BRAND X LIFESTYLE CORP.
(formerly Block X Capital Corp.)
MANAGEMENT DISCUSSION AND ANALYSIS
THREE MONTHS ENDED MARCH 31, 2020

This Management Discussion and Analysis ("MD&A") of Brand X Lifestyle Corp. (formerly Block X Capital Corp.) (the "Company") was prepared by management and is current as of June 30, 2020. This MD&A should be read in conjunction with our unaudited interim consolidated financial statements and accompanying notes thereto for the three months ended March 31, 2020, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts following are expressed in Canadian dollars, unless otherwise indicated. Additional information regarding the Company can be found on SEDAR at www.sedar.com.

Description of Business and Operations

The Company was incorporated pursuant to the *Canada Business Corporations Act* and its office is at Suite 928 – 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. In March 2020, the Company changed its name to Brand X Lifestyle Corp. and continues to trade under the symbol "BXXX".

The Company was historically 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 a change of business and transitioned to an investment issuer focused on companies in the blockchain technology industry. In June 2020, the Company amended and restated its investment policy. The Company's investment objectives are to seek investment opportunities in early-stage to mid-level emerging growth companies and to achieve an acceptable rate of return by focusing on opportunities with attractive risk to reward profiles. The Company's investments are made in accordance with, and are otherwise subject to, the Company's investment policy, which may be amended from time to time.

Investments

The Company completed the following investments during the three months ended March 31, 2020:

In relation to the March 22, 2019 $500,000 convertible debenture investment into AgriFORCE (see below), in February, 2020, the Company received notice from AgriFORCE that the convertible debenture had been converted to 506,904 units of AgriFORCE (500,000 units from the convertible debenture and 6,904 units from the interest). Each unit is comprised of one common share and one common share purchase warrant exercisable at $2.00 per share.

On March 30, 2020 (the "Closing Date") the Company acquired 100% of the issued and outstanding common shares in the capital of CBIO. In consideration for the CBIO shares, Brand X issued an aggregate of 6,900,000 shares to the CBIO shareholders who have transferred their CBIO shares to Brand X. The aggregate of 6,900,000 shares will be held in escrow by Brand X and released to the CBIO shareholders as follows:

- 1,725,000 shares on the date that is five business days from the end of any three month period following the Closing Date and before March 1, 2021 (the "Clawback Date") in which CBIO generates $500,000 or more in gross revenue in such three month period;
- 1,725,000 shares on the date that is five business days from the end of any three month period following the Closing Date and before the Clawback Date in which CBIO generates $1,000,000 or more in gross revenue in such three month period;
- 1,725,000 shares on the date that is five business days from the end of any three month period following the Closing Date and before the Clawback Date in which CBIO generates $2,000,000 or more in gross revenue in such three month period; and
- 1,725,000 shares on the date that is five business days from the end of any three month period following the Closing Date and before the Clawback Date in which CBIO generates $4,000,000 or more in gross revenue in such three month period.

Any shares remaining in escrow on the Clawback Date will be cancelled and returned to treasury

The Company completed the following investments during the year ended December 31, 2019:

During 2019, the Company invested in AgriFORCE Growing Systems Ltd. (“AgriFORCE”) (formerly Canivate Growing Systems Ltd.). AgriFORCE has improved the production of cannabis by leveraging its proprietary propagation, growing environment, and growing methodology IP into three offtake agreements, with leading cannabis operators and brands in California. In addition to the receipt of an equity interest for cash, there are no additional significant terms or conditions to the investments.

- On January 16, 2019 the Company purchased 1,000,000 units via private placement for $350,000. Each unit consists of one common share and one common share purchase warrant, exercisable at $0.50 per share for three years from the issue date.
- On May 10, 2019, the Company invested $1,000,000 in AgriFORCE by purchasing 1,000,000 units at $1.00 via private placement. Each unit consists of one preferred share and one common share purchase warrant exercisable for five years from the date of issue at a price of $2.00. The Company received 60,000 common shares with a fair value of $60,000 as payment of dividends during the year ended December 31, 2019.
- The Company determined that the fair value of its investment in equity of AgriFORCE was $2,060,000 at December 31, 2019. During the year ended December 31, 2019, the Company recognized a fair value adjustment of $650,000.
- On March 22, 2019, the Company invested $500,000 in a convertible debenture, earning interest at 12% annually and maturing five years from the date of issue, with certain automatic conversion features. Each unit included one common share and one share purchase warrant, exercisable for five years from the date of issue at a price of $2.00. The Company determined the fair value at initial recognition was $500,000 and $506,904 at December 31, 2019, resulting in a change in fair value of $6,904 recognized in profit and loss. (also see note above)

During 2019, the Company invested in MineHub Technologies, Inc. (“MineHub”). MineHub is an emerging technology company leveraging technologies, including blockchain, to develop a new generation of cost saving applications. The MineHub platform manages high value assets from mine to end buyer across the mining and metals supply chain. In addition to the receipt of an equity interest in MineHub for cash, there are no additional significant terms or conditions to the investments.

- On April 4, 2019, the Company purchased 1,000,000 common shares of MineHub at $0.25 per share via private placement for $250,000.
- On June 19, 2019, the Company issued a $250,000 loan to MineHub. The loan bears interest at 10% annually and matures on June 18, 2020. In conjunction with the loan, the Company received 200,000 common shares of MineHub with a fair value of $50,000 as bonus securities.
- As at December 31, 2019, the Company determined its investment in MineHub was recognized at fair value and no adjustment was required.
- There was no change in the fair value of the investment during the three months ended March 31, 2020.

At the date of this report, the loan has not been repaid and the Company is in discussion with Minehub to extend the note receivable.

The Company completed the following investments during the year ended December 31, 2018:

On February 9, 2018, the Company purchased 500,000 common shares of Eli Technologies Corp. (“Eli”) (formerly Buildings Block Technology Corp.) via private placement at $0.30 per share for $150,000. On June 28, 2018, the Company purchased 150,000 common shares at $0.05 per share for $7,500 via a private transaction. 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. The Company determined that the fair value of its investment was $195,000 at December 31, 2019. During the year ended December 31, 2019, the Company recognized a fair value adjustment of $37,500. There was no change in the fair value of the investment during the three months ended March 31, 2020.

On April 11, 2018, the Company purchased 625,000 common shares of Abaxx Technologies Inc. at $0.40 per share for $250,000 via private placement. 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. As at December 31, 2019, the Company determined that the fair value of its investment was $343,750 and recognized a fair value adjustment of $93,750. There was no change in the fair value of the investment during the three months ended March 31, 2020.

On April 12, 2018, the Company acquired 238,500 common shares of Silota Research and Development Inc. ("Silota") for cash consideration of $24. In addition, the Company issued a $300,000 non-interest-bearing convertible note to Silota, due five years from the date of issuance, and convertible into common shares at an 18% 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. During the year-ended December 31, 2018, the Company impaired this investment and wrote off the $300,000 convertible note receivable.

On May 9, 2018, the Company purchased 800,000 common shares of FansUnite Entertainment Inc. ("FansUnite") at $0.25 per common share for $200,000 via private placement. 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. The Company determined that the fair value of its investment in FansUnite was $280,000 at December 31, 2019. During the year ended December 31, 2019, the Company recognized a fair value adjustment of $264,000. There was no change in the fair value of the investment during the three months ended March 31, 2020.

On May 16, 2018, the Company purchased 428,571 unit of Quisitive Technology Solutions Inc. ("Quisitive") (formerly "Fusion Agiletech Partners Inc.") at $0.35 per unit for $150,000 via private placement. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant is exercisable to purchase one common share at $0.50 per share for two years. The Company determined that the fair value of its investment in Quisitive was $175,714 at March 31, 2020 (December 31, 2019 - $107,143). During the three months ended March 31, 2020, the Company recognized a fair value adjustment of $68,571.

Share Consolidation

On March 30, 2020, the Company consolidated its issued and outstanding share capital on the basis of one post consolidated common share for every two pre consolidated common shares. No fractional shares were issued, as all fractional share were rounded to the nearest whole number. The Cusip number is now 10527B108 and the ISIN number is now CA10527B1085. All share and per share amounts in these financial statements are presented on a post-consolidation basis.

Financings

On January 15, 2020, the Company completed a non-brokered private placement whereby it issued 5,000,000 units at a price of $0.10 per unit for proceeds of $500,000. Each unit consists of one common share in the capital of the Company and one common share purchase warrant entitling the holder to purchase one additional common share of the company, at an exercise price of $0.35 per share, for a period of two years from the date of issuance. The warrants are subject to an acceleration right that allows the company to give notice of an earlier expiry date if the company's share price on the CSE (or such other stock exchange the company's shares may be trading on) is equal to or greater than $0.60 for a period of 10 consecutive trading days

On January 8, 2020, 201,500 warrants exercisable at $0.80 expired.

The Company did not complete any financings during the year ended December 31, 2019.

On October 30, 2019, 395,000 warrants exercisable at $0.40 expired.

The Company completed the following financings during the year ended December 31, 2018:

On January 5, 2018, the Company completed a non-brokered private placement whereby it issued 646,250 common shares at a price of $0.80 per share for proceeds of $517,000. In addition, the Company issued 32,000 finders' shares and 32,000 finders' warrants, exercisable at $0.80 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 1,195,278 common shares for proceeds of $239,056 upon exercise of warrants at an exercise price of $0.20.

On April 30, 2018, the Company issued 40,000 common shares for proceeds of $8,000 upon exercise of warrants at an exercise price of $0.20.

On November 18, 2018, 5,056,271 warrants exercisable at $0.20 expired.

On November 24, 2018, 4,698,420 warrants exercisable at $0.20 expired.

Subsequent to March 31, 2020, on May 20, 2020 the Company issued 2.5 million units in a non-brokered private placement at a price of $0.10 per unit for gross proceeds of $250,000. Each unit consists of one common share in the capital of the company and one common share purchase warrant, with each warrant entitling the holder to purchase one additional common share of the company, at an exercise price of $0.35 share, for a period of one year from the date of issuance. The warrants are subject to an acceleration right that allows the company to give notice of an earlier expiry date if the company's share price on the CSE (or such other stock exchange the company's shares may be trading on) is equal to or greater than $0.60 for a period of 10 consecutive trading days. There were no finders' fees payable on this private placement.

Results and Discussion of Operations

Results of Operations

At March 31, 2020, the Company had no continuing source of operating revenues. The Company has not paid any cash dividends on its common shares nor does it have any present intention of paying cash dividends on its common shares, as it anticipates that all available funds for the foreseeable planning horizon will be invested to finance its business activities.

Results of Operations for the three months ended March 31, 2020

		2020		2019
Finance fees and bank charges	$	214	$	22
Consulting fees		119,890		23,929
Filing and transfer agent fees		14,387		6,262
Office, rent and administration		18,310		48,914
Professional fees		46,698		2,169
Share based payments		-		5,142
Change in fair value of investments		(68,571)		19,285
Finance income		(19,459)		(10,108)
Net loss for the period	$	111,469	$	95,615

Net loss for three months ended March 31, 2020 was $111,469 compared to a net loss of $95,615 for the three months ended March 31, 2019, representing an increase of $15,854. The increase was driven an increase in consulting fees and professional fees as a result of increased activity in the current year compared to the previous year.

The increase was further driven by the positive change in fair value of investments based on management's determination of fair value at March 31, 2020 compared to December 31, 2019.

Further contributing to the increase was greater finance income compared to 2019, primarily as a result of interest earned on the Company's investments in a note receivable in June 2019.

The Company does not have any employees; all of our services are carried out by our directors and officers or by consultants retained on an as needed basis.

Summary of Quarterly Results

	31Mar20	31Dec19	30Sept19	30Jun19	31Mar19	31Dec18	30Sept18	30Jun18
Revenue	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Net Income (Loss)	$(111,469)	$1,358,043	$(20,839)	$(60,320)	$(95,615)	$(1,245,251)	$(553,967)	$(603,665)
Total Assets	$5,456,907	$4,537,625	$3,159,257	$3,201,779	$3,252,136	$3,332,589	$4,429,031	$4,810,448
Total Liabilities	$77,280	$29,530	$9,205	$30,888	$22,020	$12,000	$121,070	$99,883

The quarter ended March 31, 2020 included a positive change in the fair value of investments of $68,571 and additions to the investment portfolio which total $989,904.

The quarter ended December 31, 2019 included a significant positive change in the fair value of investments of $1,374,772. Similar gains were not realized in the other quarters throughout 2019.

The quarter ended December 31, 2018 experienced an increase from previous periods as a result of one-time charges including $250,023 to impair investments, $300,000 to write down a convertible note receivable and $250,429 to change the fair value of investments.

The quarters ended March 31, 2018 to September 30, 2018 included increased expenditures related to the Company's transition from an exploration Company to one focused on emerging technology, including increases in marketing, professional fees, travel and filing and transfer agent fees. The shift was finalized in the first quarter of 2018, but the Company continued to incur expenditures to successfully transition to its new focus. There were also increases in share-based payment expenses in the first three quarters of 2018 related to a stock option grant in January 2018 to compensate key management personnel.

Liquidity and Capital Resources

The Company has no revenue generating operations from which it can internally generate funds and therefore must continue to rely on external financing to generate capital to maintain its capacity to meet working capital requirements. 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 raised funds historically through the sale of interests in its mineral properties. The Company expects that it will continue to operate at a loss for the foreseeable future and will require additional financing to fund the Company's investments in blockchain and emerging technology projects. The Company is not subject to any externally imposed capital requirements.

At March 31, 2020, the Company's current assets exceeded its current liabilities by $716,927 (December 31, 2019: $396,966). As at March 31, 2020, the Company had cash and cash equivalents of $363,820 (December 31, 2019: $186,296). The increase in cash was primarily the result of a private placement financing.

Commitments

The Company has no commitments.

Related Party Transactions

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors and corporate officers.

Key management personnel compensation

During the three months ended March 31, 2020, the Company incurred consulting fees of $Nil (2019 - $23,929) to the interim CEO and CFO of the Company.

During the three months ended March 31, 2020, compensation to key management personnel included share-based payments of $nil (2019 - $5,142).

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 is dependent on capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the markets, by the status of the Company's projects in relation to these markets and by its ability to compete for investor support of its projects.

The Company's capital structure consists of cash and shareholders' equity, which is comprised of share capital net of accumulated deficit. The Company manages its capital structure and adjusts it, considering 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. There were no changes in the Company's management of capital during the three months ended March 31, 2020 and the year ended December 31, 2019. In order for the Company to carry out operations and pay for administrative costs, the Company will spend its working capital and intends to raise additional amounts externally as needed.

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 year ended December 31, 2019, 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:

- whether the Company's investments, note receivable or convertible debenture receivable are impaired;
- deferred income tax assets and liabilities; and
- the Company's ability to continue as a going concern.

The preparation of financial statements in accordance with IFRS require the Company to make estimates and assumptions concerning the future. 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 fair value measurements for financial instruments.

Changes in accounting policies

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are effective for annual periods beginning on or after January 1, 2020. The Company has not applied the following new standards which have been issued but are not yet effective:

- Amendments to IFRS 3, Business Combinations (effective January 1, 2020) are intended to assist in determining whether a transaction should be accounted for as a business combination or an asset acquisition. The Company has not elected to apply this amendment early.

Financial instruments and risk management

The Company's financial instruments are exposed in varying degrees to a variety of financial risks. The Board approves and monitors the risk management processes:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk is assessed low.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to settle liabilities and obligations when they become due. As at March 31, 2020 the Company had cash and cash equivalents of $363,820 to settle current liabilities of $77,280. Liquidity risk was assessed as high.

Market risk

Market risk consists of currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has no foreign exchange rate risk.

Interest rate and commodity price risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Commodity price risk is the risk of financial loss resulting from movements in the price of the Company's commodity inputs and outputs. The Company is not significantly exposed to interest rate or commodity price risk.

Risk Factors

The Company is in the business of evaluating and investing in blockchain, emerging technology projects and companies, and early-stage to mid-level emerging growth 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 Company'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 Company's financial condition and operations. The Company'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 Company's inability to attract and retain additional key employees could have a material and adverse effect on the Company's financial condition and operations.

Dependence on Management Team

The Company 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 fundraising activities. If one or more of our management team members is unable or unwilling to continue their positions with the Company, the Company 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 Company's business, financial condition and results of operations.

Lack of Availability of Growth Opportunities

The Company's business plan includes growth through 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 Company is unable to manage its growth effectively, its business, operating results, and financial condition could be adversely affected.

Suitable Investment Candidates

The Company 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 Company 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 Company. In addition, the Company competes with other entities to acquire quality technology investments and acquisitions. Some of its competitors may have greater financial resources than the Company does and may be able to outbid the Company for these investment or acquisition targets. If the Company 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 Company succeeds in making investments or acquiring technology targets or a portion thereof, the investment or acquired companies may not perform to the Company's expectations for various reasons. Should an investment or acquired entity fail to perform to the Company's expectations, the Company's business, prospects, results of operations and financial condition may materially and adversely affected.

Limited Diversification of Investments

As the Company will be focusing on investments in the blockchain and emerging technology sectors and, hence, concentrating its invested funds in limited sectors, the Company 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 Company's business, results from operations, and financial condition. In addition, the Company 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 hacked, the cryptocurrency assets of an investee company could be adversely affected, which could adversely affect the value of the Company's investment in such an investee company, and thereby adversely affect the Company's shareholders.

Regulatory Changes or Actions May Affect the Company'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 Company invests to continue to operate.

The effect of any future regulatory change on the Company 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 Company.

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 Company's investee companies. Such a restriction could result in such investee companies liquidating their cryptocurrency inventories at unfavorable prices and may adversely affect the Company'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 Company's investment in certain investee companies, and thereby adversely affect the Company'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 Company's investment in certain investee companies, and thereby adversely affect the Company'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 Company's investment in certain investee companies, and thereby adversely affect the Company'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 Company's investment in certain investee companies, and thereby adversely affect the Company'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, decentralized 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 Company's investment in such companies, and thereby adversely affect the Company'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 Company's investee companies, which could in turn adversely affect the Company'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 Company's investee companies, which could in turn adversely affect the Company'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 Company's investment in certain investee companies, and thereby adversely affect the Company'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 Company'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 Company's investment in certain investee companies, and thereby adversely affect the Company'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 Company's investment in certain investee companies, and thereby adversely affect the Company'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 Company's investment in certain investee companies, and thereby adversely affect the Company'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 Company's investment in such investee companies, and thereby adversely affect the Company's shareholders.

Currency Fluctuations

The Company 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 Company's investments.

Foreign Taxes and Double Taxation

The Company 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 Company.

Conflicts of Interest

The Company 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 Company, and, as such, the directors and officers of the Company may increase their ownership and/or control positions in the Company 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 Company.

Inability to Perform Accurate Due Diligence

The Company 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 Company 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.

COVID-19

The recent outbreak of COVID-19 which has been declared by the World Health Organization to be a "pandemic" has spread across the globe and is impacting worldwide economic activity. A public health epidemic, including COVID-19, or the fear of a potential pandemic, poses the risk that the Company or its employees, contractors, suppliers, and other partners may be prevented from conducting business activities for an indefinite period of time, including due to shutdowns or other preventative measures taken to limit the potential impact from a public health epidemic that may be requested or mandated by governmental authorities. While it is not possible at this time to estimate the impact that COVID-19 (or any other actual or potential pandemic) could have on the Company's business, the continued spread of COVID-19 (or any other actual or potential pandemic) and the measures taken by the governments of countries affected could adversely impact its business, financial condition or results of operations. It could also affect the health and availability of the Company's workforce and the workforce of the business that the Company has invested in. The COVID-19 outbreak and mitigation measures may also have an adverse impact on global economic conditions which could have an adverse effect on the Company's business and financial condition. The extent to which the COVID-19 outbreak impacts the Company's results will depend on future developments that are highly uncertain and cannot be predicted.

Proposed Transactions

The Company is continuously evaluating new opportunities that could include a joint venture, a disposal of investments or 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.

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

Summary of Outstanding Securities as at June 30, 2020:

Authorized:	Unlimited number of common shares without nominal or par value
Issued and outstanding:	36,012,878
Stock options:	3,317,500 at a weighted average exercise price of $0.37 per share
Warrants:	5,000,000 at a weighted average exercise price of $0.35 per share

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 adequacy of the Company's financial resources, the timing and amount of potential future investments, risks associated with investment in cryptocurrency related companies, the expectation the Company will operate at a loss for the foreseeable future and that the Company expects to raise additional funds as needed are forward-looking statements and contain forward-looking information. Generally, forward-looking statements and information can be identified by the use of forward-looking terminology such as "intends" or "anticipates", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would" or "occur". Forward-looking statements are based on certain material assumptions and analysis made by the Company and the opinions and estimates of management as of the date hereof, including that management's expectations with respect to the adequacy of the Company's financial resources, the timing and amount of potential future investments, risks associated with investment in cryptocurrency related companies are correct, that the Company will operate at a loss for the foreseeable future and that the Company will be successful in raising additional funds as needed.

Important factors that may cause actual results to vary, include, without limitation, the risk factors described under the heading Risk Factors in this MD&A, the risk factors contained in the Company's Filing Statement, other risk factors discussed in greater detail in the Company's various filings on SEDAR (www.sedar.com), that management's expectations with respect to the adequacy of the Company's financial resources, the timing and amount of potential future investments, risks associated with investment in cryptocurrency related companies are incorrect, that the Company will not operate at a loss for the foreseeable future and that the Company will not be successful in raising additional funds as needed. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such 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 and forward-looking information. The Company does not undertake to update any forward-looking statement, forward-looking information or financial out-look that are incorporated by reference herein, except in accordance with applicable securities laws. We seek safe harbor.