The Trust cannot make assurances that the Trust will identify suitable transactions or that it will have access to sufficient financial resources, through the capital markets or otherwise, to pursue and complete any identified acquisition or development opportunities on a timely basis and at a reasonable cost. Any acquisition or development that the Trust proposes or completes would be subject to normal commercial risks that the transaction may not be completed on the terms negotiated, on time, or at all. Any such acquisition or development may expose the Trust to potential undisclosed or unknown liabilities. The existence of such undisclosed liabilities could have a material adverse effect on the Trust. Additionally, any adverse changes in legislation may impact the GC market or the cryptocurrency market, or any declines in these markets caused by other factors, could negatively impact the Trust's ability to find asset acquisitions or development opportunities that would be profitable in a market facing reduced values. In such circumstances the Trust would shift its focus to other renewable power generation acquisitions, alternative cryptocurrencies or blockchain opportunities, or other geographical locations, but there is no guarantee of success in this regard.

The successful execution of a growth strategy that depends primarily on acquiring and developing operating assets requires careful timing and business judgment, as well as the resources to complete the due diligence and evaluation of such assets. The Trust may underestimate the costs of acquiring or developing renewable power generating facilities and cryptocurrency mining assets or may be unable to quickly and efficiently integrate new acquisitions or developments into its existing operations.

The Trust's management may not successfully manage the Trust's growth.

The Trust's success will depend in part on its ability to expand and manage its proposed growth. The Trust's proposed growth may result in new and increased responsibilities for management and additional demands on management, operating and financial systems and resources. The Trust's ability to expand is dependent upon factors such as its ability to: hire and train new staff, managerial personnel and independent contractors; expand the Trust's infrastructure; and adapt or amend the Trust's structure to comply with present or future state legal requirements. Any failure or inability to successfully implement these and other factors could have a material adverse effect on the Trust. If management is unable to successfully implement its growth strategy or manage growth effectively, the Trust's business, financial condition and results of operations could be materially adversely affected.

The Trust may face significant competition for the acquisition of high quality assets and may not successfully complete and integrate acquisitions.

In the future, it may no longer be feasible for the Trust to continue to grow through strategic acquisition opportunities. The Trust's business plan includes growth through identifying suitable acquisition opportunities, pursuing such opportunities, consummating acquisitions and effectively integrating acquisitions with the Trust's existing business. There can be no assurance that the Trust will be able to identify attractive acquisition candidates in the future, in the jurisdictions in which the Trust wishes to operate, or at all, or that the Trust will be able to make acquisitions that increase the amount of cash available for distribution, or that acquisitions will be successfully integrated into the Trust's existing portfolio of projects.

The Trust faces competition for acquisitions from other energy producers and cryptocurrency mining operations, many of which are substantially larger and may have considerably greater financial, technical and marketing resources than are available to the Trust. Some of these competitors may also have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of acquisitions. Increased competition could have a material adverse effect on the Trust.

The Trust competes with other renewable power companies as well as traditional energy companies, which may have greater financial and other resources for new business.

The Trust competes with other renewable power companies primarily for acquisition opportunities, and with other power companies for access to transmission or distribution networks. The Trust also competes with other power companies for the limited pool of personnel with requisite industry knowledge and experience. Any failures to successfully prevail in such competition will negatively affect the Trust's long-term growth prospects.

The Trust's success depends upon the continued involvement of its present management.

The Trust's success may depend upon the continued involvement of the present management, who are in charge of the Trust's strategic planning and operations. The loss to the Trust of any of these individuals could have a material adverse effect on the Trust. The Trust may need to attract and retain additional talented individuals in the future in order to carry out its business objectives. The competition for such persons could be intense and the Trust may be unable to recruit the people it needs.

Risks Relating to the Operations of the Trust

Financial leverage and restrictive covenants may restrict our current and future indebtedness and limited future business dealings.

The Trust and its subsidiaries are subject to contractual restrictions governing their current and future indebtedness. The degree to which the Trust and its subsidiaries are leveraged could have important consequences to Unitholders, including: (i) the Trust and its subsidiaries' ability to obtain additional financing for working capital, capital expenditures, acquisitions or other project developments in the future may be limited; (ii) a significant portion of the Trust and its subsidiaries' cash flows from operations may be dedicated to the payment of the principal of and interest on their indebtedness, thereby reducing funds available for future operations; and (iii) the Trust and its subsidiaries may be more vulnerable to economic downturns and be limited in their ability to withstand competitive pressures. The Trust and its subsidiaries are subject to operating and financial restrictions through covenants in certain loan and security agreements. These restrictions prohibit or limit the Trust and its subsidiaries' ability to, among other things, incur additional debt, provide guarantee for indebtedness, create liens, dispose of assets, liquidate, dissolve, amalgamate, consolidate or effect any corporate or capital reorganization, make distributions or pay dividends, issue any equity interests and create subsidiaries. These restrictions may limit the Trust and its subsidiaries' ability to obtain additional financing, withstand downturns in the Trust and its subsidiaries' business and take advantage of business opportunities. If the Trust defaults in respect of its obligations under any of its loan agreements, including without limitation servicing existing indebtedness, breaching working capital maintenance convents, or refinancing any such indebtedness, lenders may be entitled to demand repayment and enforce their security against certain projects or other assets.

The Projects are party to significant third party contracts and the failure of such third parties to fulfill their contractual obligations could have a material adverse effect on the Projects.

The Projects sell their electricity under long-term fixed-price off-take and balancing agreements. If, for any reason, any of the purchasers of power under such off-take or balancing market counterparties are unable or unwilling to fulfill their contractual obligations under the relevant agreement, or if they refuse to accept delivery of power pursuant to the relevant agreement, the Projects' assets, liabilities, business, financial condition, results of operations and cash flow could be materially and adversely affected as the Projects may not be able to enter into an alternative agreement on terms and conditions no less favorable to the Trust. External events, such as a severe economic downturn, could impair the ability of some counterparties or some end use customers to pay for delivered electricity received.

In addition, the Projects will enter into contracts with third parties for operations and maintenance. Should one or more of these third parties be unable to meet their obligations under the contracts, such an occurrence could result in a loss of revenue, a delay in return to service and an increase in operating costs.

The Projects' revenues may be reduced upon the failure to conclude or negotiate attractive GC purchase agreements, off-take or balancing agreements.

The Trust has negotiated and entered into long-term off-take agreements for the purchase of the power and GCs produced by the Projects. There is no guarantee that such prices will be extended with the current or other counterparties or that the Trust will be able to negotiate contracts with comparable future revenues beyond the dates currently in place. Changes in local laws may invalidate these contracts in the future (e.g. preventing off-market contracts from being concluded). Additionally, the counterparty purchaser of energy and GCs from the Projects has a commercial obligation to make such purchases by contracts, but no corporate guarantee and they are not an accredited off-taker subject to the applicable legislation governing accredited off-takes. Thus, there is a limited risk for the Trust to enforce damages should such counterparty not fulfill its obligations under the commercial agreements in place. Should these agreements be terminated and the Trust be unable to negotiate other long-term off-take purchase contracts, its energy and GCs would need to be sold in the marketplace and there is no guarantee of the price that would be received. If it were unable to sell GCs within one year of their issuances such GCs would expire without garnering any revenue for the Trust.

The Trust could suffer lost revenues or increased expenses and penalties if it was unable to operate its generation facilities at a level necessary to comply with its off-take and balancing agreements.

The ability of the Projects to generate the maximum amount of power which can be sold under the off-take and balancing agreements is an important determinant of the revenues of the Trust. Under certain off-take and balancing agreements, if the plant delivers less than the required quantity of electricity in a given contract period, penalty payments may be payable to the relevant purchaser by the applicable Project. The payment of any such penalties by the Projects could have a material adverse effect on the Trust.

Risks Relating to the Legal and Regulatory Environment

The reduction, elimination or expiration of government subsidies and economic incentives, particularly the GC program, could have a material adverse effect on the Trust.

The Trust seeks to take full advantage of government policies that promote renewable power generation and enhance the economic feasibility of renewable power projects. Renewable power generation sources currently benefit from various incentives in the form of GCs and other incentives throughout the markets in which the Trust intends to participate. The removal, phasing-out or amendment to legislation governing any such incentives could have a material adverse effect on the Trust and the Trust's ability to make distributions to Unitholders. The GC legislation in Romania, in particular, has been amended a number of times and therefore, it is possible that future amendments could have a material adverse effect on the Trust. The last legislative change was approved on March 31, 2017 by the 2017 GC Law Amendments which included significant changes in the GC market.

Recent legislative changes impacting the GC program may affect profitability of the Trust.

Government action in Romania may be taken to change the use of market-based pricing for GCs, re-regulate areas of electricity markets that have previously been competitive, or permit electricity suppliers to construct or acquire generating facilities. Although the Trust generally expects the renewable power markets to continue to be competitive, other proposals to re-regulate this industry may be made, and legislative or other actions affecting the electricity restructuring process may cause legal processes to be delayed, discontinued or reversed in jurisdictions in which the Trust currently operates or may in the future operate. This may also cause a reduction in the price of GCs, which may have a material adverse effect on the Trust's ability to achieve the level of profitability and cash flow currently forecast. The last legislative change was approved on March 31, 2017 by the 2017 GC Law Amendments which included significant changes in the GC market.

The Projects operate in a regulated industry and are exposed to legislative and regulatory risks that could have a material adverse effect on the Trust.

The Projects currently operate in a regulated electricity generation sector. The Projects must comply with applicable legislation and regulations in order to maintain the licences that are required to continue their operations and to expand to new markets and/or products. There can be no assurance that future decisions of Romanian or EU regulatory bodies having jurisdiction over the Trust's business activities, or rules enacted by them, or new legislation or regulations or changes to existing legislation or regulations, will not adversely affect the operations or cash flow of the Trust.

In particular, it is expected that future proposed acquisitions may become subject to review by the Romanian Competition Council. Such review could operate to increase the time and cost that it will take the Trust to complete future proposed acquisitions, or, in the worst case, prohibit certain acquisitions from being completed.

The Trust is subject to extensive government regulation and incentive mechanisms, including stringent environmental laws and regulations which may impact the Trust's financial performance, limit its flexibility and, in the event of non-compliance could result in adverse actions by regulatory authorities against it.

The market for electricity generation is heavily influenced by local government regulations and policies. These regulations and policies often relate to the encouragement of renewable energy development, electricity pricing and interconnection. The Trust's inability to predict, influence or respond appropriately to changes in law or regulatory frameworks, could adversely impact its results of operations.

Furthermore, changes in laws, regulations or changes in the application or interpretation of regulatory provisions in jurisdictions where the Trust operates, including changes related to licensing and permitting which affect the Trust's ability to conduct its business in an orderly fashion. Such changes may result in lower revenues, higher costs and/or lower margins for the affected projects, which could have a material adverse effect on the Trust.

The Projects hold permits and licenses from various regulatory authorities for the construction and operation of their facilities. These licenses and permits are critical to the operation of the Projects' business. The majority of these permits and licenses are long-term in nature, reflecting the anticipated useful life of the facilities. In some cases, these permits may need to be renewed prior to the end of the anticipated useful life of such facilities and there is no guarantee that such renewals will be granted. These permits and licenses require the Projects' compliance with the terms thereof.

The Projects' operations are subject to stringent environmental laws and regulations promulgated and administered by governments in Romania. These laws and regulations generally concern use of water, protection of wildlife, wetlands preservation, remediation of contamination, waste disposal requirements, preservation of archaeological artifacts, endangered species preservation and noise limitations, among others. Failure to comply with applicable environmental laws and regulations or to obtain or comply with any necessary environmental permits pursuant to such laws and regulations could result in fines or other sanctions being levied against the Trust. Environmental laws and regulations affecting power generation and distribution are complex and have tended to become more stringent over time. These laws and regulations have imposed, and proposed laws and regulations could impose in the future, additional costs on the operation of the Projects' facilities.

Land claim laws in Romania are presently unclear and legal provisions regulating the granting of a use right over the public property are sometimes incorrectly applied by the public authorities resulting in some uncertainty as to title.

All cases in front of the European Court of Human Rights pertaining to restitution claims concerning Romania have been suspended following a preliminary decision issued in 2010, until the Romanian government enacts new legislation in the field of the property restitution (namely until enactment of the Romanian Law no. 165/2013). The case law currently available is not sufficient to establish whether restitution claims against the state or against third party acquirers who acquired property that may otherwise be subject to restitution by relying on the Romanian Civil Code and/or of the New Civil Code, will be accepted in courts and if so, whether it will be successful.

The Trust has taken what management believes to be appropriate steps to rectify any inconsistencies with respect to title of the Projects, such as registering applicable agreements on title, ensuring all documents are executed and all constructions are registered in the land book. However, there is no assurance that a land claims issue or another claim challenging the validating of the permits will not arise in the future. Such claims could affect the Projects in a variety of ways, including loss of properties or involvement in legal proceedings.

Building permits for erection of the physical facilities of the Projects could be subject to annulment.

Most of the building permits issued by government authorities that provided for the erection of the plants of the Projects could be considered non-compliant with zoning regulations applicable for such areas and thus could be subject to annulment by a court decision if a claim was made by a third party. If such building permits were annulled, the affected plant could be demolished and the relevant Project would be subject to fines. In order to mitigate such risk, the Trust required the sellers of the Projects to obtain confirmations from the applicable local authorities that building permits were issued in accordance with the applicable zoning regulations. This confirmation does not replace the legal requirement of having a zoning plan approved by the applicable governmental authorities. The limitation period for challenging any contraventions and imposing fines by the competent authorities expires two years after the date the contravention was committed.

By virtue of their industry, the Projects are subject to labour authority review.

The ownership and operation of renewable power generation assets carries an inherent risk of liability related to employees (workers) safety and health. In this respect, the labour authorities may request the remediation of unsafe and/or unhealthy work conditions, as well as impose fines for safety and health related contraventions against the company operating the renewable power generation assets and/or the company employing the affected employees. Also, in the event one or several employees suffer work related accidents or occupational diseases, such employee or employees may obtain compensation.

Although Romania has enacted anti-corruption legislation and has taken steps to reduce corrupt practices, the risk of corruption affecting the business of the Trust remains higher than in many more developed markets.

There is a wide legal framework enacted in Romania for the prevention and punishment of corrupt practices and corruption offences committed in Romania or producing effects in Romania, such as bribery, receipt of undue benefits, trading influence, active bribery towards a clerk of a foreign state or an international organization and crimes akin to corruption. The National Anticorruption Directorate is the Romanian agency tasked with preventing, investigating and prosecuting corruption-related offenses. Additionally, there is oversight on these matters at the EU level by the Counsel of European Anti-Corruption Group. The Trust will observe a strict zero tolerance policy to corrupt practices. This policy may make it more challenging for the Trust to carry out business. Despite these laws and the policy, the possibility that corrupt business practices in Romania could interfere in the development and activity of the Trust continues to exist and such interference could have a material adverse effect on the Trust.

Financial Risk Factors.

The Trust's financial instruments consist of cash, trade and other receivables, accounts payable and accrued liabilities and potential distributions payable. The fair value of the Trust's trade and other receivables, and accounts payable and accrued liabilities, distributions payable and note payable approximate their carrying value, which is the amount disclosed on the balance sheet dates due to their short-term maturities or ability of prompt liquidation.

Strategic and operational risks are risks that arise if the Trust fails to identify opportunities and/or threats arising from changes in the Romanian market where the Trust operates. These strategic opportunities or threats arise from a range of factors that might include changing economic and political circumstances and regulatory developments and competitor actions.

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Trust is subject to normal industry credit risks. The Trust currently has no minimal receivables for the purchase of the power it produces, and other receivable balance consists of amounts outstanding on tax credits from governmental authorities, each of which are expected to be paid in the near term at face value. The Trust's exposure to credit risk is minimal.

Liquidity risk is the risk an entity will encounter difficulty in meeting obligations associated with financial liabilities and the risk of loss from not having access to sufficient funds to meet both expected and unexpected cash demands. The Trust manages its exposure to liquidity risk through prudent management of its statement of financial position. Management continuously monitors and reviews both actual and forecasted cash flows, including acquisition activities. As at December 31, 2017, the Company held $1.1 million in cash, a working capital deficit of $80.5 million and long-term debt of $38.1 million. The Company's near-term cash requirements include corporate administration costs and commitments as described in Section "Commitments" of this MD&A. Subsequent to year end, the Trust completed a Private Placement for aggregate gross proceeds to the Trust of approximately $43.2 million, redeemed all of its outstanding $31.4 million principal amount of debentures and repaid or settled certain Notes that were outstanding as at December 31, 2017.

Interest risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in market risk. The Trust's sensitivity to interest rates is currently small in that the rates on our outstanding debt instruments are fixed.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Trust's operations are in Romania and its reporting currency is Canadian dollars. The nature of the Trust's operations results in foreign exchange risk as day to day operating transactions are denominated in foreign currencies, Euros, RON and sources of financing have, to date, been in Canadian dollars. The fluctuations of the operating currencies in relation to the Canadian dollar will, consequently, have an impact upon the reported results of the Trust and may also affect the value of the Trust's assets and liabilities. The Trust monitors the volatility of foreign exchange rates and may hedge its currency risk if it determines that the need arises.

Market risk is the risk that the fair values or future cash flows of the Trust will fluctuate due to changes in market conditions. The Trust's future cash flows and valuation of its hydro assets are exposed to market risk in regard to power pricing in Romania and availability and saleability of GCs obtained.

Borrowing Risk and Loan Default Risk.

Certain lenders to the Trust impose covenants and obligations on the part of the Trust. In particular, the RE Royalties Facility contains certain covenants and representations and warranties, the breach of which could result in a default and the acceleration of maturity of the RE Royalties Facility, the lender realizing on its security, or diminished availability of refinancing alternatives or increase the associated costs thereof. RE Royalties has waived certain breaches of the RE Royalties Facility covenants. There is no assurance that the Trust will be in compliance with covenants in the future due to unforeseen events of circumstances, some of which are outlined in this "Risks Factors" section, or that the lender will waive any such breaches.

Negative operating cash flow.

The Trust has made significant up-front investments related to acquisitions, capital expenditures, financing, and general and administrative expenses in order to rapidly develop and expand its business. The Trust is currently incurring expenditures related to the Trust's operations that have generated a negative operating cash flow. Operating cash flow may decline in certain circumstances, many of which are beyond the Trust's control. There is no assurance that sufficient revenues will be generated in the near future. Because the Trust continues to incur such significant future expenditures for development, and general and administrative expenses, the Trust may continue to experience negative cash flow until it reaches a sufficient level of sales with positive gross margins to cover operating expenses. An inability to generate positive cash flow until the Trust reaches a sufficient level of sales with positive gross margins to cover operating expenses or raise additional capital on reasonable terms will adversely affect the Trust's viability as an operating business.

Risks Relating to the Trust

The majority of the Trust's assets and the majority of the Trust's subsidiaries are outside of Canada, with the result that it may be difficult for investors to enforce within Canada any judgments obtained against the Trust or some of the Administrator's directors or officers.

The majority of the Trust's assets and its subsidiaries are located outside of Canada. In addition, two of the Trust's directors/officers, J. Colter Eadie and Savneet Singh, are nationals and/or resident of countries other than Canada, and all or a substantial portion of such person's assets may be located outside of Canada.

The board of directors of the Administrator has effective control over the Trust subsidiaries in two principal ways; namely, at least one director or officer of the Administrator is a director of each of the subsidiaries, and the Trust as a shareholder of the subsidiaries has legal rights (e.g. the fiduciary obligations of officers and directors owed to the subsidiary, derivative actions and oppression remedies) that the Trust is willing to enforce. With the Trust being a 100% shareholder, the Trust can resolve in a limited period of time to remove directors or officers without the requirement of a shareholder meeting.

It may not be possible for investors to effect service of process against the Trust's directors and officers who are not resident in Canada. In the event a judgment is obtained in a Canadian court against one or more of the Administrator's directors or officers, it may not be possible to enforce such judgment against those directors and officers not resident in Canada. Additionally, it may be difficult for an investor, or any other person or entity, to assert Canadian claims in original actions instituted in the Netherlands or Romania. Courts in these jurisdictions may refuse to hear a claim on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by foreign law.

As a result, it may be difficult for investors to enforce within Canada any judgments obtained against the Trust or some of the Trust's directors or officers, including judgments predicated upon the civil liability provisions of the securities laws of Canada or any province thereof. Consequently, investors may be effectively prevented from pursuing remedies against the Trust under Canadian securities laws or otherwise.

Operations in Romanian.

As a result of the Trust conducting its operations in Romania, the books and records of certain subsidiaries of the Trust, including key documents such as material contracts and financial documentation are principally negotiated, entered into and retained in the Romanian language and English translations may not exist or be readily available.

Emerging Market Risks

Emerging market investment generally poses a greater degree of risk than investment in more mature market economies because the economies in the developing world are more susceptible to destabilization resulting from domestic and international developments.

All of the Trust's operations are in Romania. Romania has a history of economic instability, crises and corruption (such as inflation or recession). Despite that there is no current political instability, social, economic or political events, such as corruption scandals, could change this in the future and could adversely affect the Trust's business, financial condition and results of operations.

In particular, fluctuations in the Romanian economy and actions adopted by the Government of Romania have had and may continue to have a significant impact on companies operating in Romania, including the Trust. Specifically, the Trust may be affected by changes regulatory policies, green and renewable energy legislation, business and tax regulations and in general, by the political, social and economic scenarios in Romania and in other countries that may affect Romania.

Global economic crises could negatively affect investor confidence in emerging markets or the economies of the principal countries in European Union, including Romania. Such events could materially and adversely affect the Trust's business, financial condition and results of operations.

Global Economy

Financial and securities markets in Romania are influenced by the economic and market conditions in other countries, including other counties in the European Union and other emerging market countries and other global markets. Although economic conditions in these countries may differ significantly from economic conditions in Romania, investors' reactions to developments in these other countries, such as the recent developments in the global financial markets, may substantially affect the capital flows into, and the market value of securities of issuers with operations in Romania. An economic downturn or volatility could have a material adverse effect on the Trust's business, financial condition and results of operations. The economy of the Romania, where the Trust's operations are located, has experienced significant economic uncertainty and volatility during recent years. As a result of volatile or uncertain economic conditions, the Trust may experience the negative effects of increased financial pressures on its clients. For instance, the Trust's business, financial condition and results of operations could be negatively impacted by increased competitive pricing pressure, which could result in the Trust incurring increased bad debt expense. If the Trust is not able to timely and appropriately adapt to changes resulting from a weak economic environment, its business, results of operations and financial condition may be materially and adversely affected.

The Trust has agreed to indemnify directors and officers against liabilities incurred by them in such capacities.

The Trust has agreed to indemnify the directors and officers of the various entities of the Trust from and against all costs, charges and expenses reasonably incurred by them in respect of any civil, criminal or administrative action or proceeding to which they are made a party or with which they are threatened by reason of being or having been a director of the Trust, provided that (a) they have acted honestly and in good faith with a view to the best interests of the Trust; and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, they had reasonable grounds for believing that their conduct was lawful. This indemnity may reduce the likelihood of derivative litigation against its directors or officers and may discourage or deter Unitholders from suing any of the Trust's directors or officers.

Distributions through return of capital.

Prior to the date of this MD&A, the Trust has made its distributions through a return of Unitholder capital. The last distribution made by the Trust to Unitholders was completed in August 2016. There can be no assurances that the Trust will have adequate capital on hand to fund future cash distributions.

The Trust is dependent upon distributions from its subsidiaries.

The Trust does not carry on any business operations directly, and is entirely dependent on receiving distributions from its direct and indirect investments in the Projects to enable the Trust to make cash payments or distributions to Unitholders. The boards of directors of the subsidiaries of the Trust and the directors of the Administrator each have considerable discretion in deciding whether to make cash distributions, if any, and the amount of any such distributions. The ability of the Trust's subsidiaries to make cash distributions will be subject to, among other things, applicable laws and regulations as well as contractual restrictions contained in instruments governing any indebtedness of those entities, including pursuant to the intercompany debt instruments set up by the Trust. In particular, in certain cases the Trust is not permitted to declare or pay dividends on its projects in Romania for a period of one year following its completion of the acquisition due to Romanian dividend laws and prior losses in the operating companies will be carried forward to reduce the declaration and payment of dividends in the future. There can be no guarantee or assurance that the subsidiaries will make sufficient distributions in order to permit the Trust to pay distributions to Unitholder.

NON-GAAP MEASURES

The Trust has included certain non-GAAP measures to supplement its consolidated financial statements, which are presented in accordance with IFRS, including operating margin.

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

The following is a reconciliation of operating margin:

	For the year ended	
	December 31, 2017	December 31, 2016
Total revenue	**$ 12,311,039**	$ 8,697,279

Less:				
Cost of sales excluding depreciation		**3,833,781**		2,807,618
Operating margin		**8,477,258**		5,889,661
Less:				
Depreciation		**4,011,725**		4,499,543
Other operating, other expenses and taxes		**38,624,057**		23,096,033
(Loss) for the period	**$**	**(25,112,332)**	$	(21,705,915)

FORWARD LOOKING INFORMATION

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

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

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

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

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