

**BRAND X LIFESTYLE CORP.**  
**(formerly Block X Capital Corp.)**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**THREE AND NINE MONTHS ENDED SEPTEMBER 30, 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 November 30, 2020. This MD&A should be read in conjunction with our unaudited interim condensed consolidated financial statements and accompanying notes thereto for the three and nine months ended September 30, 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](http://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 403 – 850 Harbourside Drive, North Vancouver, BC, V7P 0A3. 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 nine months ended September 30, 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 May 10, 2020 the Company received 60,000 common shares with a fair value of \$60,000 as payment of dividends from AgriFORCE.

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. On July 10, 2020, the Company announced that this first milestone had been met and released 1,725,000 shares to the shareholders of CBIO;
- 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. On July 10, 2020, the Company announced that this second milestone had been met and released 1,725,000 shares to the shareholders of CBIO;
- 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 for current period 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 nine months ended September 30, 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 nine months ended September 30, 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 nine months ended September 30, 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. On May 5, 2020, FansUnite completed its public listing and commenced trading on the Canadian Securities Exchange under the symbol "FANS". The Company determined that the fair value of its investment in FansUnite was \$90,000 at September 30, 2020 (December 31, 2019: \$280,000). During the nine months ended September 30, 2020, the Company recognized a fair value adjustment of \$(190,000).

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 \$338,571 at September 30, 2020 (December 31, 2019 - \$107,143). During the nine months ended September 30, 2020, the Company recognized a fair value adjustment of \$231,428.

#### 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 May 20, 2020, the Company completed a non-brokered private placement whereby it issued 2,500,000 units at a price of \$0.10 per unit for proceeds of \$250,000. 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 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.

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.

On August 12, 2020 the Company issued 300,000 common shares of the capital of Brand X as a loan in connection with CBIO's acquisition of two hemp-complex CBD-infused health and wellness brands.

## Results and Discussion of Operations

### Results of Operations

At September 30, 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 nine months ended September 30, 2020*

	<b>2020</b>	<b>2019</b>
Finance fees and bank charges	\$ 660	\$ 213
Consulting fees	146,140	25,125
Filing and transfer agent fees	46,573	17,694
Office, rent and administration	54,902	131,822
Professional fees	69,504	19,706
Share based payments	116,618	6,237
Change in fair value of investments	(41,428)	40,714
Finance income	(121,317)	(64,737)
Net income (loss) for the period	\$ (271,652)	\$ (176,774)

Net loss for nine months ended September 30, 2020 was \$271,652 compared to a net loss of \$176,774 for the nine months ended September 30, 2019. The \$84,878 increase in loss was driven primarily an increase in consulting fees, Filing and transfer agent fees, and professional fees as a result of increased activity in 2020 compared to 2019. This was offset by a \$41,428 increase in the fair value of the Company's investments (2019: decrease in value of \$40,714) as determined by management at September 30, 2020 and an increase in finance income compared to 2019, primarily as a result of interest earned on the Company's investment in a note receivable.

Further contributing to the increase in costs was the recording of the fair value of stock options granted and partially vested during the period. The Company recorded \$116,618 during this period.

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

#### *Results of Operations for the three months ended September 30, 2020*

	<b>2020</b>	<b>2019</b>
Finance fees and bank charges	\$ 18	\$ 18
Consulting fees	15,750	-
Filing and transfer agent fees	6,297	6,361
Office, rent and administration	25,000	37,342
Professional fees	7,416	3,457
Share based payments	116,618	-
Change in fair value of investments	226,858	8,572
Finance income	(16,516)	(34,911)
Net income (loss) for the period	\$ (381,441)	\$ (20,839)

Net loss for the three months ended September 30, 2020 was \$381,441 compared to a net loss of \$20,839 for the three months ended September 30, 2019. The \$360,602 increased loss was driven primarily by a \$226,858 decrease in the fair value of the Company's investments (2019: decrease of \$8,572) as determined by management at September 30, 2020 compared to June 30, 2020.

The loss for the three months ended September 30, 2020 was further driven by increased costs associated with consultants, a decrease in office, rent, and administrative costs, and the recording of the fair value of stock options vested during the period.

### Summary of Quarterly Results

	30Sep20	30Jun20	31Mar20	31Dec19	30Sept19	30Jun19	31Mar19	31Dec18
<b>Revenue</b>	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
<b>Net Income (Loss)</b>	\$(381,441)	\$221,258	\$(111,469)	\$1,358,043	\$(20,839)	\$(60,320)	\$(95,615)	\$(1,245,251)
<b>Total Assets</b>	\$5,710,605	\$5,914,724	\$5,456,907	\$4,537,625	\$3,159,257	\$3,201,779	\$3,252,136	\$3,332,589
<b>Total Liabilities</b>	\$72,043	\$63,840	\$77,280	\$29,530	\$9,205	\$30,888	\$22,020	\$12,000

The quarter ended September 30, 2020 saw a decrease in the fair value of the Company's investments of \$226,858 and finance income associated with notes receivable of \$16,516.

The quarter ended June 30, 2020 experienced an increase in the fair value of the Company's investments of \$199,714 and finance income associated with notes receivable of \$85,342.

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.

### 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 early-stage to mid-level emerging technology projects. The Company is not subject to any externally imposed capital requirements.

At September 30, 2020, the Company's current assets exceeded its current liabilities by \$943,005 (December 31, 2019: \$396,966). As at September 30, 2020, the Company had cash and cash equivalents of \$95,955 (December 31, 2019: \$186,296). Cash was raised from private placement financings and used for investments and operations during the period.

### 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 nine months ended September 30, 2020, the Company incurred consulting fees of \$25,000 to the CFO of the Company (2019 - \$20,125 to the interim CEO and CFO of the Company).

During the nine months ended September 30, 2020, compensation to key management personnel included share-based payments of \$36,335 (2019 - \$nil).

#### **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 nine months ended September 30, 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 September 30, 2020 the Company had cash and cash equivalents of \$95,955 to settle current liabilities of \$72,043. 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 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 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.

#### *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 or 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:

	<b>As at September 30, 2020</b>	<b>As at the date of this report</b>
Authorized	unlimited	unlimited
Issued and outstanding	38,812,878	38,812,878
Stock options	3,317,500	3,317,500
Warrants	7,500,000	7,500,000
Fully diluted	49,630,378	49,630,378

### **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](http://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.

### **Subsequent Events**

- The Company disposed of 100,000 of FansUnite Entertainment Inc for gross proceeds of \$22,750.
- The Company received 100,000 share purchase warrants of MineHub in connection with the note receivable amendment as described in note 4 of the accompanying financial statements.