BLOCK X CAPITAL CORP.
(formerly Lions Gate Metals Inc.)
MANAGEMENT DISCUSSION AND ANALYSIS
SIX MONTHS ENDED JUNE 30, 2018

This Management Discussion and Analysis ("MD&A") of Block X Capital Corp. (formerly Lions Gate Metals Inc.) (the "Company") has been prepared by management as of, and is dated, August __, 2018, and should be read together with the audited financial statements and related notes for the six months-ended June 30, 2018, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). Additional information regarding the Company can be found on SEDAR at www.sedar.com. All amounts following are expressed in Canadian dollars unless otherwise stated.

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Issuer. The Issuer has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect" and similar expressions. The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Issuer to differ materially from those expressed in, or implied by, these statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

All amounts in the MD&A, financial statements and related notes are expressed in Canadian dollars unless otherwise noted.

Description of Business and Operations

The Company was incorporated pursuant to the Business Corporations Act of British Columbia on March 11, 1981 and its office is at Suite 918 – 1030 West Georgia Street, Vancouver, BC, V6E 2Y3. On June 20, 2014, the Company delisted from the TSX Venture Exchange ("TSX-V") and commenced trading on the Canadian Securities Exchange ("CSE") on June 23, 2014. The Company has historically been a junior mineral exploration stage company in the business of acquiring, exploring and evaluating natural resource properties, and either developing these properties further or disposing of them when the evaluation is complete. The Company was unsuccessful in developing properties and management commenced a review of alternate business strategies.

In November 2017, the Company announced that it has proposed a change of business and transitioned to an investment issuer focused on companies in the blockchain technology industry. The Company's investment objectives are to seek investment opportunities in early-stage to mid-level blockchain and emerging technology companies and to achieve an acceptable rate of return by focusing on opportunities with attractive risk to reward profiles. Investments by the Company will be made in accordance with and are otherwise subject to the Company's Investment policy, which may be amended from time to time.

Financings

On January 12, 2018, the Company completed a non-brokered private placement whereby it issued 1,292,500 common shares at a price of $0.40 per share for proceeds of $517,000. In addition, the Company issued 86,000 finders' shares and 86,000 finders' warrants, exercisable at $0.40 until January 8, 2020.

On December 18, 2017, the Company issued 350,000 common shares at a price of $0.40 per share for proceeds of $140,000 as the first tranche of a private placement completed subsequent to December 31, 2017.

On December 6, 2017, the Company closed a non-brokered private placement whereby it issued 3,887,500 common shares at a price of $0.40 per share for proceeds of $1,555,000. The Company incurred cash share issuance costs of $17,563 in relation to this private placement. The Company issued 317,000 finders shares and 317,000 finders' warrants related to this private placement. Each warrant is exercisable to December 1, 2019 for $0.40 per share.

On October 30, 2017, the Company closed a non-brokered private placement whereby it issued 10,000,000 common shares at a price of $0.20 per share for proceeds of $2,000,000. In addition, the Company issued 790,000 finders' shares with a fair value of $292,300 and 790,000 finders' warrants with a fair value of $227,419. Each warrant is exercisable to October 30, 2019 for $0.20 per share.

In November 2016, the Company closed a non-brokered private placement of 20,115,656 units at a price of $0.075 per unit for gross proceeds of $1,508,675. Each unit is comprised of one common share of the Company and one common share purchase warrant. The Company paid $59,379 in cash as broker's fee, issued 647,980 finders' shares with a fair value of $48,599 and issued 647,980 finder's warrants.

On November 24, 2016, the Company issued 1,333,333 units and 2,000,000 units at a price of $0.075 in consideration of the debt settlement in the amounts of $100,000 and $150,000 respectively. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one additional share of the Company at an exercise price of $0.10 per share until November 24, 2018.

On January 12, 2018, the Company completed a non-brokered private placement whereby it issued 1,292,500 common shares at a price of $0.40 per share for proceeds of $517,000. In addition, the Company issued 86,000 finders' shares and 86,000 finders' warrants, exercisable at $0.40 until January 8, 2020. The Company received subscriptions of $334,000 during the year ended December 31, 2017 toward this private placement.

In March 2018, the Company issued 2,390,556 common shares upon exercise of warrants at an exercise price of $0.10 for proceeds of $239,056.

On April 30, 2018, the Company issued 80,000 common shares upon exercise of warrants at an exercise price of $0.10 for proceeds of $8,000.

Investments

On February 9, 2018, the Company purchased via private placement 500,000 common shares of Buildings Block Technology Corp., representing a 1.7% interest in the company, at $0.30 per share for $150,000. On June 28, 2018, the company purchased via a private transactions 150,000 common shares of Buildings Block Technology Corp., representing a 0.5% interest in the company, at $0.005 per share for $750. These investments are recorded at cost. As at June 30, 2018, the Company has not recorded an impairment allowance on this investment. In addition to the receipt of an equity interest in the company for cash, there are no additional significant terms or conditions to the investment.

On April 11, 2018, the Company purchased via private placement 625,000 common shares of Abaxx Technologies Inc. at $0.40 per share for $250,000. This investment is recorded at cost. As at June 30, 2018, the Company has not recorded an impairment allowance on this investment. In addition to the receipt of an equity interest in the company for cash, there are no additional significant terms or conditions to the investment.

On April 12, 2018, the Company acquired 12.5% of the issued and outstanding shares of Silota Research and Development Inc. ("Silota") for cash consideration of $24. In addition, the Company issued a convertible note to Silota of $300,000, which is non-interest bearing, due five years from the date of issuance, and convertible into common shares at a 20% discount. Silota's feature product, Covalent, is building tools and infrastructure to bridge decentralized blockchains with centralized databases. Covalent's technology will allow companies to quickly perform complex queries on, and derive analytics from data stored on blockchains.

On May 9, 2018, the Company purchased via private placement 800,000 common shares of FansUnite Entertainment Inc., representing a 1.15% ownership interest, at $0.25 per common share for $200,000. This investment is recorded at cost. As at June 30, 2018, the Company has not recorded an impairment allowance on this investment. In addition to the receipt of an equity interest in the company for cash, there are no additional significant terms or conditions to the investment.

On May 16, 2018, the Company purchased via private placement 428,571 unit of Fusion Agiletech Partners Inc. at $0.35 per unit for $150,000. Each unit consists of one common share and one-half share purchase warrant exercisable at $0.50. This investment is recorded at cost. As at June 30, 2018, the Company has not recorded an impairment allowance on this investment. In addition to the receipt of an equity interest in the company for cash, there are no additional significant terms or conditions to the investment.

On July 9, 2018, the Company purchased via private placement 166,666 common shares of Icomply Investor Services LLC at $1.50 per common share for $250,000. iComply Investor Services Inc. is a company offering compliance software for decentralized financial markets. iComply is focused on building a better capital market by enabling robust and secure record keeping, reporting, and transaction monitoring using proprietary Prefacto™ and Compliance Ledger™ technology, which automates workflows in private and public capital markets.

Mineral Properties

Howard Lake

Pursuant to the terms of an Option Agreement dated September 18, 2014 with St. Jacques Mineral Corp. and Urania Resource Corp. (the "Vendors"), the Company can earn a 100% interest in the Howard Lake Project located on the northeast shore of Howard Lake in Saskatchewan. The property is subject to a 1% Gross Overriding Royalty ("GORR") that has been granted to the vendors relating to the claims held by each of them. The Company may purchase half of the GORR (0.5%) from each vendor for $1,000,000.

During the year ended December 31, 2015, the Company recorded a write-down of $38,667 due to the lapse of two claims with respect of the Howard Lake mineral property. In July 2017, the Company provided the optionors of the Howard Lake property with a notice of termination of the option agreement. Accordingly, accumulated expenses of $224,448 were written off as at December 31, 2017.

Selected Annual Information

	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015
Selected operations data			
Loss for the year	$ 884,995	$ 3,677,374	$ 211,528
Weighted number of shares outstanding	28,264,489	4,426,783	1,759,226
Loss per share	0.03	0.83	0.15
Net working capital (deficiency)	$ 4,949,028	$ 988,848	$ (104,418)
Total assets	$ 5,142,785	$ 1,309,773	$ 3,185,178
Total long-term liabilities	$ -	$ -	$ -
Net shareholders' equity (deficiency)	$ 5,009,782	$ 1,264,5275	$ 2,991,287

During the year-ended December 31, 2016, the Company incurred a write-down of mineral property interest in the amount of $2,536,462 which was significantly higher than the previous ($83,705) and subsequent year ($224,448). As such, the net loss was higher in 2016.

The write-down in 2016 was due to the sale of the Poplar Property for Class L Redeemable shares of Doctors Investment Group Ltd. and because the fair market value of the shares was not readily measurable, the Company recorded a write-down of $2,231,663 related to this property. In addition, the Company recorded a $304,799 write-down in relation to the Whitford Lake Property due to the Company not extending it's option agreement on the property.

Working capital, total assets and weighted average number of shares outstanding increased dramatically in 2017 when compared to both 2016 and 2015 as a result of the Company issuing 15,027,500 common shares for via private placement proceeds of $3,695,000, issuing 2,675,999 common shares via warrant exercise for proceeds of $267,600 and issuing 500,000 common shares via stock options exercise for proceeds of $82,500. Each of these events increased cash to the Company's treasury and resulted in an increase in the weighted average shares outstanding.

Total assets decreased significantly between 2015 and 2016 as a result of the write-down of mineral properties that occurred in 2016.

Shareholders' deficiency decreased between 2015 and 2016 as a result of the write-down of mineral properties which was off-set by an increase in share capital for private placement of $1,449,296 and a settlement of accounts payable of $457,724.

Results and Discussion of Operations

Results of Operations for the three months-ended June 30, 2018

		2018		**2017**
Finance fees and bank charges	$	113	$	58
Consulting and management fees		5,000		5,000
Filing and transfer agent fees		9,936		5,285
Office, rent and administration		59,878		17,556
Professional fees		34,928		4,625
Marketing		214,122		-
Travel		5,511		-
Share based payments		279,623		79,174
Impairment on abandonment of exploration and evaluation assets		-		224,448
Finance income		(4,906)		-
Loss for the period	$	603,665	$	336,146

The net loss for the three months ended June 30, 2018 was $603,665 compared to $336,146 for the same period in 2017, representing an increase of $267,519. The primary reason for the increase was a result of $200,449 increase in share based payments and a $214,122 increase in marketing costs offset by a decrease in one-time costs of $224,448. These increases were all related to the Company shifting its focus from an exploration focused company to one that focuses on investment in block-chain technology. The shift was finalized in the first quarter of 2018 but the Company continued to incur expenditures to successfully transition to its new focus.

Results of Operations for the six months-ended June 30, 2018

		2018		2017
Finance fees and bank charges	$	285	$	113
Consulting and management fees		35,000		5,000
Filing and transfer agent fees		31,454		16,978
Office, rent and administration		93,627		35,478
Professional fees		50,428		11,024
Marketing		490,978		-
Travel		32,534		-
Share based payments		713,445		228,694
Impairment on abandonment of exploration and evaluation assets		-		224,448
Finance income		(5,034)		(111)
Loss for the period	$	1,442,717	$	521,624

The net loss for the six months ended June 30, 2018 was $1,442,717 compared to $521,624 for the same period in 2017, representing an increase of $921,093. The primary reason for the increase was a result of $484,571 increase in share based payments, a $39,404 increase in professional fees, $32,534 increase in travel and a $490,978 increase in marketing costs offset by a decrease in one-time costs of $224,448. These increases were all related to the Company shifting its focus from an exploration focused company to one that focuses on investment in block-chain technology. The shift was finalized in the first quarter of 2018 but the Company continued to incur expenditures to successfully transition to its new focus.

Summary of Quarterly Results

	30Jun18	31Mar18	31Dec17	30Sept17	30Jun17	31Mar17	31Dec16	30Sept16
Revenue	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Net Loss	$(603,665)	$(839,052)	$(293,090)	$(70,281)	$(336,146)	$(185,478)	$(1,686,512)	$(1,933,494)
Total Assets	$4,810,448	$5,157,609	$5,142,785	$967,095	$995,221	$1,270,918	$1,309,773	$1,469,844
Total Liabilities	$99,883	$131,002	$133,003	$23,946	$23,614	$42,349	$45,246	$459,733
Working Capital	$3,594,161	$4,815,883	$4,949,058	$882,425	$910,873	$643,398	$988,848	$(449,367)

The quarter-ended September 30, 2016 loss included the Poplar property write-down of $1,506,663 resulting from the November 2016 sale of the property and realized loss of $218,994 on disposition of most of available-for-sale investments. The quarter-ended December 31, 2016 loss included the Poplar property write-down of $725,000 resulting from the November 2016 sale, write-down of the Whitford Lake property of $304,799 due to the abandonment, loss on sale of investments of $145,314, and loss on settlement of accounts payable of $207,724. The quarter-ended March 31, 2017 loss included share-based compensation of $149,520 and the quarter-ended September 30, 2017 loss included share-based compensation of $41,833. The quarter-ended June 30, 2017 included share-based compensation of $79,174 and write-down of $224,448 on abandonment of Howard Lake Property. The quarter-ended December 31, 2017 included professional fees of $58,794, office, rent and administration of $58,268, marketing of $110,452 and consulting fees of $43,600 all related to the transition from the Company's focus from a exploration focused Company to one focused on blockchain technology. The quarter-ended March 31, 2018 included significant costs related to the Company shifting its focus from an exploration focused company to one that focuses on investment in block-chain technology. Included in the March 31, 2018 figures that are significantly different from previous quarters are $284,302 increase in share based payments to compensate key management personnel, an increase in $276,856 in marketing costs and $27,023 increase in travel. The June 30, 2018 figures include $279,623 in share based payments and $214,122 In marketing costs.

Liquidity and Capital Resources

The Company has no revenue generating operations from which it can internally generate funds and therefore has been incurring losses since inception. The Company has financed its operations and met its capital requirements primarily through the sale of capital stock by way of private placements and the subsequent exercise of share purchase warrants issued in connection with such private placements and the exercise of stock options. The Company also has raised funds through the sale of interests in its mineral properties. When acquiring interests in resource properties through purchase or option, the Company issued common shares or a combination of cash and shares to the vendors of the property as consideration for the property in order to conserve its cash. The Company expects that it will continue to operate at a loss for the foreseeable future and will require additional financing to fund the investment in blockchain technology projects.

The Company reported working capital of $3,594,161 at June 30, 2018 compared to $4,949,058 at December 31, 2017. As at June 30, 2018, the Company had cash of $3,016,980 compared to cash of $4,932,737 as at December 31, 2017.

Current assets excluding cash at June 30, 2018 consisted of receivables of $36,834 (December 31, 2017 - $15,608), subscriptions receivable of $Nil (December 31, 2017 - $122,500) and prepaid expenses and deposits of $640,230 (December 31, 2017 - $11,216).

Current liabilities as at June 30, 2018 consisted of accounts payable of $87,883 (December 31, 2017 - $121,003) and accrued liabilities of $12,000 (2017: $12,000).

At this time, the Company has no operating revenues, and does not anticipate any operating revenues. Historically, the Company has raised funds through equity financing to fund its operations.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements which may affect the Company's current or future operations or conditions.

Outstanding Share Data

On November 18, 2016, the common shares of the Company were consolidated on the bases of four pre-consolidation common shares for one post-consolidation common share. The Company's options and warrants were also consolidated on the same four for one basis. All shares are reflected on a post-consolidation basis unless otherwise noted.

Summary of Outstanding Securities as at August __, 2018

Authorized: Unlimited number of common shares without nominal or par value.

Issued and outstanding: 48,225,756

Stock options: 4,515,000 at an average exercise price of $0.32 per Share.

Warrants: 20,782,380 at an average exercise price of $0.11 per Share.

Risk Factors

The Company is in the business of evaluating and investing in blockchain technology projects and companies. Such investments are highly speculative and involves a high degree of risk. There is a probability that the investments made by the Company in will not result in adequate returns and potential write-offs due to both external factors related to the blockchain industry and unique business risk factors related to the individual investments.

Reliance on Key Personnel
The Issuer's success depends, in large part, upon the continuing contributions of its personnel. The loss of the service of several key people within a short period of time could have a material adverse effect upon the Issuer's financial condition and operations. The Issuer's future success is also dependent upon its continuing ability to attract and retain other highly qualified personnel. Competition for such personnel is intense, and the Issuer's inability to attract and retain additional key employees could have a material and adverse effect on the Issuer's financial condition and operations.

Dependence on Management Team
The Issuer currently depends on certain key management team members to identify business and investment opportunities. The management team, which has developed key relationships in the technology industry, is also

relied upon to oversee the core marketing, business development, operational and fund raising activities. If one or more of our management team members is unable or unwilling to continue their positions with the Issuer, the Issuer we may not be able to replace team members easily. Failure to attract and retain qualified employees or the loss or departure in the short-term of any member of senior management may result in a loss of organizational focus, poor operating execution, or an inability to identify and execute potential strategic initiatives. This could, in turn, materially and adversely affect the Issuer's business, financial condition and results of operations.

Lack of Availability of Growth Opportunities
The Issuers business plan includes growth through the Issuers identification of suitable investment or acquisition opportunities, pursuing such opportunities, consummating investments or acquisitions, and effectively generating returns on such investments or acquisitions. If the Issuer is unable to manage its growth effectively, its business, operating results, and financial condition could be adversely affected.

Suitable Investment Candidates
The Issuer expects a significant and major portion of its future growth to come from high-quality capital investments and acquisitions. There is no assurance that the Issuer can successfully identify suitable investment candidates. If suitable candidates are identified, however, the Company may not be able to complete an investment or acquisition on terms that are beneficial and acceptable to the Issuer. In addition, the Issuer competes with other entities to acquire quality technology investments and acquisitions. Some of its competitors may have greater financial resources than the Issuer does and may be able to outbid the Issuer for these investment or acquisition targets. If the Issuer is unable to complete investments or acquisitions, its growth strategy may be impeded and its earnings or revenue growth may be negatively affected.

If the Issuer succeeds in making investments or acquiring technology targets or a portion thereof, the investment or acquired companies may not perform to the Issuer's expectations for various reasons. Should an investment or acquired entity fail to perform to the Issuers expectations, the Issuers business, prospects, results of operations and financial condition may materially and adversely affected.

Limited Diversification of Investments
As the Issuer will be focusing on investments in the blockchain and emerging technology sectors and, hence, concentrating its invested funds in limited sectors, the Issuer is subject to greater risk in one or more of its future investments should these sectors experience a downturn. A decline in the blockchain or emerging technology sectors will likely have a material adverse effect on the Issuers business, results from operations, and financial condition. In addition, the Issuer is more exposed to business cycles than it would be if it owned a high number of investments diversified over various industries with differing business cycles in different geographic areas.

Cryptocurrency Inventory 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 but have occurred. If hack, the cryptocurrency assets of an investee company could be adversely affected, which could adversely affect the value of the Issuer's investment in such an investee company, and thereby adversely affect the Issuer's shareholders.

Regulatory Changes or Actions May Affect the Issuer's Investment in Investee Companies
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 companies in which the Issuer invests to continue to operate.

The effect of any future regulatory change on the Issuer or any cryptocurrency that an investee company may hold, mine or otherwise have exposure to is impossible to predict, but such change could be substantial and have a material adverse effect on the Issuer.

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 fiat currency. By extension, similar actions by other governments, may result in the restriction of the acquisition, ownership, holding, selling, use or trading in the shares of the Issuer's investee companies. Such a restriction could result in such investee companies liquidating their cryptocurrency inventories at unfavorable prices and may adversely affect the Issuer's investments, and, as a result its shareholders.

The Value of Cryptocurrencies Held by Investee Companies May be Subject to Momentum Pricing Risk

Momentum pricing typically is associated with growth stocks and other assets whose valuation, as determined by the investing public, accounts for anticipated future appreciation in value. Cryptocurrency market prices are determined primarily using data from various exchanges, over-the-counter markets, and derivative platforms. Momentum pricing may have resulted, and may continue to result, in speculation regarding future appreciation in the value of cryptocurrencies, inflating and making their market prices more volatile. As a result, they may be more likely to fluctuate in value due to changing investor confidence in future appreciation (or depreciation) in their market prices, which could adversely affect the value of the Issuer’s investment in certain investee companies, and thereby adversely affect the Issuer’s shareholders.

Cryptocurrency Exchanges and Other Trading Venues are Relatively New and, in Most 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, which could adversely affect the value of the Issuer’s investment in certain investee companies, and thereby adversely affect the Issuer’s shareholders.

Cryptocurrency market prices depend, directly or indirectly, on the prices set on exchanges and other trading venues, which are new and, in most 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.

Banks May Not Provide Banking Services, or May Cut Off Banking Services, to Businesses that Provide Cryptocurrency-Related Services or That Accept Cryptocurrencies as Payment

A number of companies that provide BTC and/or other 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 BTC and/or other 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 BTC and/or other 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 BTC and/or other cryptocurrency-related services. This could decrease the market prices of cryptocurrencies and adversely affect the Issuer’s investment in certain investee companies, and thereby adversely affect the Issuer’s shareholders.

The Impact of Geopolitical Events on the Supply and Demand for Cryptocurrencies is Uncertain

Crises may motivate large-scale purchases of cryptocurrencies which could increase the price of cryptocurrencies rapidly. This may increase the likelihood of a subsequent price decrease as crisis-driven purchasing behavior wanes, adversely affecting the Issuer's investment in certain investee companies, and thereby adversely affect the Issuer's shareholders.

As an alternative to fiat 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 geopolitical events. Nevertheless, political or economic crises may motivate large-scale acquisitions or sales of cryptocurrencies either globally or locally. Large-scale sales of cryptocurrencies would result in a reduction in their market prices and adversely affect the Company's investments and profitability.

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, and the slowing, or stopping of the development or acceptance of developing protocols may adversely affect certain investee company's operations, which may adversely affect the Issuer's investment in such companies, and thereby adversely affect the Issuer's shareholders. The factors affecting the further development of the use of cryptocurrencies by such investee companies, 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 fiat currencies;
• General economic conditions and the regulatory environment relating to digital assets; and
• Negative consumer sentiment and perception of 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 that could adversely affect the operations of certain of the Issuer's investee companies, which could in turn adversely affect the Issuer's investment strategies, and profitability.

As relatively new products and technologies, cryptocurrencies have not been widely adopted as a means of payment for goods and services by major retail and commercial outlets. Conversely, a significant portion of cryptocurrency demand is generated by speculators and investors seeking to profit from the short-term or long-term holding of cryptocurrencies.

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 certain of the Issuer's investee companies, which could in turn adversely affect the Issuer's investment strategies, and profitability.

Investee Companies with Cryptocurrency Inventories May be Subject to Loss, Theft or Restriction on Access or Loss or Destruction of a Private Key Required to Access their Digital Wallets
There is a risk that some or all of an investee company's cryptocurrency could be lost or stolen. An investee company's access to such cryptocurrency could also be restricted by cybercrime (such as a denial of service attack) against a service at which such Company maintains a hosted online wallet, or keys required to access digital wallets could be lost. Any of these events may adversely affect the Issuer's investment in certain investee companies, and thereby adversely affect the Issuer's shareholders.

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 certain investee companies, and thereby adversely affect the Issuer's shareholders.

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 an investee company may not be capable of seeking compensation for any such transfer or theft.

If the Awards for Solving Blocks and Transaction Fees are Not Sufficiently High, Cryptocurrency Miners May Not Have an Adequate Incentive to Continue Mining and May Cease Their Mining Operations.
As the number of coins awarded for solving a block in the blockchain decreases, the incentive for miners to continue to contribute processing power to the network will transition from a set reward to transaction fees. Either the requirement from miners of higher transaction fees in exchange for recording transactions in the blockchain or a software upgrade that automatically charges fees for all transactions may decrease demand for the relevant coins and prevent the expansion of the network to retail merchants and commercial businesses, resulting in a reduction in the price of the relevant cryptocurrency that could adversely impact certain investee companies' cryptocurrency inventory and investments, which may adversely affect the Issuer's investment in certain investee companies, and thereby adversely affect the Issuer's shareholders.
In order to incentivize miners to continue to contribute processing power to the network, the network may either formally or informally transition from a set reward to transaction fees earned upon solving for a block. This transition could be accomplished either by miners independently electing to record on the blocks they solve only those transactions that include payment of a transaction fee or by the network adopting software upgrades that require the payment of a minimum transaction fee for all transactions. If transaction fees paid for the recording of transactions in the blockchain become too high, the marketplace may be reluctant to accept network as a means of payment and existing users may be motivated to switch between cryptocurrencies or back to fiat currency. Decreased use and demand for coins may adversely affect their value and result in a reduction in the market price of coins, which may adversely affect the Issuer's investment in certain investee companies, and thereby adversely affect the Issuer's shareholders.

If the award of coins for solving blocks and transaction fees are not sufficiently high, miners may not have an adequate incentive to continue mining and may cease their mining operations. Miners ceasing operations would reduce collective processing power, which would adversely affect the confirmation process for transactions (i.e., decreasing the speed at which blocks are added to the blockchain until the next scheduled adjustment in difficulty for block solutions) and make the network more vulnerable to a malicious actor or botnet obtaining control in excess of 50 percent of the processing power. Any reduction in confidence in the confirmation process or processing power of the network may adversely impact investee companies that engage in cryptocurrency mining activities and any cryptocurrency inventory they old, which may adversely affect the Issuer's investment in certain investee companies, and thereby adversely affect the Issuer's shareholders.

The Price of Coins May Be Affected by the Sale of Coins by Other Vehicles Investing in Coins or Tracking Cryptocurrency Markets
To the extent that other vehicles investing in coins or tracking cryptocurrency markets form and come to represent a significant proportion of the demand for coins, large redemptions of the securities of those vehicles and the subsequent sale of coins by such vehicles could negatively affect cryptocurrency prices and therefore affect the value of any inventory held by investee companies, which may adversely affect the Issuer's investment in such investee companies, and thereby adversely affect the Issuer's shareholders.

Currency Fluctuations
The issuer may invest in technology companies based in foreign jurisdictions such as the United States, Great Britain, and the European Union. Such investments may be subject to currency and exchange fluctuations and may negatively influence the return on the Issuer's investments.

Foreign Taxes and Double Taxation
The Issuer may invest into technology companies based in foreign jurisdictions and may be subject to double taxation on its foreign investments, which will reduce the return on investments and the profitability, if any, of the Issuer.

Conflicts of Interest
The Issuer may, in the future, raise further funds through the sale of securities to other companies which may be associated with the directors of officers of the Issuer, and, as such, the directors and officers of the Issuer may increase their ownership and/or control positions in the Issuer without an equal opportunity to participate in such financings being granted to other shareholders. Under certain circumstances, shareholder approval of such action may be required. As certain directors and officers are involved with other companies, there may be potential conflicts of interest limiting the amount of time managing the affairs of the Issuer.

Inability to Perform Accurate Due Diligence
The Issuer will be investing in start-up companies and may not have the resources or may be not be able to perform detailed due diligence, which may result in a partial or complete loss of investments.

Lack of Capital
Until revenues exceed expenses, the Issuer raises the necessary capital through private placements and other financing tools. There can be no assurance that management will be successful in raising the necessary capital required to fund ongoing activities.

Related Party Transactions

During the period ended June 30, 2018, related parties included the Company's CEO, CFO and the Company's Directors.

Related party transactions for the periods ended June 30, 2018 consists solely of stock based compensation related to the grant of stock options on January 12, 2018 and vesting quarterly over a period of 12 months. For the six months ended June 30, 2018, the amount of stock based compensation to related parties was $342,292 (2017 - $98,698).

A breakdown of stock based compensation to related parties is as follows:

Relationship	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
CEO	$ 142,621	$ 31,478
CFO	42,785	-
Non-executive directors	156,886	33,051

Stock options were granted to executives and non-executive directors as compensation for their service to the Company and were measured using the Black Scholes method using the following assumptions: Risk-free rate of 1.60% (2017: 1.07%); Expected life of 5 years (2017: 5 years), Expected volatility of 142% (2017: 125%) and dividend yield of nil (2017: nil).

Other than the related party transactions noted above, the Company did have any additional related party transactions for the six months ended June 30, 2018 and 2017 nor did it have any related party balances owing as at June 30, 2018 and December 31, 2017.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash, receivables, and trade payables. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments is approximately equal to their carrying values. As at June 30, 2018, the Company has $3,016,980 (December 31, 2017 - $4,932,737) in cash held in Canadian dollars in accounts with major Canadian banks. The Company does not use derivative instruments or foreign exchange contracts to hedge against gains or losses arising from foreign exchange fluctuations.

Capital Management

The Company's objectives when managing capital are to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern and maintain adequate levels of funds to support its corporate administration and working capital for projects such that it can continue to provide returns to shareholders and benefits for other stakeholders.

The Company considers the items included in shareholders' equity as capital. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the Company's underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares or sell assets to settle liabilities. The Company has no long-term debt and is not subject to externally imposed capital requirements.

The investments in which the Company currently has an interest are in the pre-revenue and/or pre-income stage. It is uncertain that, should these investments should become profitable, that the Company will realize any liquidity through dividends or other distributions to shareholders. The Company's historical sources of capital have consisted of the sale of equity securities, loans, advances from related parties and interest income. In order for the Company to carry out strategy and pay for administrative costs, the Company expects to raise additional amounts externally as needed.

Critical Accounting Estimates

In the application of the Company's accounting policies, which are described in note 2 to the audited consolidated financial statements for the six months ended June 30, 2018, management is required to make judgments, apart from those requiring estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include:

- the determination of the element of costs recorded as exploration and evaluation assets and determination of reclamation obligations;
- the determination of deferred income tax assets and liabilities; and
- the assessment of the Company's ability to continue as a going concern.

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, provisions for restoration and environmental obligations and contingent liabilities.

Accounting Standards Issued but not yet Adopted:

IFRS 16 will replace IAS 17 *Leases*. IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Application of the standard is mandatory for annual periods beginning on or after January 1, 2019, with early application permitted.

IFRS 16 will result in an increase in assets and liabilities as fewer lease payments will be expensed. Management expects an increase in depreciation expenses and also an increase in cash flow from operating activities as these lease payments will be recorded as financing outflows in the consolidated statements of cash flows. Currently, these impacts are not expected to be material.

There are no other IFRS or International Financial Reporting Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on the Company's consolidated financial statements.

Proposed Transactions

The Company is continuously evaluating new opportunities that could include a joint venture, a disposal of the project or a sale of the Company. While various negotiations may be ongoing at any given time, these may or may not be successful. The Company considers opportunities where there is expected to be significant value to the shareholders. At this date, the Board of Directors have not approved any transaction, nor presented any potential transaction to the shareholders.

Additional Information

Additional information about the Company is available under the Company's profile on SEDAR at www.sedar.com.

Cautionary Note Regarding Forward-Looking Information

This document may contain "forward-looking information" within the meaning of Canadian securities legislation ("forward-looking statements"). These forward-looking statements are made as of the date of this document and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation.

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, the Company and its operations, its planned exploration activities, the adequacy of its financial resources and statements with respect to the estimation of mineral reserves and mineral resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "intends" and "estimates". By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual consolidated financial statements and management's discussion and analysis of those statements, all of which are filed and available for review under the Company's profile on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.