Management's Discussion and Analysis

This interim management's discussion and analysis ("MD&A") for Crosswinds Holdings Inc. ("Crosswinds" or the "Company") includes information designed to help you understand management's perspective of our unaudited condensed interim consolidated financial statements and notes thereto for the three and six months ended June 30, 2018 (the "Interim Statements"). The commentary in this MD&A is presented as at June 30, 2018 and updated based on information available up to August 9, 2018.

We encourage you to read our Interim Statements as you review this MD&A. You can find more information about Crosswinds, including our financial statements and our most recent annual information form dated as at March 29, 2018 (the "AIF"), on our website at www.crosswindsinc.com or under our profile on The System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

The Company's common shares ("Shares") are listed and traded on the Toronto Stock Exchange ("TSX") under the symbol "CWI". Unless we have specified otherwise, all dollar amounts in this MD&A are in Canadian dollars. Certain amounts are shown in U.S. dollars ("USD"). The USD to Canadian dollar closing exchange rate on June 30, 2018 was USD $1.00 = CDN $1.3168 and averaged USD $1.00 = CDN $1.2781 for the first six months of 2018 based on the Bank of Canada closing exchange rates for the applicable period. The Company reports its Interim Statements using accounting policies consistent with International Financial Reporting Standards ("IFRS").

FINANCIAL HIGHLIGHTS FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2018

- Revenues of $189,938 compared to $130,859 for the same period in 2017;
- Net gain from results of investments of $246,107 compared to a loss of $(91,900) for the same period in 2017; and
- Net loss of $(171,785) or $(0.02) per Share attributable to Crosswinds' shareholders compared to net loss of $(937,706) or $(0.10) per Share attributable to Crosswinds' shareholders for the same period in 2017.

FINANCIAL HIGHLIGHTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

- Revenues of $341,213 compared to $255,494 for the same period in 2017;
- Net gain from results of investments of $497,177 compared to a loss of $(107,395) for the same period in 2017; and
- Net income of $740,072 or $0.08 per Share attributable to Crosswinds' shareholders compared to net loss of $(1,367,909) or $(0.17) per Share attributable to Crosswinds' shareholders for the same period in 2017.

FINANCIAL POSITION AS AT JUNE 30, 2018

- Cash and marketable securities of $20,702,761 or $2.26 per Share;

- Net book value of $20,518,948 or $2.24 per Share[2] attributable to the shareholders of Crosswinds; and
- Assuming the issuance of Shares in satisfaction of the issued and outstanding deferred share units, the Company has a net book value of $2.14 per Share[2] on a fully diluted basis.

[2]Net book value per share is a non-IFRS financial measure and is calculated as total shareholders' equity under IFRS divided by the number of Shares outstanding at period-end. The Company has reported two net book value measures: one reflecting net book value on a consolidated basis including non-controlling interests with respect to the Company's investment in Monarch and the other reflecting the net book value attributable solely to the Company's shareholders without non-controlling interests. See the cautionary statement regarding use of non-IFRS financial measures on page 3 of this MD&A.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains information that is forward-looking and is subject to risks and uncertainties. Forward-looking information includes information concerning the Company's possible or assumed future operations, financial performance, achievements, results, business strategy, plans, goals, and objectives. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "potential" or "continue", similar words or words with similar connotation or the negative thereof. These statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements are not guarantees and there can be no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur.

Factors which could cause actual results to differ materially from those set forth in the forward-looking statements include (but are not limited to): management of the future prospects of the Company and the proposed wind-up and dissolution; receipt of shareholder approval for the proposed wind up and dissolution the availability of suitable acquisition opportunities; competition for investments; the Company's limited operating history in certain segments where it invests; tax treatment; fluctuation of currency exchange; remaining eligibility and continued qualification for exchange listing on the stock exchange on which the Company's Shares trade; changes in market variables including foreign exchange rates, risks associated with general economic conditions; the limited number and concentration of the Company's investments and investment prospects; equity prices and credit spreads that could negatively impact the investment portfolio; heavy regulation of the insurance business and risk of changes in regulation ability to maintain minimum capital and surplus requirements for insurance investments; the Company's dependence on key personnel and contractors; the market for the Company's Shares, limited liquidity and volatility of the Company's trading price; the trading price of the Company's Shares relative to the net book value (net asset value); use of investment proceeds; conflicts of interest; no guaranteed returns; risks associated with the implementation of our business, dissolution and investment strategies; availability and available terms of any required capital to implement corporate objectives; availability and terms of any required financing; availability and timing for receipt of any required regulatory, shareholder or other approvals; the potential loss of investment in Shares; and other risks detailed from time to time in the Company's continuous disclosure documents.

The reader should not place undue reliance on forward-looking statements and information because they involve significant and diverse risks and uncertainties. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Unless otherwise stated, all forward-looking statements speak only as of the date of this MD&A. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as *required by law. These cautionary statements expressly qualify all forward-looking information in this MD&A.*

CAUTIONARY STATEMENT REGARDING USE OF NON-IFRS FINANCIAL MEASURES

This MD&A makes reference to the net book value per Share, both on a consolidated basis including non-controlling interests with respect to the Company's investment in Monarch and on a non-consolidated basis attributable solely to the Company's shareholders without non-controlling interests. These measures are non-IFRS financial measures. The Company calculates the net book values per Share as it believes it to be an important metric that shareholders use and frequently request and refer to because shareholders often view the Company as a holding company of investments. These non-IFRS financial measures do not have any standardized meaning prescribed by IFRS and therefore are unlikely to be comparable to a similar measure presented by other issuers. This classification is not an IFRS measure and should not be considered either in isolation of, or as a substitute for, a measure prepared in accordance with IFRS.

The Company

The following provides a brief overview of the Company and its operations.

Crosswinds is a publicly traded private equity firm and asset manager that targeted strategic and opportunistic investments in the financial services sector with a particular focus on the insurance industry.

The Company had established three key segments to its business which were designed to work together to capture various components of the value chain of the insurance business: primary insurance, reinsurance and asset management.

Following the completion of the sale of the Company's major investment in Monarch Insurance (defined below) in the first quarter of the year, the majority of the Company's assets are now in cash, and the Company's Board of Directors (the "**Board**") reviewed available investment opportunities against other strategic alternatives including, without limitation, a return of capital or other monetization event.

At the end of the quarter, the Board unanimously resolved, having regard to the Company's available resources and opportunities, that it is in the best interests of the Company to distribute all of its available capital (less a reasonable reserve for liabilities and contingencies) to shareholders and dissolve the Company (the "**Monetization Event**"). The Company has and will continue to consider alternative opportunities that may become available as the process continues.

The Company has set a special shareholder meeting for September 12, 2018 at which it intends to seek approval for the Monetization Event. To be approved, the Monetization Event will require an affirmative vote of not less than 66-2/3% of the votes cast upon the resolution by shareholders present in person or by proxy at the shareholder meeting. There can be no assurance that shareholder approval will be received.

During the quarter, Crosswinds Re, a wholly-owned reinsurance subsidiary of the Company, reviewed available reinsurance opportunities for the 2018 wind season and determined that those opportunities presented did not meet its risk-return criteria. As a result, Crosswinds Re has not written any reinsurance business. If the Monetization Event is approved, Crosswinds Re will also be dissolved.

1. Primary Insurance:

The Company held an investment in Monarch National Insurance Company ("Monarch Insurance"), a Florida-based property and casualty insurance carrier that represented its platform investment in the insurance sector until the Company sold its interests in Monarch Insurance to its joint venture partner, Federated National Holding Company in the first quarter of 2018 (the "Monarch Sale").

Following the Monarch Sale, Crosswinds has no primary insurance interests.

2. Reinsurance:

Crosswinds Re, a wholly-owned subsidiary of the Company is a specialty reinsurer established in the Cayman Islands.

The Company and Crosswinds Re are party to a reinsurance underwriting advisory agent services agreement (the "Underwriting Agreement") with Trans Re pursuant to which Trans Re serves as strategic advisor to Crosswinds Re providing information on structuring, pricing, risk assessment and market conditions for reinsurance business being assessed by Crosswinds Re.

For the 2018 year, Crosswinds Re has a right of first refusal agreement with Federated National Insurance Company, an affiliate of its former Joint Venture partner. Crosswinds Re, in consultation with its Underwriting advisor assessed writing business on Federated's program during the second quarter of 2018, based on an evaluation of market terms and conditions and determined not to write any business. See "Operational Review - Reinsurance" below.

3. Asset Management:

The Company's wholly-owned subsidiary, Crosswinds AUM LLC ("Crosswinds AUM") conducts its asset management activities. Crosswinds AUM is a registered investment advisor with the United States Securities and Exchange Commission and manages the assets of its affiliate, Crosswinds Re. In connection with the Monetization Event, Crosswinds AUM intends to withdraw its registration as an investment advisor. Crosswinds Re intends to monetize its investments and return its proceeds to Crosswinds for distribution in accordance with the Monetization Event.

Crosswinds AUM has entered into a consulting agreement with its former joint venture partner, Federated National Holding Company ('Federated National"), for Crosswinds AUM to provide consulting services with respect to insurance market and general operational matters to Federated National (the "Consulting Agreement"). The Consulting Agreement has a term ending on December 31, 2018. Crosswinds AUM received compensation of USD$75,000 in the second quarter. Prior to the time that Crosswinds AUM ceases its operations and dissolves, the Consulting Agreement is expected to be terminated.

For a more comprehensive review of the Company and its operations, please refer to other sections of this MD&A including the "Outlook" section and the Company's most recent annual information form as updated by periodic news releases, all available under the Company's profile on SEDAR at www.sedar.com.

Operational Review

Consolidated Performance

The Company had net income attributable to the shareholders of Crosswinds of $740,072 and a loss of ($382,070) from continuing operations for the first six months of 2018. The Company's net income for this period was made up of two components: (1) net operating losses from continuing operations of ($382,070) and a gain on sale of Monarch of $1,122,142.

The Company ceased equity accounting for Monarch during Q4 2017 when it reclassified its investment in Monarch as held for sale. Prior to the completion of the Monarch Sale, Monarch was presented as a discontinued operation in the Company's financial results.

The carrying value of Monarch was written down in Q4 2017 as a result of Monarch's operating performance. As the proceeds from the Monarch Sale were in excess of the carrying value of the investment at Q4 2017, the Company recorded its share of the gain on the Monarch Sale of $1.1 million in Q1 2018.

Primary Insurance

During the first quarter, Crosswinds completed the sale of its interests in Monarch. During the second quarter, Crosswinds had no primary insurance interests.

Reinsurance

Crosswinds Re is a specialty Cayman-domiciled reinsurance company. Crosswinds Re was issued a license in September 2016 from the Cayman Islands Monetary Authority ("CIMA") to operate as a class B(iii) reinsurer.

Crosswinds Re was formed with an initial USD$200,000 regulatory capital contribution made by Crosswinds and later capitalized with an additional USD$2,000,000.

Crosswinds Re, through Crosswinds AUM, has been investing its funds allocated for its reinsurance activities in bonds with a view to earning interest income to partially offset its operational expenses for the quarter. Crosswinds Re being fully established and not having profitable business to write to date has contributed to the increase in the Company's operating losses.

In the first quarter, in connection with the Monarch Sale, Crosswinds Re entered into the ROFR Agreement providing it with a right of first refusal with respect to any and all quota share and excess of loss reinsurance coverage purchased by Federated National Insurance Company during the term of the ROFR Agreement up to a maximum of USD$10 million of reinsurance coverage. The ROFR Agreement is in effect from the date of the closing of the Monarch Sale to December 31, 2018.

Crosswinds Re evaluated business opportunities during Q2 2018 and determined that the risk-reward of such opportunities did not warrant the writing of any business. As such, Crosswinds Re has not written any business to date and does not plan to do so given the Monetization Event. The value to Crosswinds Re of the ROFR Agreement was dependent on the amount of coverage, if any, it wrote and whether it took any losses on any business it did write. If the Monetization Event is approved, the ROFR Agreement and all other contractual arrangements at Crosswinds Re will be terminated.

Asset Management

Crosswinds AUM managed assets for its affiliate, Crosswinds Re during the quarter. The Consulting Fees earned by Crosswinds AUM under the Consulting Agreement in Q2 2018 were $96,863 (USD$75,000), consistent with Q1.

Material and Significant Events in Q2 2018

The following is a summary of the Company's material and significant events in Q2 2018, updated for any subsequent events to the date hereof.

June 2018	***Crosswinds Provides Update on Strategic Review*** Crosswinds announced an update to its assessment of strategic alternatives. As the majority of the Company's assets are now in cash, the Company's Board of Directors (the "Board") has been reviewing available investment opportunities against other strategic alternatives including, without limitation, a return of capital or other monetization event. The Board has unanimously resolved, having regard to the Company's available resources and opportunities, that it is in the best interests of the Company to distribute all of its available capital (less a reasonable reserve for liabilities and contingencies) to shareholders and dissolve the Company (the "Monetization Event"). The Company will continue to consider alternatives opportunities that may become available as the process continues. The Company is holding a special shareholder meeting in the third quarter to seek approval for the Monetization Event. There can be no assurance that shareholder approval will be received. The Company also announced that its wholly-owned subsidiary, Crosswinds Re, reviewed available reinsurance opportunities for the 2018 wind season and determined that those opportunities presented to date did not meet its risk-return criteria. As a result, Crosswinds Re has not written any reinsurance business. If the Monetization Event is approved, Crosswinds Re would also be dissolved.
June 2018	**Crosswinds Announces Results of Annual and Special Meeting** At the Company's annual and special meeting held on June 28, 2018, shareholders voted in favour of all items of business. In particular, the Board is now fixed at four members, reduced from seven, with each of the four nominees proposed as directors of the Company and listed in its form of proxy and management information circular dated May 22, 2108 having been elected as directors of the Company, specifically, J. Roy Pottle, Bradd Gold, Robert Wolf and Thomas Cholnoky. Mark Gardhouse, Colin King and Gaetano Muzio did not stand for re-election as directors and their director terms ended at the annual and special meeting on June 28, 2018.
Subsequent to Quarter End	**Management Changes** Subsequent to quarter end, on July 23, 2018, the Company provided an update on its strategic process that further to the determination of the Board that it is in the best interests of the Company to distribute all of its available capital, the Company announced that it has given working notice of termination to Colin King, its Chief Executive Officer and Helen Martin, its Chief Operating Officer. The working notice is for a 3 month period ending October 22, 2018. Effective October 22, 2018, the Company has an aggregate severance obligation of approximately USD$367,000 in relation to these terminations.

Summary of Investments

The following is a summary of the Company's investment in private entities including associates as at June 30, 2018 updated to the date hereof.

Investments in Private Entities– Current Portfolio

At June 30, 2018, following the Monarch Sale which was completed in the first quarter, the Company held no private investments.

Financial Review

The following is a summary of (a) the Company's financial statements for the three and six months ended June 30, 2018 and 2017 and (b) the Company's financial position as at June 30, 2018 compared to the year ended December 31, 2017.

Results from Operations for the Three Months Ended	June 30, 2018	June 30, 2017
Total revenues	$189,938	$130,859
Net results of investments	246,107	(91,900)
Expenses	(607,830)	(531,306)
Taxes	-	-
Loss from continuing operations	$(171,785)	$(492,347)
Income from discontinued operations, net of tax	-	(519,585)
Gain on sale from discontinued operations, net of tax	-	-
Net income (loss)	$(171,785)	$(1,011,932)

Comprehensive Loss for the Three Months Ended	June 30, 2018	June 30, 2017
Net income (loss)	$(171,785)	$(1,011,932)
Other comprehensive income (loss)		

Change in unrealized foreign currency translation gains (losses) on foreign operations	10,510	(28,946)
Discontinued operations	-	(349,101)
Other comprehensive income (loss)	10,510	(378,047)
Comprehensive income (loss)	$(161,275)	$(1,389,979)

Earnings (loss) Per Share (EPS)		
Net income (loss) per share from continuing and discontinued operations	$(0.02)	$(0.10)
Net loss per share from continuing operations	$(0.02)	$(0.05)

Results from Operations for the Six Months Ended	June 30, 2018	June 30, 2017
Total revenues	$341,213	$255,494
Net results of investments	497,177	(107,395)
Expenses	(1,220,460)	(1,093,293)
Taxes	-	-
Loss from continuing operations	$(382,070)	$(945,194)
Income from discontinued operations, net of tax	-	(493,167)
Gain on sale from discontinued operations, net of tax	1,325,684	-
Net income (loss)	$943,614	$(1,438,361)

Comprehensive Loss for the Six Months Ended	June 30, 2018	June 30, 2017
Net income (loss)	$943,614	$(1,438,361)
Other comprehensive income (loss)		
Change in unrealized foreign currency translation gains (losses) on foreign operations	42,824	(21,098)
Discontinued operations	265,526	527,140
Other comprehensive income (loss)	308,350	(548,238)
Comprehensive income (loss)	$1,251,964	$(1,986,599)
Earnings (loss) Per Share (EPS)		
Net income (loss) per share from continuing and discontinued operations	$0.08	$(0.17)
Loss per share from continuing operations	$(0.04)	$(0.12)

Financial Position as at	June 30, 2018	Dec 31, 2017
Cash and marketable securities	$20,702,761	$7,508,112
Total assets	20,868,137	21,695,924
Shareholders' equity attributable to shareholders of Crosswinds	20,518,948	19,442,378
Number of shares outstanding	9,152,799	9,176,299

Net Book Value Per Share[1]		
Net book value per Share[1]	2.24	2.34
Attributable to shareholders of Crosswinds	2.24	2.12
Non-controlling interests	-	0.22
Closing market price on TSX	$2.05	$1.66
Market price (discount) to net book value attributable to shareholders of Crosswinds	(8.5) %	(21.7) %

[1]Net book value per Share is a non-IFRS financial measure and is calculated as total shareholders' equity under IFRS divided by the number of Shares outstanding at period-end. The Company has reported two net book value measures: one reflecting net book value on a consolidated basis including non-controlling interests with respect to the Company's investment in Monarch and the other reflecting the net

book value attributable solely to the Company's shareholders without non-controlling interests. See the cautionary statement regarding use of non-IFRS financial measures on page 3 of this MD&A.

Results of Operations Highlights

The Company's operating results reflect (i) revenue recognized primarily from the income generated from the Company's investments in bank deposits and marketable securities and related asset management activities; (ii) changes in the value of the Company's assets; and (iii) the expenses required to deploy and manage the Company's invested capital.

For the Three-months Ended

June 30, 2018	June 30, 2017
Revenue $189,938: $96,863 from Crosswinds AUM consulting fees; $24,282 from dividends earned by Crosswinds Re and $68,793 from domestic bank interest.	Revenue $130,859: $98,882 from Crosswinds AUM investment management fees; $23,353 from Salbro interest income and $8,624 from domestic bank interest.
Changes quarter-over-quarter: The Company did not earn any interest income from Salbro during Q2 of 2018 as the investment was fully monetized in Q2 2017. The domestic bank interest earned in Q2 2018 is greater than Q2 2017 due to higher bank balances as a result of the rights offering ("Rights Offering") in Q1 2017 and the monetization of the Salbro and Monarch investments in Q2 2017 and Q1 2018, respectively. The consulting fees earned by Crosswinds AUM in Q2 2018 were consistent with the investment management fees earned in Q2 2017. Crosswinds Re began investing its funds in Q4 2017 resulting in dividend income that didn't exist in Q2 2017.	
Net results of investments of $246,107 consist of: $324,011 net foreign exchange gain on the translation of USD denominated assets into CDN dollars due to currency fluctuations and an unrealized loss in marketable securities of $(77,904) for Crosswinds Re.	Net results of investments of $(91,900) consist of: net loss on the disposal of the investment in Salbro of $(32,350) and $(59,550) net foreign exchange loss on the translation of USD denominated assets into CDN dollars.
Expenses of $607,830: consisting primarily of $167,864 salaries and benefits; $7,765 share-based payments expense related to DSUs; $41,106 in consulting fees; $148,579 in general and administration consisting primarily of rent and public company expenses; $68,629 in directors' fees; $119,427 in audit and tax fees and $54,460 of legal fees largely incurred in connection with investment evaluations and work related to the Monetization Event.	Expenses of $531,305: consisting primarily of $186,645 salaries and benefits; $10,720 share-based payments expense related to DSUs; $41,679 in consulting fees; $180,780 in general and administration consisting primarily of rent, investor relations and marketing expenses; $61,706 in directors' fees; $21,855 in audit and tax fees and $27,919 of legal fees.
Net loss from continuing operations of $(171,785) or $(0.02) per Share on a basic and fully diluted basis.	Net loss from continuing operations of $(492,347) or $(0.05) per Share on a basic and fully diluted basis.

June 30, 2018	June 30, 2017
Net income from discontinued operations of $Nil or $Nil per Share on a basic and fully diluted basis.	Net loss from discontinued operations of $(519,585) or $(0.10) per Share on a basic and fully diluted basis.

***Changes quarter-over-quarter*:** The Company's net loss from continuing operations in Q2 2018 is lower than Q1 2017 due primarily to a net foreign exchange gain in Q2 2018 of $324,011 compared to a loss of $(59,550) in the same period in 2017. The gain in 2018 reflects increased USD balances subject to currency translation in 2018 compared to 2017 as a result of the Monarch Sale which increased the Company's USD cash balances.

For the Six-months Ended

June 30, 2018	June 30, 2017
Revenue $341,213: $191,715 from Crosswinds AUM investment management fees and Consulting Fees; $48,079 from dividends earned by Crosswinds Re and $100,419 from domestic bank interest.	Revenue $255,494: $195,381 from Crosswinds AUM investment management fees; $47,079 from Salbro interest income and $13,033 from domestic bank interest.

Changes six months-over-prior year six months: The Company did not earn any interest income from Salbro during the first six months of 2018 as the investment was fully monetized in Q2 2017. The domestic bank interest earned in the first six months of 2018 is greater than the same period in 2017 due to higher bank balances as a result of the rights offering ("Rights Offering") in Q1 2017 and the monetization of the Salbro and Monarch investments in Q2 2017 and Q1 2018, respectively. The investment management and consulting fees earned by Crosswinds AUM in 2018 were consistent with the fees earned in 2017. Crosswinds Re began investing its funds in Q4 2017 resulting in dividend income that didn't exist in the first six months of 2017.

Net results of investments of $497,177 consist of: $569,390 net foreign exchange gain on the translation of USD denominated assets into CDN dollars due to currency fluctuations and an unrealized loss in marketable securities of $(72,213) relating to Crosswinds Re.	Net results of investments of $(107,395) consist of: net loss on the disposal of the investment in Salbro of $(32,350) and $(75,045) net foreign exchange loss on the translation of USD denominated assets into CDN dollars.
Expenses of $1,220,460: consisting primarily of $344,007 salaries and benefits; $96,276 share-based payments expense related to DSUs; $81,091 in consulting fees; $294,358 in general and administration consisting primarily of rent and public company expenses; $121,747 in directors' fees; $197,003 in audit and tax fees and $85,978 of legal fees.	Expenses of $1,093,293: consisting primarily of $377,554 salaries and benefits; $56,519 share-based payments expense related to DSUs; $74,404 in consulting fees; $364,229 in general and administration consisting primarily of rent, investor relations and marketing expenses; $102,744 in directors' fees; $70,819 in audit and tax fees and $47,025 of legal fees.
Net loss from continuing operations of $(382,070) or $(0.04) per Share on a basic and fully diluted basis.	Net loss from continuing operations of $(945,194) or $(0.12) per Share on a basic and fully diluted basis.

June 30, 2018	June 30, 2017
Net income from discontinued operations of $1,325,684 or $0.14 per Share on a basic and fully diluted basis.	Net loss from discontinued operations of $(493,167) or $(0.06) per Share on a basic and fully diluted basis.

Changes six months-over-prior year six months: The Company's net loss from continuing operations in the first six months of 2018 is lower than the same period in 2017 due primarily to a net foreign exchange gain in 2018 of $569,390 compared to a loss of $(75,045) in the same period in 2017. The gain in 2018 reflects increased USD balances subject to translation in 2018 compared to 2017 as a result of the Monarch Sale which increased the Company's USD cash balances. While there was an increase in bank interest and dividend income in the first six months of 2018 compared to the same period in 2017, this increase was more than offset by an increase in expenses primarily relating to audit, tax fees and legal fees largely incurred in connection with investment evaluations and work related to the Monetization Event.

Balance Sheet Highlights

As at June 30, 2018, following the sale of its investment in Monarch, the Company's assets consisted primarily of cash and marketable securities.

June 30, 2018	December 31, 2017
Total assets of $20,868,137	Total assets of $21,695,924

Changes: *The assets decreased from December 2017 to June 2018 as the increase in cash from the Monarch Sale was reduced by the payment of corporate expenses during the first six months of 2018.*

Equity attributable to shareholders of Crosswinds $20,518,948	Equity attributable to shareholders of Crosswinds $19,442,378

Changes: *The increase in equity attributable to shareholders of Crosswinds from December 2017 to June 2018 of $1,076,570 is due to an increase in the comprehensive income attributable to the shareholders of Crosswinds of $1,022,302 and an increase in contributed surplus of $96,276 as a result of the share-based payments expense for 2018 related to the issuance of DSUs to directors and officers offset by a decrease in share capital of $42,008 resulting from the cancellation of shares as a result of the normal course issuer bid.*

The Company had no debt during any of the periods noted in the table above.

Carrying Value

Set out below is the carrying value including carrying value per Share of each of the Company's assets and liabilities as at June 30, 2018.

	June 30, 2018	
Asset/(Liability)	Total carrying value	Carrying value per Share
Liquid Net Assets (Working Capital)		
Cash	$18,992,238	$2.08
Marketable securities	1,710,523	0.18
Interest receivable and prepaid expenses	148,366	0.02
Accounts payable and accrued liabilities	(349,189)	(0.04)
Working Capital	***$20,501,938***	***$2.24***
Capital assets, net of accumulated depreciation	***$17,010***	***$0.00***
Shareholders' Equity [1]	***$20,518,948***	***$2.24***

[1] Excludes the Company's tax loss carryforwards of $18,215,243 expected to be available to offset future taxable income.

Results of Operations for the Three Months Ended June 30

The following is an analysis of the Company's results of operations for the three months ended June 30, 2018 and 2017. This analysis should be read in conjunction with the applicable interim financial statements and the accompanying notes thereto.

Revenues

	Three Months Ended June 30		
	2018	2017	Inc / (Dec)
Legacy Salbro Investment - Interest	$ -	$23,353	$(23,353)
Bank Interest	68,793	8,624	60,169
Dividend Income	24,282	-	24,282
Crosswinds AUM – Consulting and Investment management fees	96,863	98,882	(2,019)
Total	$189,938	$130,859	$59,079

The Company fully monetized its investment in Salbro in June 2017 and as a result there was no interest earned in Q2 of 2018. The Company earned more bank interest in Q2 2018 due to higher balances reflecting the proceeds from the Monarch Sale in Q1 2018 as well as proceeds from the Q1 2017 Rights Offering and the monetization of the Salbro investment. Crosswinds Re began investing its funds in Q4 2017 resulting in dividend income that didn't exist in Q2 2017. The consulting fees earned in Q2 2018 under a consulting agreement is consistent with the investment management fees earned in Q1 2017.

Net Results of Investments

	Three Months Ended June 30		
	2018	2017	Inc / (Dec)
Unrealized loss on change in value of marketable securities	$(77,904)	$-	$(77,904)
Realized gain on sale of investment in private entity	-	849,650	(849,650)
Reversal of previously recognized unrealized gain on investment in private entity	-	(882,000)	882,000
Net foreign exchange gain (loss)	324,011	(59,550)	383,561
Total	$246,107	$(91,900)	$338,007

Net results of investments increased in Q2 2018 compared to Q2 2017 as a result of an increase in the net foreign exchange gain due to increased USD balances subject to currency translation in as a result of the Monarch Sale.

Expenses and Income Taxes

	Three months ended June 30		
	2018	2017	Inc / (Dec)
Salaries and benefits	$167,864	$186,647	$(18,783)
General and administration	148,579	180,780	(32,201)
Share-based compensation	7,765	10,720	(2,955)
Audit and tax fees	119,427	21,855	97,572
Directors' fees	68,629	61,706	6,923
Consulting fees	41,106	41,679	(573)
Legal fees	54,460	27,919	26,541
	607,830	531,306	76,524
Provision for income taxes	-	-	-
Total	$ (171,785)	$ (492,347)	$320,562

The expenses for Q2 2018 have increased slightly compared to Q2 2017. General and administration expenses have decreased by $32,201 in Q2 2018 compared to Q2 2017 as a result of decreased investor relations and marketing expenses while audit and tax fees increased by $97,572 in Q2 2018 compared to Q2 2017 largely as a result of increased fees associated with the Monarch Sale.

Results of Operations for the Six Months Ended June 30

The following is an analysis of the Company's results of operations for the six months ended June 30, 2018 and 2017 prepared on an IFRS basis of presentation. This analysis should be read in conjunction with the applicable financial statements and the accompanying notes thereto.

Revenues

	Six Months Ended June 30		
	2018	2017	Inc / (Dec)
Legacy Salbro Investment - Interest	$ -	$ 47,079	$ (47,079)
Bank Interest	100,419	13,033	87,386
Dividend Income	49,079	-	49,079
Crosswinds AUM – Consulting and Investment management fees	191,715	195,382	(3,667)
Total	$ 341,213	$ 255,494	$ 85,719

The Company fully monetized its investment in Salbro in June 2017 and as a result there was no interest earned in 2018. The Company earned more bank interest in the first six months of 2018 compared to the same period in 2017 due to higher balances reflecting the proceeds from the sale of its investment in Monarch in Q1 2018 as well as proceeds from the Q1 2017 Rights Offering and the monetization of the Salbro investment. Crosswinds Re began investing its funds in Q4 2017 resulting in dividend income that didn't exist in the first six months of 2017. The investment management and consulting fees earned in 2018 under the investment management and consulting agreement is consistent with the investment management fees earned in 2017.

Net Results of Investments

	Six Months ended June 30		
	2018	2017	Inc / (Dec)
Unrealized loss on change in value of marketable securities	(72,213)	(-)	(72,213)
Realized gain on sale of investment in private entity	-	849,650	(849,650)
Reversal of previously recognized unrealized gain on investment in private entity	-	(882,000)	882,000

	Six Months ended June 30		
	2018	2017	Inc / (Dec)
Net foreign exchange gain (loss)	569,390	(75,045)	644,435
Total	$497,177	$(107,395)	$604,572

Net results of investments increased in the first six months of 2018 compared to the same period in 2017 as a result of a net foreign exchange gain due to increased USD balances subject to currency translation in as a result of the Monarch Sale.

Expenses and Income Taxes

	Six Months ended June 30		
	2018	2017	Inc / (Dec)
Salaries and benefits	$344,007	$377,554	$ (33,547)
General and administration	294,358	364,229	(69,871)
Directors' fees	121,747	102,744	19,003
Consulting fees	81,091	74,404	6,687
Legal fees	85,978	47,025	38,953
Audit and tax fees	197,003	70,819	126,184
Share-based compensation	96,276	56,519	39,757
	1,220,460	1,093,293	127,167
Provision for income taxes	-	-	-
Total	$ (382,070)	$ (945,194)	$563,124

The expenses for the first six months of 2018 have increased slightly compared to the same period in 2017. General and administration expenses have decreased by $69,871 in 2018 compared to 2017 as a result of decreased investor relations and marketing expenses while audit and tax fees increased by $126,184 in 2018 compared to 2017 largely as a result of increased fees associated with the Monarch Sale as well as fees incurred evaluating the Company's strategic options.

Summary of Quarterly Results

The following is a summary of the Company's financial results for the last eight quarters prepared under IFRS and presented in Canadian dollars.

	2018		2017				2016	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue	*189,938*	*151,275*	*134,856*	*105,468*	*130,859*	*124,636*	*115,337*	*110,021*
Net results of investment	*246,107*	*251,070*	*(40,263)*	*(80,144)*	*(91,900)*	*(15,495)*	*634,285*	*15,908*
Expenses	*(607,830)*	*(612,630)*	*(595,139)*	*(533,163)*	*(531,306)*	*(561,988)*	*(635,330)*	*(494,737)*
Tax provision		-	-	-	-	-	-	-
Net income (loss) from continuing operations	*(171,785)*	*(210,283)*	*(500,544)*	*(507,839)*	*(492,347)*	*(452,847)*	*114,294*	*(368,808)*
Income (loss) from discontinued operations	-	-	*(268,628)*	*(2,432,855)*	*(519,585)*	*26,418*	*64,621*	*101,008*
Gain on sale from discontinued operations	-	*1,325,684*						
Net income (loss) for the period	*(171,785)*	*1,115,401*	*(769,172)*	*(2,940,694)*	*(1,011,932)*	*(426,429)*	*178,912*	*(267,800)*
Weighted avg # of shares Basic and Diluted	*9,602,561*	*9,589,701*	*8,686,361*	*9,208,099*	*9,208,099*	*7,104,378*	*5,999,032*	*5,999,032*
Net income (loss) per share from continuing and discontinued operations	*(0.02)*	*0.10*	*(0.09)*	*(0.32)*	*(0.10)*	*(0.06)*	*0.03*	*(0.05)*
Net income (loss) per share from continuing operations	*(0.02)*	*(0.02)*	(0.05)	*(0.06)*	*(0.05)*	*(0.06)*	*0.02*	*(0.07)*
Net book value	*20,518,948*	*20,680,161*	*21,440,287*	*22,208,798*	*25,698,209*	*27,077,468*	*22,812,582*	*22,324,270*
Common shares o/s	*9,152,799*	*9,156,799*	*9,176,299*	*9,208,099*	*9,208,099*	*9,208,099*	*5,304,007*	*5,304,007*
Net book value per common share[1]	*2.24*	*2.26*	*2.34*	*2.41*	*2.79*	*2.94*	*4.30*	*4.21*
Total assets	*20,518,948*	*21,083,778*	*21,695,924*	*22,475,822*	*25,901,652*	*22,706,227*	*23,089,935*	*22,475,822*

[1]Net book value per common share is a non-IFRS financial measure calculated by dividing net book value (shareholders' equity under IFRS) by the number of Shares outstanding at the period-end. See cautionary statement regarding the use of Non-IFRS financial measures on page 3 of this MD&A

In Q1 2018, Crosswinds sold its investment in Monarch, realizing proceeds of $13,349,850 and recognizing a gain on sale of $1,122,142. The net results of investment were higher in Q1 and Q2 2018 compared to previous quarters in 2017 as a result of a net foreign exchange gain on the translation of USD denominated assets into CDN dollars due to currency fluctuations.

In Q4 2017, Crosswinds entered into an agreement for the Monarch Sale in the quarter and accounted for Monarch as a discontinued operation effective November 27, 2017. The net losses in Q3 2017 and Q2 2017 were significantly higher than previous quarters due to an increase in the share of loss in Monarch. Monarch's losses for the quarters were a result of increased attritional losses combined with a significant increase in case reserves based on actuarial analysis and loss activity during the quarters. In Q3 2017, Monarch increased reserves by USD$10 million including USD$3.4 million reflecting its full retention amount which is not covered by reinsurance and for which Monarch was responsible as a result of claims from Hurricane Irma.

Revenues trended upward during 2016 as Monarch's assets grew and Crosswinds AUM earned asset management fees thereon. The Company's interest income declined during each of the quarters of 2016 and 2017 as, effective at the end of December 2015, the Company's Salbro investment paid cash interest at 6% per annum as the Company received principal and interest payments from Salbro on a monthly basis until the end of Q2 2017 when the Company exited the investment. During Q2 2017, the Company fully monetized its investment in Salbro for cash consideration of approximately $3.0 million and no longer received any interest or principal repayments related thereto in Q3 2017.

Total assets and number of Shares outstanding increased in Q1 of 2017 following completion of the Rights Offering on February 28, 2017. The net book value per share decreased following the Rights Offering reflecting the issuance of additional Shares in the Rights Offering. During 2017, the Company repurchased 31,800 Shares under its normal course issuer bid slightly offsetting this effect. During 2018, the Company repurchased 23,500 Shares under its normal course issuer bid.

The Company's first non-cash DSU grants have also had an impact on the Company's expenses on a declining scale basis throughout 2016. Subsequent DSU grants, being smaller in size, have had a lesser impact. Foreign exchange fluctuations have also caused significant variation in reported performance for the Company as described herein.

Liquidity, Capital Resources and Off-Balance Sheet Arrangements

The following is an analysis of the liquidity, capital resources and off-balance sheet arrangements of the Company and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2018 and 2017 and the corresponding notes thereto.

Liquidity

The Company had working capital of $20,532,928 at June 30, 2018 (December 31, 2017 - $7,433,586). The Company's cash consists of deposits with chartered banks in Canada, the Cayman Islands, Channel Islands and the U.S.

The Company calculates its working capital as follows:

Working Capital	June 30, 2018	December 31, 2017
Cash	$18,992,238	$5,807,637
Marketable securities	1,710,523	1,700,475
Due from related parties	-	93,263

Working Capital	June 30, 2018	December 31, 2017
Interest receivable and prepaid expenses	148,366	87,845
Accounts payable and accrued liabilities	(349,189)	(255,637)
Working capital	$20,501,938	$7,433,583
Total per Share	$2.24	$ 0.81

The Company worked on developing a strategy to generate liquidity in 2016 and as a part of that strategy completed the Rights Offering in the first quarter of 2017, raising gross proceeds of $4,880,115 and net proceeds of $4,815,707. With the monetization of its interests in Salbro in Q2 2017, the Company generated another approximately $3.0 million.

Following the Rights Offering and the monetization of Salbro in 2017 and with the closing of the Monarch Sale in Q1 2018, the Company believes it has sufficient working capital to support its needs, in particular as it seeks approval for the Monetization Event.

Approximately $4.8 million of those funds were net proceeds of the Rights Offering and have been allocated as described in the Offering circular, a copy of which is available on the Company's profile at www.sedar.com and as follows:

Use of Funds	**Amount Stated in Offering Circular**	**Deployed as at June 30, 2018**
General Working Capital	$600,000	Nil
Capitalizing Crosswinds Re	$4,065,707	$2,656,600
InsurTech	$150,000	Nil
Total	$4,815,707 (amount raised less fees and expenses of the Offering)	$2,656,600

The Company is expending cash in excess of its revenues following the Monarch Sale. The Company now holds the majority of its assets in cash and is looking to implement the Monetization Event. See "Outlook". If the Monetization Event is approved by shareholders at the special meeting in September 2018, the Company intends to distribute all of its available capital (less a reasonable reserve for liabilities and contingencies) to shareholders and as a result, will no longer be seeking to use funds as originally contemplated in the Offering circular.

The Company established Crosswinds Re during Q3 2016 and made a USD$200,000 regulatory capital contribution. During Q2 2017, the Company capitalized Crosswinds Re with an additional USD$2 million (CDN $2,656,600). In Q3 2017, Crosswinds Re began investing these funds in bonds with a view to earning interest income to partially offset its expenses. Returns on invested capital have been modest to date and cannot be expected to cover all expenses as Crosswinds Re would have needed to actively write profitable business to achieve this objective.

Crosswinds Re, which is domiciled in Cayman Islands, is required by CIMA to maintain minimum capital levels. As of June 30, 2018, the capital maintained by Crosswinds Re was in excess of the regulatory capital requirement in Cayman Islands. USD $200,000 of the amount shown as cash in the table above is required to meet Crosswinds Re's minimum capital requirements and as such is not accessible cash to Crosswinds for such time as Crosswinds desires to maintain its licensed reinsurance entity.

Capital Resources

At June 30, 2018, the Company had no long-term debt or capital lease obligations. The Company entered into a premises lease agreement in Q3 of 2015 for approximately 3,000 square feet of office space located at 14 Wall Street, New York, New York. In connection with the Monetization Event, the Company is looking at options with respect to its premises lease. The Company's payment commitments under the premises lease are set out below:

	Payments due by period				
At June 30, 2018	**TOTAL**	**< 1 year**	**1-2 years**	**3-5 years**	**after 5 years**
Operating lease	$ 478,251	$ 201,496	$ 207,096	$ 69,659	$ -

Share Capital

As at June 30, 2018 and the date hereof there were there were 9,152,799 Shares outstanding. As at December 31, 2017, there were 9,176,299 Shares were outstanding. The Company reported a net book value at June 30, 2018 of $20,518,948 (December 31, 2017 – $21,440,287) or $2.24 per Share (December 31, 2017 - $2.34) of which $20,518,948 (December 31, 2017 – $19,442,378) or $2.24 per Share (December 31, 2017 - $2.12) is attributable to shareholders of the Company[1]. See the cautionary statement regarding the use of non-IFRS financial measures on page 3 of this MD&A. As at June 30, 2018 and the date hereof, the Company had granted an aggregate of 449,362 DSUs to its directors and officers all of which had vested. Each DSU is convertible into one Share subject to the terms of the DSU Plan and each grant. When the 449,362 issued and outstanding DSUs are converted into Shares, which is expected to occur in connection with the Monetization Event, or earlier as directors and officers cease to be directors and officers of the Company, the Company will have 9,625,661 Shares issued and outstanding. Assuming the issuance of Shares in satisfaction of the issued and outstanding DSUs, the Company has a net book value of $2.14 per Share[1] on a fully diluted basis.

[1] Net book value per share is a non-IFRS financial measure and is calculated as total shareholders' equity under IFRS divided by the number of Shares outstanding at period-end. The Company has reported two net book value measures: one reflecting net book value on a consolidated basis including non-controlling interests with respect to the Company's investment in the Monarch Joint Venture and the other reflecting the net book value attributable solely to the Company's shareholders without non-controlling interests.

In Q3 2017, the Company implemented a normal course issuer bid (the "Bid"). To date, the Company has repurchased a total of 55,300 Common Shares under the Bid at an average price of $1.56.

The Company has adopted an Option Plan which was approved by the Company's shareholders on June 24, 2016. No options are outstanding under the Stock Option Plan as at June 30, 2018.

The maximum number of Shares that can be issued on exercise of options granted under the Option Plan may not exceed 10% of the issued and outstanding Shares of the Company from time to time, less the number of Shares issued under all other security-based compensation arrangements of the Company including the DSU Plan.

Off-Balance Sheet Arrangements

Except as otherwise described herein, the Company currently has no off-balance sheet arrangements.

Proposed Transactions

As the majority of the Company's assets are now in cash, the Company's Board has been reviewing available opportunities against other strategic alternatives including without limitation a return of capital or other monetization event. The Board has unanimously resolved, having regard to the Company's available resources and opportunities, that it is in the best interests of the Company to distribute all of its available capital (less a reasonable reserve for liabilities and contingencies) to shareholders and dissolve the Company (the "Monetization Event"). The Company will continue to consider alternative opportunities that may become available as the process continues. The Company has set a special shareholders meeting for September 12, 2018 at which to seek shareholder approval for the Monetization Event. There can be no assurance that shareholder approval will be received.

Transactions with Related Parties

Crosswinds AUM has agreed to act as investment advisor and to manage the assets of the Monarch entities for a management fee paid quarterly in arrears under the Investment Management Agreement which terminated on February 21, 2018 at the time of the Monarch Sale, when Monarch ceased to be a related party of Crosswinds.

For the three and six months ended June 30, 2018, Crosswinds AUM earned investment management fee and consulting income in the amount of $96,863 (2017 - $98,882) and $191,715 (2017 – 195,382), respectively. As at June 30, 2018, $Nil (December 31, 2017 - $93,263) was still owed to the Company and was included in due from related parties on the consolidated statements of financial position.

Changes in Accounting Policies and Critical Accounting Estimates

The Company's financial statements have been prepared in accordance with IFRS.

Critical Accounting Estimates

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of its condensed interim consolidated financial statements. In addition, the preparation of financial data requires that the Company's management make assumptions and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The critical judgments and estimates applied in the preparation of the Company's unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2018 are reflected in note 4 of the Company's audited annual consolidated financial statements for the year ended December 31, 2017, a copy of which is available under the Company's profile on SEDAR at www.sedar.com.

Recent accounting pronouncements

There have been no new accounting pronouncements issued in the second quarter of 2018 that are expected to impact the Company. For a summary of accounting pronouncements, see the accounting pronouncements note (note 5) in the Company's unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2018.

Changes in Accounting Policies

The interim financial statements have been prepared using the same accounting policies and methods of computation as the 2017 year end financial statements with the exception of the adoption of IFRS 9 – *Financial Instruments* and IFRS 15 – *Revenue from Contracts with Customers*. The adoption of these new standards did not have a material impact on the Company's financial results.

If the Monetization Event is approved at the special meeting in September 2018, the Company expects that it will then look at alternatives, other than a going concern basis, on which to prepare its financial statements.

Factors that May Affect Future Results

Future results of the Company will depend on the strategies it implements from time to time. The Company's Board of Directors explored next steps for the Company which included assessing available investment opportunities against other strategic alternatives including, without limitation, a return of capital or other monetization event.

As the Company is working to implement the Monetization Event, its future results are dependent on the outcome of the shareholder vote being held at its Special Meeting on September 12, 2018, and past performance should not generally be viewed as indicative of future results. The Company will continue to consider alternative opportunities that may become available as its strategic process continues and the availability and outcome of any such opportunities will also affect future results.

While the Company's is remaining in a cash position and awaiting the shareholder vote to implement the Monetization Event, its revenues will be constrained.

Controls and Procedures

Disclosure Controls and Procedures

The Company's controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in its corporate filings is recorded, processed, summarized and reported within the time periods specified under securities laws and include controls and procedures that are designed to ensure that information is accumulated and communicated to management including the Chief Executive Officer and Interim Chief Financial Officer (collectively, the Certifying Officers) to allow timely decisions regarding disclosure.

Consistent with the concept of reasonable assurance, the Company recognizes that the relative cost of maintaining these controls should not exceed their expected benefits. In addition, a control system, no matter how well conceived and operated can provide only reasonable, not absolute, assurance that its objectives are met. Due to inherent limitations in all such systems, no evaluations of controls can provide absolute assurance that all control issues, if any, within a company have been detected. As such, the Company's disclosure controls and procedures can only provide reasonable, and not absolute, assurance that the objectives of such controls and procedures are met.

Internal Controls over Financial Reporting

The Company's internal controls over financial reporting are a process designed under the supervision of the Certifying Officers to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. However, because of its inherent limitations, internal controls over financial reporting may not prevent or detect misstatements on a timely basis.

As at June 30, 2018, the Company's Certifying Officers have certified that the disclosure controls and procedures are effective and that during the quarter ended June 30, 2018, the Company did not make any material changes in the internal controls over financial reporting that materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

Consistent with the concept of reasonable assurance, the Company recognizes that the relative cost of maintaining these controls should not exceed their expected benefits. In addition, a control system, no matter how well conceived and operated can provide only reasonable, not absolute, assurance that its objectives are met. Due to inherent limitations in all such systems, no evaluations of controls can provide absolute assurance that all control issues, if any, within a company have been detected. As such, the Company's internal controls over financial reporting can only provide reasonable, and not absolute, assurance that the objectives of such controls are met.

Outlook

With the Company having monetized Monarch, its major asset and platform investment, early in 2018, the Company now holds the substantial majority of its assets in cash and cash equivalents at the same time that it has completed the full operational build out of its three lines of complementary businesses. The result of this is that the Company's operating costs are largely fixed and in place at the same time that its revenue streams to support those operations have been substantially diminished, in part because the Company made the disciplined decision to crystalize its loss on the Monarch investment. In anticipation of the Monetization Event, the Company has been working to reduce its costs including by seeking options for its premises lease and providing working notice to its CEO and COO.

Following completion of the Monarch Sale, the Company is holding most of its cash in USD, as the overall value of the Company is expressed in Canadian dollars it will fluctuate based on the relative value of the Canadian dollar to the USD pending reinvestment or conversion.

As the Company is working to implement the Monetization Event, its future results are dependent on the outcome of the shareholder vote being held at its Special Meeting on September 12, 2018. There can be no assurance that shareholder approval will be received in which case the Company will need to reconsider next steps. The Company will continue to consider alternative opportunities that may become available as its strategic process continues.

Risk Factors

The Company manages a number of risks to achieve an acceptable level of risk without appreciably hindering its ability to maximize returns. Management has procedures in place to identify and manage significant operational and financial risks. A discussion of risk factors relating to the Company is found under the heading “Risk Factors” in the Company’s Annual Information Form dated as at March 29, 2018 and its annual MD&A for the year ended December 31, 2017. Each of the discussions referred to above is incorporated by reference herein. The documents referred to above are available under the Company’s profile on SEDAR at www.sedar.com.

CORPORATE DIRECTORY

Board of Directors:

J. Roy Pottle[,2,4] Chairman
Thomas Cholnoky[2,4]
Bradd Gold[3,4]
Robert Wolf[1,2,4]

Officers:

Colin King, Chief Executive Officer
Susan McCormick, Interim Chief Financial Officer
Helen Martin, Chief Operating Officer and Corporate Secretary

[1]Audit Committee Chairman
[2]Audit Committee Member
[3]Corporate Governance, Compensation and Nominating Committee Chairman
[4] Corporate Governance, Compensation and Nominating Committee Member

Auditor:

Deloitte LLP
Toronto, Ontario

Transfer Agent:

Computershare Investor Services Inc.
Toronto, Ontario

Toronto

365 Bay Street, Suite 400
Toronto, ON M5H 2V1
Canada

New York

14 Wall Street, Suite 5D
New York, NY, 10005
United States

Phone: 800.439.5136
Phone: 212.521.1108
Web: crosswindsinc.com
Email: info@crosswindsinc.com