

APPX CRYPTO TECHNOLOGIES INC.
(FORMERLY APPATURE MOBILE APPLICATIONS INC.)

Condensed consolidated interim financial statements
Three Month Period Ended March 31, 2018 and period from August 22, 2017
(date of incorporation) to December 31, 2017
(Expressed in Canadian dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of APPx Crypto Technologies Inc. (formerly Appature Mobile Applications Inc.) (the "Company") have been prepared by and are the responsibility of management. These condensed consolidated interim financial statements for the three months ended March 31, 2018 have not been reviewed or audited by the Company's independent auditors. All amounts are stated in Canadian Dollars.

APPx Crypto Technologies Inc. (formerly Appature Mobile Applications Inc.)
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian dollars)

	March 31, 2018	December 31, 2017 (Audited)
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	2,349,825	—
Amounts receivable	47,495	—
Prepaid expenses	108,200	15,000
TOTAL CURRENT ASSETS	2,505,521	15,000
NON-CURRENT ASSETS		
Intangible assets (Notes 4 and 5)	426,595	—
Goodwill (Notes 4 and 6)	1,242,955	—
TOTAL ASSETS	4,175,071	15,000
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 11)	172,043	225,091
Loan payable (Note 6 and 11)	15,000	61,799
TOTAL LIABILITIES	187,043	286,890
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	2,439,317	150
Special warrants (Note 9)	1,580,059	—
Warrant reserve (Note 8 and 10)	132,583	—
Deficit	(170,596)	(272,040)
TOTAL REWARDDROP SOFTWARE INC. SHAREHOLDERS' EQUITY	3,981,363	(271,890)
Non-controlling interest	6,665	—
TOTAL SHAREHOLDERS' EQUITY	3,998,028	15,000
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,175,071	15,000

Nature of operations (Note 1)
Subsequent events (Note 14)

Approved and authorized for issuance on behalf of the Board of Directors on May 30, 2018:

/s/ "Rahim Mohamed"
Rahim Mohamed, Director

/s/ "Jay Ruckenstein"
Jay Ruckenstein, Director

(The accompanying notes are an integral part of these condensed consolidated interim financial statements)

APPx Crypto Technologies Inc. (formerly Appature Mobile Applications Inc.)
Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
(Expressed in Canadian dollars)

	Three months ended March 31, 2018	Period from August 22, 2017 (date of incorporation) to December 31, 2017 (Audited)
	\$	\$
REVENUE	-	-
EXPENSES		
Advertising and marketing fees (Note 11)	24,379	-
Amortization (Note 5)	2,898	-
Consulting and management fees (Note 11)	17,871	-
General and administrative	9,210	6,656
Professional fees	38,717	4,010
Research and development costs (Note 11)	71,342	259,501
Transfer agent and filing fees	1,190	-
Travel	12,727	1,873
TOTAL EXPENSES	178,334	272,040
LOSS BEFORE OTHER EXPENSES	(178,334)	(272,040)
OTHER EXPENSES (INCOME)		
Forgiveness of Debt Arrangement (Note 11)	(275,180)	-
TOTAL OTHER EXPENSES (INCOME)	275,180	(272,040)
NET INCOME (LOSS) AND COMPREHENSIVE LOSS FOR THE YEAR	96,847	(272,040)
Less: net income (loss) attributable to the non-controlling interest	4,597	-
NET INCOME (LOSS) ATTRIBUTABLE TO APPx Crypto Technologies Inc.	101,444	(272,040)
Income (loss) per share attributed to APPx Crypto Technologies Inc., basic and diluted	0.00	(1,813.60)
Weighted average number of common shares outstanding	24,851,940	150

(The accompanying notes are an integral part of these condensed consolidated interim financial statements)

APPx Crypto Technologies Inc. (formerly Appature Mobile Applications Inc.)
Condensed Consolidated Interim Statements of Changes in Equity
(Expressed in Canadian dollars)

	Common Shares Number	Common Shares \$	Special warrants \$	Warrant reserve \$	Deficit \$	Non-controlling interest \$	Total \$
Balance, August 22, 2017	–	–	–	–	–	–	–
Issuance of founder' shares	150	150	–	–	–	–	150
Net loss for the year	–	–	–	–	(272,040)	–	(272,040)
Balance, December 31, 2017	150	150	–	–	(272,040)	–	(271,890)
Reverse takeover transaction	73,382,217	2,146,667	–	–	–	11,262	2,157,929
Finder's fees on acquisition	2,825,000	282,500	–	–	–	–	282,500
Special warrant financing	–	–	1,930,000	–	–	–	1,930,000
Shares issued for settlement of debt	100,000	10,000	(349,941)	132,583	–	–	(207,358)
Net loss for the year	–	–	–	–	101,444	(4,597)	96,847
Balance, March 31, 2018	76,307,367	2,439,317	1,580,059	132,583	(170,596)	6,665	3,998,028

(The accompanying notes are an integral part of these condensed consolidated interim financial statements)

APPx Crypto Technologies Inc. (formerly Appature Mobile Applications Inc.)
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian dollars)

	Three months Ended March 31, 2018	Period from August 22, 2017 (date of incorporation) to December 31, 2017 (Audited)
OPERATING ACTIVITIES		
Net income (loss) for the period	96,847	(272,040)
Items not involving cash:		
Amortization	2,898	–
Forgiveness of debt	(275,180)	–
Change in non-cash working capital items:		
Amounts receivable	(13,993)	–
Prepaid expenses	(5,000)	(15,000)
Accounts payable and accrued liabilities	5,293	225,091
Due to related parties	–	61,949
Net cash used in operating activities	(179,136)	–
FINANCING ACTIVITIES		
Cash gained on acquisition	806,319	–
Proceeds from Special warrants, net of issue costs	1,722,642	–
Net cash provided by financing activities	2,528,961	–
Change in cash and cash equivalents		
Cash and cash equivalents, beginning of period	–	–
Cash and cash equivalents, end of year	2,349,825	
Non- cash financing activities:		
Shares issued to offset against related party debt	–	150

(The accompanying notes are an integral part of these condensed consolidated interim financial statements)

APPx Crypto Technologies Inc. (formerly Appature Mobile Applications Inc.)

Condensed Consolidated Interim Statements of Cash Flows

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

APPX Crypto Technologies Inc. (formerly Appature Mobile Applications Inc.) (the “Company” or “APPX”) is a private start-up technology incubator, specializing in launching, acquiring and vertically integrating technology companies. The Company incubates multiple mobile technologies internally while providing engineering, capital, executive management and strategic development services.

The Company was incorporated as CDN BVentures Ltd. on October 30, 2014 under the Business Corporations Act (British Columbia) as a wholly-owned subsidiary of a reporting issuer, Web Watcher Systems Ltd. (“Web Watcher”). On December 9, 2014, Web Watcher entered into an arrangement agreement (the “Arrangement Agreement”) with the Company. Under the terms of the Arrangement Agreement, Web Watcher was to complete a plan of arrangement which would divest Web Watcher of the asset consisting of a letter of intent, which would be divested to the Company for consideration of 1,440,351 common shares of the Company. Web Watcher received shareholder approval for the Arrangement Agreement at an annual general and special meeting of shareholders held on January 29, 2015 and received final approval to the Arrangement Agreement from the Supreme Court of British Columbia on February 5, 2015. The Arrangement Agreement was completed on October 24, 2017.

On March 2, 2018, the Company completed a share exchange agreement (the “Transaction”) with RewardDrop Software Inc. (“RSI”) was incorporated was incorporated under the Canada Business Corporation Act as a private company on August 22, 2017. The Company’s head office is located at 7355 Rte Transcanadienne, Suite 200, Saint-Laurent, QC, H4T 1T3.

Under the terms of the Transaction, the Company issued 50,000,000 common shares in exchange for 150 of issued and outstanding shares of RewardDrop Software Inc., which represents 100% ownership of RSI. As a result of the Transaction, the shareholders of RSI own 68.2% of APPX. Refer to Note 4.

These unaudited condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. These condensed consolidated interim financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Several conditions cast significant doubt on the validity of this assumption. At present, the Company has minimal operating income. During the three months ended March 31, 2018, the Company has incurred a net income of \$96,847 (August 22nd to December 31, 2017 - \$272,040) created by a forgiveness of debt and no sources of operating cash flow. As at March 31, 2018, the Company has working capital of \$2,318,478 (2017 – working capital deficit \$271,890) and an accumulated deficit of \$170,596 (December 31, 2017 - \$272,040). Although it is difficult to predict future liquidity requirements, management believes the Company expects to have sufficient working capital to funds its operations until first quarter of 2019. Without additional financing, the Company may not be able to fund its ongoing operations and complete development activities. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. These uncertainties cast doubt on the Company’s ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations.

APPx Crypto Technologies Inc. (formerly Appature Mobile Applications Inc.)

Condensed Consolidated Interim Statements of Cash Flows

(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION

(a) Statement of Compliance

These unaudited condensed consolidated interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee. The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”. They do not include all of the information required for full annual financial statements and should be read in conjunction with the Company’s audited annual financial statements for the fiscal year ended December 31, 2017, which have been prepared with International Financial Reporting Standards (“IFRS”). These Financial Statements were approved by the Company’s Board of Directors on May 30, 2018.

These unaudited condensed consolidated interim financial statements include the accounts of the Company and its 90.56% owned subsidiary, ATI and ATI’s wholly-owned subsidiary, Appature Technologies Inc. (“Appature AB”) and wholly owned subsidiary RewardDrop Software Inc. All significant inter-company balances and transactions have been eliminated on consolidation.

(b) Basis of Presentation

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information and are presented in Canadian dollars, which is the Company’s functional and reporting currency.

(c) Significant Accounting Judgments and Estimates

The preparation of condensed consolidated interim financial statements in accordance with IFRS requires management to make certain critical accounting estimates and assumptions that effect the amounts reported in the condensed consolidated interim financial statements and notes thereto. Actual amounts could differ from these estimates and assumptions. Estimates and underlying assumptions are reviewed on an ongoing basis. The impact of changes to estimates are recognized in the year estimates are revised and may impact future periods.

Critical Accounting Judgments:

Categories of Financial Instruments

The determination of categories of financial assets and financial liabilities has been identified as an accounting policy, which involves judgments or assessments made by management.

Going Concern Assumption

Management is required to determine whether or not the going concern assumption is appropriate for the Company at the end of each reporting period. Considerations taken into account include available information about the future including the availability of financing and revenue projection, as well as current working capital balance and future commitments of the Company.

APPx Crypto Technologies Inc. (formerly Appature Mobile Applications Inc.)
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (continued)

Critical Accounting Estimates:

Unrecognized Deferred Income Tax Assets

Unrecognized deferred income tax assets are made using the best estimate of the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the condensed consolidated interim financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the consolidated statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred income tax assets are recognized to the extent that it is probable that the assets can be recovered.

Fair Values of Assets and Liabilities Acquired in Business Combinations

The Company is required to recognize separately, at the acquisition date, the identifiable assets, liabilities and contingent liabilities acquired or assumed in a business combination at their fair values, which involves estimates. Such estimates are based on valuation techniques, which require considerable judgment in forecasting future cash flows and developing other assumptions.

Fair Values of Share-based Compensation

The Company is required to recognize at the acquisition date the fair values of share-based compensation for assets acquired based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable and which involves estimates.

Useful Life of Intangible Assets

Intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Amortization is calculated using management's best estimate on the useful life of the intangible assets. The Company reviews its estimate of the useful life of depreciable assets at each reporting date.

Recoverability of Intangible Assets

The Company assesses the carrying values of its intangible assets annually or more frequently if warranted by a change in circumstances. If it is determined that carrying values of the assets cannot be recovered, the unrecoverable amounts are charged against net loss. Recoverability is dependent upon assumptions and judgments regarding market conditions, costs of production, and sustaining capital requirements. Other assumptions used in the calculation of recoverable amounts are discount rates, future cash flows and profit margins. A material change in assumptions may significantly impact the potential impairment of these assets.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's audited annual financial statement for the fiscal year ended December 31, 2017.

Accounting Standards Issued But Not Yet Effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after January 1, 2019. Pronouncements that are not applicable to the Company have been excluded from this note.

IFRS 16, Leases ("IFRS 16") was issued in January 2016, and supersedes IAS 17, Leases. This standard introduces a single lessee accounting model and will affect the initial present value of unavoidable future lease payments as lease assets and lease liabilities on the statement of financial position, including for most leases which are currently accounted for as operating leases. The Standard is effective for annual periods beginning on or after January 1, 2019.

The Company has not yet completed the process of assessing the impact of IFRS 16 will have on the consolidated financial statements.

APPx Crypto Technologies Inc. (formerly Appature Mobile Applications Inc.)**Condensed Consolidated Interim Statements of Cash Flows***(Expressed in Canadian dollars)***4. ACQUISITION OF REWARDDROP SOFTWARE INC.**

On March 2, 2018, the Company completed the Transaction with RSI and owns 100% of APPx. Upon closing of the Transaction, the former shareholders of RSI owned 68.2% of the combined entity, APPx's board of directors and senior management were reconstituted and consist of the directors and senior management of RSI. Given the majority ownership of the common shares of the Company and the representation on the Company's Board of Directors and senior management are held by the former shareholders of RSI, RSI has the power to govern the financial and operating policies so as to obtain benefits from the activities of the Company. The Transaction constitutes a reverse acquisition where RSI is considered the accounting acquirer of APPX.

The acquisition is constituted a reverse takeover ("RTO") under IFRS 3 *Business Combinations* by RSI for the net assets of the APPX, As a result of reverse acquisition accounting, these condensed consolidated interim financial statements represent a continuation of RSI's financial statements and the acquisition of the Company.

The fair value of the 70 common shares of the Company that were deemed to have been issued and retained by the former shareholders of the Company was \$2,146,667 which was determined based on the fair value of RSI as determined by a third-party valuator on the date of the Transaction as follows:

	\$
Fair value of RSI, at date of acquisition	4,600,000
Number of shares issued and outstanding of RSI, at date of acquisition	150
Per share value of RSI, at date of acquisition	30,667
Number of RSI shares issued to former shareholders of APPX	70
Fair value of RSI shares issued to former shareholders of APPX	2,146,667

The fair value of all consideration given up to acquire APPX is as follows:

	\$
Fair value of RSI shares issued to former shareholders of APPX	2,146,667
Finders Shares 2,825,000 shares at \$0.10 cents	282,500
Fair value of RSI shares issued to former shareholders of APPX	2,429,167
Plus: Non-controlling interest held in APPX	11,262
Fair value of consideration given up to acquire APPX	2,440,429
Less fair value of identifiable assets and liabilities of APPX acquired:	
Cash and cash equivalents	806,319
Amounts receivable	10,107
Prepaid expenses	88,200
Intangible assets	429,493
Accounts payable and accrued liabilities	(145,041)
Loan payable	(15,000)
Net assets acquired	1,197,474
Goodwill on acquisition	1,242,955

APPx Crypto Technologies Inc. (formerly Appature Mobile Applications Inc.)
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian dollars)

5. INTANGIBLE ASSETS

A continuity of the intangible assets is as follows:

	SweetrLife Application \$	SWIPE Application \$	PRIDE Application \$	Total \$
Balance, August 22, 2017	-	-	-	-
Additions	-	-	-	-
Balance, December 31, 2017	-	-	-	-
Additions	207,713	171,780	50,000	429,493
Amortization	(2,898)	-	-	(2,898)
Balance, March 31, 2018	204,815	171,780	50,000	426,595

The SweetrLife application is a mobile application with a proprietary open person-to-person exchange that is ideally suited for personal social media and personal communication. The SWIPE application is a mobile application that allows its users to discover venues in real time. The Pride application is a mobile application intended for the LGBT++ community and may be incorporated into the SweetrLife application as a brand expansion in the future.

As at March 31, 2018, intangible assets include application technologies still being developed with a carrying value of \$227,780, which have not been placed in use. As a result, no amortization of these intangible assets has been recorded.

6. GOODWILL

	Total \$
Balance, August 22, 2017	-
Additions	-
Balance, December 31, 2017	-
Additions	1,272,284
Balance, March 31, 2018	1,272,284

Goodwill arose on the Transaction at March 2, 2018. Refer to Note 4.

7. LOAN PAYABLE

As at March 31, 2018, the amount of \$15,000 (Dec 31, 2017 - \$15,000) is owed to an unrelated party, which is unsecured, non-interest bearing, and due on demand. The loan was repaid subsequent to March 31, 2018.

APPx Crypto Technologies Inc. (formerly Appature Mobile Applications Inc.)
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian dollars)

8. SHARE CAPITAL

Authorized: unlimited number of common shares without par value

Share transactions after the reverse asset acquisition on March 2, 2018:

- (a) On March 13, 2018, the Company issued 100,000 common shares pursuant to an agency agreement.

Shares issued before the reverse asset acquisition:

- (a) On March 2, 2018, RSI was deemed to have issued 73,382,217 pursuant to reverse takeover acquisition and 2,825,000 common shares in connection with finder's fees on the transaction. Refer to Note 4.
- (b) On March 13, 2018,

Share transactions during the period ended December 31, 2017:

- (c) On August 22, 2017, the Company issued 150 common shares at \$1 per share to the founders of the Company.

9. SPECIAL WARRANTS

Special Warrants transactions after the reverse asset acquisition on March 2, 2018:

- (a) On March 14, 2018, the Company closed a brokered private placement of 19,300,000 special warrants at a price of \$0.10 per special warrant for gross proceeds of \$1,930,000. Each special warrant is exercisable by the holder to receive one common share of the Company for no additional consideration, and all unexercised special warrants will be deemed to be exercised without any further action on the earlier of: (a) July 14, 2018, and (b) the third business day after a receipt is issued for a final prospectus by the securities regulatory authorities in each province where the special warrants were sold, qualifying the common shares to be issued upon the exercise of the special warrants.

Pursuant to an agency agreement entered into between the Company and the Agent, an aggregate of 1,351,000 agent's warrants were issued to the Agent, representing 7% of the special warrants sold. An additional 500,000 advisory warrants were issued to the Agent in consideration of advisory services rendered under the agreement. Each warrant issued to the Agent is exercisable at a price of \$0.10 per share for a period of two years. The agent's and advisory warrants issued were fair valued at \$132,583. In addition, the Company paid the Agent a cash commission of \$135,100 and share issue costs of \$72,258

Special Warrants transactions before the reverse asset acquisition:

- (b) On February 27, 2018, the Company completed a non-brokered private placement of 7,511,000 special warrants in the capital of the Company at a price of \$0.10 per special warrant for proceeds of \$751,100, of which \$64,045 was received as at December 31, 2017. The special warrants are exercisable by the holders thereof at any time after February 27, 2018 for no additional consideration and all unexercised special warrants will be deemed to be exercised without any further action on the part of the holder on the earlier of: (a) June 28, 2018, and (b) the third business day after a receipt is issued for a final prospectus by the securities regulatory authorities in each of the provinces of Canada where the special warrants are sold, qualifying the common shares to be issued upon the exercise or deemed exercise of the special warrants. In connection with this private placement of special warrants, the Company issued 463,820 common shares and 200,000 warrants with each warrant entitling the holder to purchase one additional common share exercisable at \$0.25 per share until February 28, 2019.

APPx Crypto Technologies Inc. (formerly Appature Mobile Applications Inc.)
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian dollars)

10. SHARE PURCHASE WARRANTS

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price \$
Balance, December 31, 2017	—	—
Issued	2,051,000	0.11
Balance, March 31, 2018	2,051,000	0.11

As at March 31, 2018, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date
1,851,000	0.10	March 19, 2020
200,000	0.25	February 27, 2019
<u>2,051,000</u>		

11. RELATED PARTY TRANSACTIONS

- (a) During the three months ended March 31, 2018, the Company incurred \$10,000 in consulting and management fees to a company controlled by the Chief Executive Officer (“CEO”). As at March 31, 2018, the Company owed \$799 to the CEO (of which \$799 is included in accounts payable and accrued liabilities) and \$16,106 to a company controlled by the CEO which is included in accounts payable and accrued liabilities. The amounts owed are unsecured, non-interest bearing, and due on demand.
- (b) During the three months ended March 31, 2018, the Company incurred \$9,524 in research and development expense to a company controlled by the President and Director of the Company. As at March 31, 2018, the Company was owed \$35,000 from the company (of which \$35,000 is included in accounts receivable) and owed \$23,191 to the company controlled which is included in accounts payable and accrued liabilities. The amounts owed are unsecured, non-interest bearing, and due on demand.
- (c) During the three months ended March 31, 2018, the Company incurred \$5,000 in research and development expense and \$5,000 in advertising and marketing fees to the Chief Information Officer (“CIO”). As at March 31, 2018, the Company owed \$10,000 to the CIO which is included in accounts payable and accrued liabilities. The amounts owed are unsecured, non-interest bearing, and due on demand.
- (d) During the three months ended March 31, 2018, the Company incurred \$4,000 in consulting and management fees to the Chief Technology Officer (“CTO”). As at March 31, 2018, the Company owed \$10,000 to the CTO which is included in accounts payable and accrued liabilities. The amounts owed are unsecured, non-interest bearing, and due on demand.
- (e) During the three months ended March 31, 2018, the Company incurred \$4,000 in consulting and management fees to a company controlled by the Chief Financial Officer (“CFO”). As at March 31, 2018, the Company owed \$4,255 to a company controlled by the CFO which is included in accounts payable and accrued liabilities. The amounts owed are unsecured, non-interest bearing, and due on demand.

APPx Crypto Technologies Inc. (formerly Appature Mobile Applications Inc.)**Condensed Consolidated Interim Statements of Cash Flows***(Expressed in Canadian dollars)***11. RELATED PARTY TRANSACTIONS (continued)**

- (f) During the three months ended March 31, 2018 and pursuant to the Transaction, the current President and Director and a Company controlled by the current President and Director, the CTO and the CIO forgave \$275,180, consisting of \$61,799 of loan payable and \$213,381 of accounts payable and accrued liabilities.

12. SEGMENTED REPORTING

The Company has one main operating segment specializing in launching, acquiring, and vertically integrating technology companies, and all assets of the Company are located in Canada.

13. MANAGEMENT OF CAPITAL

The Company's objectives in managing capital are to ensure sufficient liquidity to finance its corporate administration and working capital. The Company manages its liquidity to minimize shareholder dilution whenever possible. The Company manages its capital through regular board meetings and ongoing review of consolidated financial information. The Company considers its capital as all components of shareholders' equity. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to carry out its strategic business objectives to acquire and/or partner with leading personal-driven social media firms and complete an exchange listing application. In order to maximize ongoing development efforts, the Company does not pay out dividends.

Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this financing.

14. FINANCIAL INSTRUMENTS

- (a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's consolidated statement of financial position as at March 31, 2018, as follows:

	Fair value measurements using			Balance, March 31, 2018 \$
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	
Cash and cash equivalents	2,349,825	–	–	2,349,825

The fair value of other financial instruments, which include amounts receivable, accounts payable and accrued liabilities, and loan payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

- (b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As at March 31, 2018 and December 31, 2017, the Company's exposure to credit risk is the carrying value of cash and amounts receivable. The Company reduces its credit risk by holding its cash at a major Canadian financial institution. Amounts receivable mainly consists of GST receivable due from the Government of Canada and a related party. The carrying amount of financial assets represents the maximum credit exposure.

APPx Crypto Technologies Inc. (formerly Appature Mobile Applications Inc.)

Condensed Consolidated Interim Statements of Cash Flows

(Expressed in Canadian dollars)

14. FINANCIAL INSTRUMENTS (continued)

(c) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. To secure the additional capital necessary to pursue these plans, the Company may have to raise additional funds through equity or debt financing.

As at March 31, 2018, the Company had cash and cash equivalents of \$2,349,825 and accounts payable and accrued liabilities of \$172,043. All accounts payable and accrued liabilities are due within 90 days.

(g) Foreign Exchange Rate Risk

The Company is not exposed to any significant foreign exchange rate risk.

(h) Interest Rate Risk

The Company is not exposed to any significant interest rate risk.

15. SUBSEQUENT EVENTS

- (a) On April 5, 2018, the Company entered into a premises lease agreement which is for a five-year term beginning on July 1, 2018. Basic annual rent is \$23,394 for year one, \$26,349 for year two, \$29,550 for year three, \$32,505 for year four, and \$35,706 for year five.