DIGICRYPTS BLOCKCHAIN SOLUTIONS INC.

(formerly TJR COATINGS INC.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE THREE MONTHS ENDED APRIL 30, 2018 AND 2017

(EXPRESSED IN CANADIAN DOLLARS)

DigiCrypts
BLOCKCHAIN SOLUTIONS

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed interim consolidated financial statements of DigiCrypts Blockchain Solutions Inc. (formerly TJR Coatings Inc.) are the responsibility of the management and Board of Directors of the Company.

The unaudited condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the unaudited condensed interim statement of financial position date. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Chris Carl"
Chris Carl
Chief Executive Officer

"David Posner"
David Posner
Chairman

FORMERLY TJR COATINGS INC.
Unaudited Condensed Interim Consolidated Statements of Financial Position
Expressed in Canadian dollars

	Notes	**As at April 30, 2018**	As at January 31, 2018
		$	$
		(Unaudited)	(Audited)
ASSETS			
Current			
Cash		**612,890**	70
HST and other receivables		**10,325**	-
Prepaid expenses	12	**26,255**	-
		649,470	70
Fixed Assets			
Equipment		**388,271**	-
Developer Costs		**33,775**	-
Computer Software		**45,392**	-
Sub-Total		**467,438**	
Less Accumulated Depreciation		**-**	-
Fixed Assets, net	6,7	**467,438**	-
Total Assets		**1,116,908**	70
LIABILITIES			
Current Liabilities			
Accounts Payable and Accrued Liabilities		**82,463**	5,000
Total Current Liabilities	9	**82,463**	5,000
Non-current Liabilities			
Loan Payable to Director		**-**	366,885
Total Liabilities		**82,463**	371,885
SHAREHOLDERS' EQUITY			
Share capital	10	**1.985,744**	511,600
Reserve for warrants	11	**-**	
Accumulated other comprehensive (loss) income		**-**	-
Accumulated deficit		**(951,299)**	(883,415)
Total Shareholders' Equity		**1,034,445**	(371,815)
Total Liabilities and Shareholders' Deficiency		**1,116,908**	70

Nature of operations and going concern	1
Commitments	14
Subsequent event	16

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

DigiCrypts
BLOCKCHAIN SOLUTIONS

FORMERLY TJR COATINGS INC.
Unaudited Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three months ended April 30, 2018 and 2017
(Expressed in Canadian dollars)

	Notes	**Three months ended April 30, 2018**	Three months ended April 30, 2017
		$	$
Revenue		**10,000**	-
Cost of Sales		**8,000**	
Gross Profit		**2,000**	
Expenses			
Management and consulting fees	12	**215,000**	-
Professional fees		**52,065**	847
Office and general		**7,729**	-
Interest on Loan Payable		**-**	7,834
Travel		**14,484**	-
Cost of public listing	4	**664 021**	-
Total Expenses		**953,299**	8,681
Net Loss and Comprehensive Loss		**(951,299)**	(8,681)
Weighted average shares outstanding			
- Basic and diluted		**90,793,836**	22,583,836
Loss per share			
- Basic and diluted		**(0.01)**	-

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

DigiCrypts
BLOCKCHAIN SOLUTIONS

FORMERLY TJR COATINGS INC.
Unaudited Condensed Interim Consolidated Statements of Cash Flows
For the three months ended April 30, 2018 and 2017
(Expressed in Canadian Dollars)

	Notes	**Three months ended April 30, 2018** $	Three months ended April 30, 2017 $
Cash Flows from Operating Activities			
Net loss for the period		**(951,299)**	(8,681)
Non-cash items flows			
Shares issued for acquisition	4	**559,091**	-
		(392.208)	(8,681)
Net change in non-cash working capital items:			
Prepaids		**(26,255)**	-
Accounts receivable		**(10,325)**	-
Accounts payable and accrued liabilities	9	**82,463**	847
Net change in non-cash working capital items		**45,883**	847
Cash flows (used in) operating activities		**(346,325)**	(7,834)
Cash Flows from Financing Activities			
Private Placements	10	**1,426,6530**	-
Cash Flows from Financing Activities		**1,426,6530**	-
Cash Flows from Investing Activities			
Investment in Fixed Assets	6,7	**(467,438)**	7,834
Cash flows (used in) investing activities		**(467,438)**	7,834
Increase in cash		**612,890**	-
Cash, beginning of period		**-**	-
Cash, end of period		**612,890**	-

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

FORMERLY TJR COATINGS INC.
Unaudited Condensed Interim Consolidated Statements of Changes of Equity Flows
For the three months ended April 30, 2018 and 2017
(Expressed in Canadian dollars)

	Notes	Common Shares #	Share Capital $	Deficit	Total $
Opening balance		22,583,836	1,426,653	$ -	1,426,653
Issuance of Shares on RTO		194,000,000	559,091	-	559,091
Net loss for the period		-	-	(951,299)	(951,299)
Balance, April 30, 2018		216,583,836	1,985,744	(951,299)	1,034,445

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

DigiCrypts Blockchain Solutions Inc., formerly TJR Coatings Inc. (the "Company") is incorporated under the laws of the Ontario.

The registered office and principal place of business of the Company is 31 Sunset Trail, Toronto, Ontario.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). The accompanying financial statements of the Company have been prepared by, and are the responsibility of, the Company's management.

These financial statements are presented in Canadian dollars, which is our presentation and functional currency. We have prepared these financial statements using the historical cost basis except for certain financial instruments that have been evaluated at fair value. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented.

The Company's wholly-owned subsidiary, 2618249 ONTARIO CORP. ("DigiCrypts"), was formed to exploit "revenue and profit opportunities" on a global basis in all fields related to crypto currencies and the Initial Coin Offering marketplace. DigiCrypts is developing operations in three different areas of the crypto currency marketplace including crypto-mining, ICO communication and support, and the issuance of a consumer friendly digital crypto-currency.

DigiCrypts was incorporated on January 31, 2018 by Articles of Incorporation under the laws of the Province of Ontario, Canada.

On March 27, DigiCrypts completed a private placement in the amount of $1,065,000 (see Note 8) through the issuance of 42,600,000 Units. Each Unit consists of 1 common share of the Company purchased at $0.025 cents per share and a half-warrant where each warrant entitles the holder to acquire 1 common share of the Company at $0.05 cents per share where such warrant must be exercised not later than the earlier of, (i) two years following the date commencement of trading of the Company's shares on a Canadian stock exchange, or (ii) within 30 days of the holder having received notice that the shares of the Company had traded above 10 cents per share on a Canadian stock exchange for more than 10 consecutive days.

On April 15, a subscriber document was located in which a subscriber had subscribed for 400,000 shares at a cost of $10,000 for which no shares had been issued. These shares were issued subsequent to March 29, 2018.

The proceeds from the private placement will be used to execute the business plan of the Company and for general working capital purposes.

On February 9, 2018, DigiCrypts entered into a binding Letter of Intent ("LOI") with TJR Coatings Inc. ("TJR") whereby TJR would acquire all of the 151,000,000 outstanding DigiCrypts shares, in exchange for issuing a total of 151,000,000 TJR common shares at a ratio of one TJR share for each one DigiCrypts share at a deemed price of $0.025 per TJR share, resulting in a reverse take-over of TJR by DigiCrypts. This transaction was completed on March 29, 2018.

As at April 30, 2018, the Company had working capital of $565,007, had not yet achieved profitable operations, had accumulated losses of $951,299, and currently expects to incur further losses in the development of its business. There is no assurance that the investments made by the Company and any future investments will be successful and profitable, and as such, there is an uncertainty with respect to the Company's ability to continue as a going concern.

The Company is dependent upon obtaining financing for its on-going and planned investment activities and to meet its ongoing cost of corporate overhead and discharge its liabilities as they come due. These financial statements have been prepared on the basis that the Company will continue as a going concern and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These unaudited condensed interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB have been condensed or omitted and these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended January 31, 2018.

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of its unaudited interim condensed financial statements. In addition, the preparation of the financial data requires that the Company's management make assumptions and estimates of the effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The critical judgments and estimates applied in the preparation of the Company's unaudited condensed interim financial statements are consistent with those applied and disclosed in the Company's financial statements for the year ended January 31, 2018. In addition, the accounting policies applied in these unaudited condensed interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended January 31, 2018.

The Company's interim results are not necessarily indicative of its results for a full year.

These financial statements were authorized by the Board of Directors of the Company on June 28, 2018.

(b) Basis of presentation

These financial statements are presented in Canadian dollars, which is the Company's functional currency. The financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3. Historical cost is generally based upon the fair value of the consideration given in exchange for assets.

(c) Adoption of new and revised standards and interpretations

New standards and interpretations

At the date of authorization of these Financial Statements, the IASB and the IFRS Interpretations Committee have issued certain new and revised Standards and Interpretations which are not yet effective. Many are not applicable or do not have a significant impact to the Company and have been excluded from the list below. The Company has not early adopted and is currently assessing what impact the application of these standards or amendments will have on the financial statements of the Company.

- Institutions. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.
- IFRS 16 – Leases ("IFRS 16") was issued in January 2016 and replaces IAS 17 – Leases ("IAS 17"). Under IAS 17, lessees were required to make a distinction between a finance lease and an operating lease. If the lease was classified as a finance lease, a lease liability was included on the statement of financial position. IFRS 16 now requires lessees to recognize a right of use asset and lease liability reflecting future lease payments for virtually all lease contracts. The right of use asset is treated similarly to other non-financial assets and depreciated accordingly. The lease liability accrues interest. The IASB has included an optional exemption for certain short term leases and leases of low value assets; however, this exemption can only be applied by lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the identified asset's use and obtain substantially all the economic benefits from that use. IFRS 16 is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted if IFRS 15, Revenue from Contracts with Customers, is also applied.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Share-based payments

Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The consolidated statements of loss and comprehensive loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in operating expenses. No expense is recognized for awards that do not ultimately vest.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of recognition and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award and designated as replacement awards on the date of grant, the cancelled and new awards are treated as if they were a modification of the original awards, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally.

(b) Compound instruments

The components of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the contractual agreement. At the date of issue, the fair value of the liability component is estimated using the market interest rate then in effect for a similar non-convertible instrument. This amount is recorded as a liability, at amortized cost, using the effective interest rate method until its expiry at the time of conversion or maturity of the instrument. The equity component is determined by deducting the amount of the liability component of the total fair value of the compound instrument. This amount is recognized in equity, net of income tax effects, and is not subsequently remeasured. Transaction costs related to the issuance of the convertible debenture are allocated to the liability and equity components in proportion to their initial carrying amounts. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the life of the debenture using the effective interest method. Interest and accretion expense are recognized as a finance cost in the consolidated statements of loss and comprehensive loss.

(c) Taxation

Income tax expense represents the sum of tax currently payable and any deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

Deferred income tax

Deferred taxation is recognized using the liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, the deferred taxation is not recognized if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred taxation is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred taxation asset is realized or the deferred taxation liability is settled.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

(d) Loss per share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes conversion, exercise or contingent issuance of options, warrants and securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. For the year ended December 31, 2016, no potential shares are included in the computation as they are anti-dilutive.

(e) Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss (“FVTPL”).

Financial assets classified as FVTPL are measured at fair value with realized gains and losses recognized through profit or loss. The Company’s cash is classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity are measured at amortized cost. The Company’s other receivables are classified as loans and receivables.

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for when there is objective evidence of impairment. As at April 30, 2018, the Company has not classified any financial assets as available for sale or held to maturity.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

(f) Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. The Company’s accounts payable and accrued liabilities, convertible debentures and long-term debt are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statements of loss and comprehensive loss.

In accordance with IFRIC 19, when debt is extinguished with equity, the difference between the carrying amount of the debt extinguished and the fair value of the equity is recognized in the consolidated statement of loss and comprehensive loss.

(g) Impairment of financial assets

The Company assesses at each financial reporting date whether a financial asset is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in net income or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in net income or loss.

(h) Cash

Cash in the consolidated statement of financial position comprises cash at banks and lawyer's trust accounts which is available on demand.

(i) Fixed Assets

The Company records the value of fixed assets at the lower of cost or market value. The Company evaluates each asset or cash generating unit every reporting period to determine whether there are any indications of impairment. If any such indication exists, which is often judgmental, a formal estimate of recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The evaluation of asset carrying values for indications of impairment includes consideration of both external and internal sources of information, including such factors as the relationship between mining rewards and the required computing power, digital currency prices, the periodic contribution margin of digital currency mining activities, changes in underlying costs, such as electricity, and technological changes.

Development costs related to Apps that are expected to generate revenue are capitalized at cost.

(j) Depreciation

Depreciation of computing equipment is an estimate of its expected life. In order to determine the useful life of computing equipment, assumptions are required about a range of computing industry market and economic factors, including required hashrates, technological changes, availability of hardware and other inputs, and production costs. The computing equipment acquired to date is depreciated on a straight-line basis over 24 months starting the month the machines are put into operation.

Amortization of development costs is also calculated on a 24-month straight-line basis starting the month the App first earns revenue.

(k) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(l) Share issuance costs

Costs incurred in connection with the issuance of share capital are netted against the proceeds received. Costs related to the issuance of share capital and incurred prior to issuance are recorded as deferred share issuance costs and subsequently netted against proceeds when they are received.

(m) Share capital

In situations where the Company issues units, the value of units is bifurcated and the value of warrants is included as a separate reserve of the Company's equity.

(n) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

(o) Foreign currency translation

The functional currency of the Company is the Canadian dollar, which is the presentation currency of the financial statements. The functional currency of the Company is Canadian dollars.

Monetary assets and liabilities denominated in currencies other than Canadian dollars are translated into Canadian dollars at the rate of exchange in effect at the statement of financial position date. Non-monetary assets and liabilities are translated at the historical rates. Revenues and expenses are translated at the transaction exchange rate. Foreign currency gains and losses resulting from translation are reflected in net comprehensive loss for the period.

The assets and liabilities of entities with a functional currency that differs from the presentation currency are translated to the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the financial period end;

- Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated at the rate on the dates of the transactions);
- Equity transactions are translated using the exchange rate at the date of the transaction; and
- All resulting exchange differences are recognized as a separate component of equity as reserve for foreign exchange.

When a foreign operation is disposed of, the relevant amount in the reserve for foreign exchange in other comprehensive income is transferred to profit or loss as part of the profit or loss on disposal.

On the partial disposal of a subsidiary that includes a foreign operation, the relevant proportion of such cumulative amount is reattributed to non-controlling interest. In any other partial disposal of a foreign operation, the relevant proportion is reclassified to profit or loss.

Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future, and which in substance, is considered to form part of the net investment in the foreign operation, are recognized in the reserve for foreign exchange.

(p) Joint arrangements

A joint arrangement represents an arrangement where two or more parties hold joint control. Joint control is deemed to exist under contractual agreement where decisions regarding relevant activities of the arrangement require the unanimous consent of those parties sharing control.

A joint venture is a joint arrangement and represents a company or other entity in which each venturer has an interest, holds joint control and holds rights to the net assets of the entity. Interests in joint ventures are accounted for using the equity method of accounting.

A joint operation is a joint arrangement and represents a company, partnership or other entity in which each venture has an interest, holds joint control and holds rights to the assets and obligations for the liabilities of the entity. Interests in joint operations are accounted for by recognizing the Company's share of the assets, liabilities, revenue and expenses.

(q) Significant accounting judgments and estimates

The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

The most significant estimates relate to the valuation of deferred income tax amounts, and valuation of warrants, options and shares issued during private placements and measurement of derivative liability.

The most significant judgments relate to recognition of deferred tax assets and liabilities, assessment of functional currency, determination of derivative liability of convertible debt and determination if the investment is a joint arrangement.

4. ACQUISITION OF 2618249 ONTARIO CORP.

On February 9, 2018, the Company entered into a definitive agreement with 2618249 ONTARIO CORP. doing business as DigiCrypts Blockchain Solutions (“DigiCrypts”). Pursuant to the definitive agreement, on March 29, 2018 the Company acquired all the issued and outstanding common shares of DigiCrypts (the “DigiCrypts Shares”) on a 1-for-1-exchange basis from the DigiCrypts shareholders, which constituted a reverse takeover of the Company by DigiCrypts shareholders (the “RTO”).

Pursuant to the RTO, TJR issued 194,000,000 common shares at a deemed price of $0.025 per common share in exchange for all of the issued and outstanding shares of DigiCrypts. TJR also issued 21,500,000 share purchase warrants under the same terms and conditions of the warrants issued by DigiCrypts.

The Company had 22,363,636 common shares outstanding prior to the completion of the RTO. On closing of the RTO the total shares outstanding in the Company subsequent to the RTO were 216,363,636. As a result, the original shareholders of the Company retained 10.3% and DigiCrypts shareholders obtained 89.70% of the Company.

Since the DigiCrytpts did not meet the definition of a business under IFRS 3 – Business Combinations, the acquisition was accounted for as a purchase of the DigiCrypts’ assets. The consideration paid was determined as equity-settled share based payments under IFRS 2, at the fair value of the equity of DigiCrypts retained by the shareholders of the Company based on the fair value of the DigiCrypts common shares on the date of closing of the RTO, which was determined to be $0.025 per common share based on the most recent equity raise completed just prior to the RTO. DigiCrypts recorded closing costs of $6,487 in the April 20, 2018 audited interim financial statements of net loss and comprehensive loss.

The terms of the Transaction including the following:

Prior to the closing of the RTO, DigiCrypts raised gross proceeds from the sale of common shares of $1,075,000 (including the Shares Not Yet Issued at the time of the RTO).

At the time of closing, $371,884 of debts owed to a related party of the Company were satisfied by the payment $100,000.

Warrants to purchase a total of 21,500,000 shares of DigiCrypts were exchanged for an equal number of Warrants in the Corporation. The Black-Scholes valuation of the warrants was deemed to be Nil.

No Stock Options had been issued by either company at the time of the RTO.

The Company incurred transaction costs of $26,792 related to this portion of the transaction.

(Expressed in Canadian Dollars)

The table below summarizes the fair value of the assets acquired and the liabilities assumed at the acquisition date, as well as the consideration paid:

Consideration:	
Common shares	$ 559,091
Stock options	-
Total Consideration	559,091
Liabilities Acquired:	
Liabilities & Accounts Payable	104,930
Total Liabilities Acquired	104,930
Expense of public listing	$ 664,021

In conjunction with the RTO transaction, on March 28, 2018, the Company issued 43,000,000 units for gross cash proceeds of $1,075,000 less legal and other costs of $6,487 and zero brokerage fees, resulting in net cash proceeds of $1,068,513. Each unit was comprised of one common share and one half of one common share purchase warrant. Each whole share warrant can be converted into one common share at an exercise price of $0.05 per Common Share until the earlier of two (2) years from the Closing Date, or thirty (30) days following notice from Corporation after the Common Shares have traded on a stock exchange for ten (10) consecutive days at a closing price in excess of $0.10.

5. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the development of its planned business activities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In order to carry out the planned business activities and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements.

The Company considers its capital to be shareholders' equity, which is comprised of share capital, reserve for warrants, and accumulated deficit, which as at April 30, 2018 totaled $1,034,445.

The Company's objective when managing capital is to obtain adequate levels of funding to support its business activities, to obtain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the development of its business. The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements, initial public offering and issuance of convertible debentures. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

(Expressed in Canadian Dollars)

6. COMPUTING EQUIPMENT

	April 30, 2018		
	Additions	**Acc. Dep**	**NBV**
Computing equipment	**$ 388,271**	**$ -**	**$388,271**

7. APP DEVELOPMENT COSTS

	April 30, 2018		
	Additions	**Acc. Amort**	**NBV**
App Developments costs	**$ 79,167**	**$ -**	**$ 79,167**

8. RISK FACTORS

Fair value

The carrying amount of cash, accounts payables and accrued liabilities approximate fair value due to the relative short maturity of these financial instruments. As at April 30, 2018 cash and cash equivalents are considered level 1. The carrying value of convertible debt approximates fair value as it bears interest at market rates.

Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and other receivables. Cash is held with a reputable Canadian chartered bank. Management believes that the credit risk concentration with respect to financial instruments included in cash is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company generates cash flow primarily from its financing activities. As at April 30, 2018, the Company had a cash balance of $612,890, and current liabilities of $82,463.

(Expressed in Canadian Dollars)

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable of the Company are principally comprised of amounts outstanding for trade purchases relating to regular business activities and amounts payable for financing activities. The usual credit period taken for purchases is between 30 to 90 days.

The following is an aged analysis of the accounts payables and accrued liabilities:

	April 30, 2018
	$
Less than 90 days	82,463
Greater than 90 days	-
Total accounts payable and accrued liabilities	82,463

10. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares without par value.

(i) On January 31, 2018, the Company issued 151,000,000 shares for gross and net proceeds of $358,500.

(ii) On March 27, 2018, 42,600,000 shares were issued at $0.025 per share for gross proceeds of $1,065,000 shares, and net proceeds of $1,058,513.

(iii) On April 15, a subscriber document was located in which a subscriber had subscribed for 400,000 shares for gross and net proceeds of $10,000 for which no shares had been issued.

The Company issued 194,000,000 common shares for $559,091 on the acquisition of 2618249 Ontario Corp. as more fully described in Note 4.

(Expressed in Canadian Dollars)

11. RESERVE FOR WARRANTS

Pursuant to the issuance of 43,000,000 shares (see Note 10 (ii) and (iii) combined), the Company issued 21,500,000 common share purchase warrants. The common share purchase warrants were fair valued at $Nil. The fair value of the common share purchase warrants and the broker warrants were estimated on the date of the closing using the Black-Scholes option pricing model with the following assumptions:

Market price	$.025
Expected dividend yield	0%
Expected volatility	100%
Risk-free interest rate	1.25%
Expected life	2 years

Share purchase warrant transactions for the year ended April 30, 2018 are summarized as follows:

	Warrants	Weighted Average Exercise Price	Fair Value
	#	$	$
Balance January 31, 2018	-	-	-
Warrants issued	21,500,000	0.05	-
Warrants issue costs	-	-	-
Balance April 30, 2018	21,500,000	0.05	-

12. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly.

Total key management compensation paid to the Chief Executive Officer and VP Operations amounts to $84,000 for the period ended April 30, 2018. The Company also incurred consulting fees to founders of $126,000. As at April 30, 2018, $Nil is included in accounts payable and accrued liabilities.

Included in Prepaid Expenses was $10,516 due from the CEO for an advance made in respect of expenses that will be incurred on behalf of the Company.

13. SEGMENTED INFORMATION

At April 30, 2018, the Company's operations were comprised of a single reporting operating segment engaged in the development of crypto currency businesses in Canada and internationally.

14. COMMITMENTS

The Company has no commitments as at April 30, 2018.

15. INCOME TAX

The Company has approximately $711,207 of Canadian net operating losses as at April 30, 2018 available to be carried forward against future taxable income. These non-capital losses will expire in 2038.

16. SUBSEQUENT EVENT

On May 25, 2018, the Company changed its name from TJR Coatings Inc. to DigiCrypts Blockchain Solutions Inc. ("DigiCrypts"). The name change was approved by shareholder vote at the Company's Annual General and Special Meeting held on May 21, 2018. At the Meeting, shareholders also approved the Company's stock option plan, and the re-election of David Posner, David Bhumgara, Yoni Ashurov and Edward Murphy as directors to the board of directors of the Company.