No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended, and, subject to certain exceptions, may not be offered, sold or delivered, directly or indirectly in the United States of America, its territories or possessions. See "Plan of Distribution".

NEW ISSUE October 10, 2018

PROSPECTUS

APPx CRYPTO TECHNOLOGIES INC.

26,811,000 Common Shares on Exercise or Deemed Exercise of 26,811,000 Outstanding Special Warrants

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This prospectus (the "**Prospectus**") qualifies the distribution of 26,811,000 common shares (the "**Qualified Shares**") of APPx Crypto Technologies Inc. (the "**Company**") issuable for no additional consideration upon exercise or deemed exercise of 26,811,000 special warrants (the "**Special Warrants**") of the Company issued on February 27, 2018 and March 13, 2018 at a price of $0.10 (the "**Offering Price**") per Special Warrant to purchasers in jurisdictions within and outside of Canada (the "**Offering**"). The Special Warrants were purchased in compliance with prospectus exemptions under applicable securities legislation and laws applicable to each such subscriber. The Special Warrants were deemed to be exercised on the Deemed Exercise Date (as defined below).

The Special Warrants are not available for purchase pursuant to this Prospectus and no additional funds are to be received by the Company from the distribution of the Qualified Shares upon the exercise or deemed exercise of the Special Warrants.

Each Special Warrant entitles the holder thereof to acquire, upon voluntary exercise prior to, or deemed exercise on, the Deemed Exercise Date, one Qualified Share, subject to adjustment in certain circumstances, without payment of any additional consideration.

Pursuant to the Agency Agreement, the Company has agreed to prepare and file this Prospectus and all other necessary documents in order to qualify all of the securities issuable upon the exercise or deemed exercise of the Special Warrants to subscribers resident in Canada, or otherwise subject to Canadian securities laws.

The Special Warrants were deemed to be exercised at 5:00 p.m. (Vancouver time) on the date (the "**Deemed Exercise Date**") that is the earlier of (i) the date that is 4 months and a day after the issuance date of the Special Warrant; and (ii) the third business day after the date on which a receipt for the final prospectus of the Company qualifying the distribution of the Qualified Shares issuable on exercise or deemed exercise of the Special Warrants (the "**Final Receipt**" or the "**Qualification Date**") has been issued in each of the provinces of Canada in which the special warrants are sold. Upon the Deemed Exercise Date, each Special Warrant was automatically exercised for one Qualified Share, subject to adjustment in certain circumstances, without payment of any additional consideration and without any further action on the part of the holder.

In the event that a holder of Special Warrants exercises such securities prior to the Qualification Date, the Common Shares issued upon exercise of such Special Warrants will be subject to statutory hold periods under applicable securities legislation and shall bear such legends as required by securities laws.

7,511,000 of the Special Warrants (the “**February 27, 2018 Special Warrants**”) were issued by the Company on a non-brokered private placement basis on February 27, 2018. The Company received gross and net proceeds of $751,100 from the sale of the February 27, 2018 Special Warrants.

19,300,000 of the Special Warrants (the “**March 13, 2018 Special Warrants**”) were issued by the Company on a brokered private placement basis on March 13, 2018 pursuant to the terms and conditions of an agency agreement (the "**Agency Agreement**") dated for reference March 13, 2018 with Mackie Research Capital Corporation. (the "**Agent**"). The Company received gross proceeds of $1,930,000 and net proceeds of $1,725,362 from the sale of the March 13, 2018 Special Warrants.

	Price	Agent's Commission	Net Proceeds to the Company(2)
7,511,000 Special Warrants issued February 27, 2018			
Per Special Warrant	$0.10	Nil	$0.10
Sub-Total	$751,100	Nil	$751,100
19,300,000 Special Warrants issued March 13, 2018			
Per Special Warrant	$0.10	$0.007(1)	$0.093
Sub-Total	$1,930,000	$135,100	$1,725,362(1)
Total	**$2,681,100**	**$135,100**	**$2,476,462**

Notes:

(1) Pursuant to the terms and conditions of the Agency Agreement, the Company has paid to the Agent, on March 13, 2018, a cash commission (the "**Agent's Commission**") equal to 7% of the gross proceeds realized from the sale of the March 13, 2018 Special Warrants under the Offering. In addition, the Company has granted to the Agent the following additional compensation for the services of Agent: (i) a cash fee equal to $30,000, plus Goods and Services Tax ($31,500 in the aggregate) (the "**Advisory Fee**"); (ii) 100,000 common shares of the Company (the "**Advisory Shares**"); (iii) 500,000 common share purchase warrants (the "**Advisory Warrants**"), with each Advisory Warrant being exercisable to acquire one common share of the Company (each an "**Advisory Warrant Share**") until March 13, 2020 at an exercise price of $0.10 per Advisory Warrant Share; and (iv) 1,351,000 common share purchase warrants (the "**Agent's Warrants**"), being that number of Agent's Warrants equal to 7% of the number of Special Warrants issued under the Offering, each Agent's Warrant being exercisable to acquire one common share of the Company (each an "**Agent's Warrant Share**") until March 13, 2020 at an exercise price of $0.10 per Agent's Warrant Share.

(2) Before deduction non-refundable expenses of the Offering (which shall consist of remaining legal fees, Agent's expenses, transfer agent fees, and filing fees) estimated to be $169,540.

There is currently no market through which the Special Warrants or Common Shares may be sold and holders of the Special Warrants may not be able to resell the Special Warrants or the Qualified Shares. This may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Common Shares, and the extent of issuer regulation. See "Risk Factors" and "Cautionary Note Regarding Forward-Looking Information".

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted on any stock exchange or quotation service. The Company has applied to list the Common Shares on the Canadian Securities Exchange. The listing of the Common Shares will be subject to the Company fulfilling all of the listing requirements of the Canadian Securities Exchange which cannot be guaranteed.

An investment in securities of the Company involves a high degree of risk and must be considered speculative due to the nature of the Company's business and the present stage of development. The risks outlined in this Prospectus should be carefully reviewed and considered by investors in connection with an investment in the Company's securities. See "Risk Factors".

Investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding, or disposing of Qualified Shares, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires Qualified Shares.

Prospective investors should rely only on the information contained in this Prospectus. The Company has not authorized anyone to provide you with different information.

The Company's head office is located at Suite 310, 221 West Esplanade, North Vancouver, British Columbia V7M 3J3. The Company's registered office is located at Suite 409, 221 West Esplanade, North Vancouver, British Columbia V7M 3J3.

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GLOSSARY

The following is a glossary of certain terms used in this Prospectus. Terms and abbreviations used in the financial statements of the Company may be defined separately and the terms defined below may not be used therein.

“**ATI BC”** means APPx Technologies Inc.(formerly Appature Technologies Inc., formerly Paraguay Minerals Corp.), a 90.5% owned subsidiary of the Company incorporated in the province of British Columbia on December 31, 2007.

“ATI AB” means APPx Technologies Inc.(formerly Appature Technologies Inc., formerly 158609 Alberta Ltd.), a wholly owned subsidiary of the Company incorporated in the province of Alberta on April 15, 2010.

“Bitcoin Rigs” means Rigs acquired by the Company for the purposes of mining the Bitcoin cryptocurrency. See. “*Description of the Business - Cryptocurrency Mining”*.

“**Blockchain**” means a continuously growing list of digital records, called blocks, which are linked and secured using cryptography, for the purposes of recording transactions between two parties efficiently and in a verifiable and permanent way.

"**Board**" means the Board of Directors of the Company;

“**BTC” or “Bitcoin”** means Bitcoin cryptocurrency;

“BCH” Bitcoin Cash' Bitcoin cash is a cryptocurrency created in August 2017, arising from a fork of Bitcoin Classic. Bitcoin Cash increases the block size, allowing more transactions to be processed.

"**Common Shares**" means the common shares in the capital of the Company and "**Common Share**" means any one of them;

"**Company**" means APPx Crypto Technologies Inc. and, unless otherwise indicated, its subsidiaries, ATI AB, ATI BC, and Rewarddrop.

“**Cryptocurrency**” means a digital currency in which encryption techniques are used to regulate the generation of units of currency and verify the transfer of funds, operating independently of a central bank.

“**Cryptocurrency mining”** means the process of confirming transactions to be added on a blockchain by solving complex computations using high performance computers known as Rigs.

“Cryptography” means, with reference to computer science, blockchain and cryptocurrency, the process (known as encryption) of rendering converting financial transaction information into unintelligible text (known as ciphertext) and converting ciphertext into readable text (known as decryption).

“**Deemed Exercise Date**” means earlier of: (i) the third business day after the date on which the Final Receipt has been issued; and (ii) four months plus one day after the date of issuance of the Special Warrants.

"**Escrow Agent**" means TSX Trust Company (Canada);

"**Escrow Agreement**" means the NP 46-201 escrow agreement dated September 26, 2018 among the Company, the Escrow Agent and various Principles and shareholders of the Company;

"**Exchange**" means the Canadian Securities Exchange;

“**Final Receipt**” means receipt for the final prospectus of the Company qualifying the distribution of the Shares issuable on exercise or deemed exercise of the Special Warrants.

“**Fintech**” or “**financial technology**” mean technology having applications in the innovation or delivery of financial services.

“**Hash**” means the output of a hash function

“**Hash Rate”** means the speed at which a computer is completing an operation in the Bitcoin code.

"**Listing Date**" means the date on which the Common Shares of the Company are listed for trading on the Exchange;

“LTC” or “Litecoin” means Litecoin cryptocurrency;

"**Mining**" means, with reference to cryptocurrency, a process in which individuals employ Rigs to solve complex computation puzzles for the purposes of confirming and validating transactions to be added on a blockchain. Miners who successfully complete the mining process earn a reward in the form of cryptocurrency or other blockchain coin or token. See “Description of Business - Overview of Mining, Blockchain and Cryptocurrency”

"**Named Executive Officers**" means the following individuals:

(a) the Company's Chief Executive Officer;

(b) the Company's Chief Financial Officer (CFO);

(c) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose individual total compensation exceeds $120,000 for that financial year; and

(d) each individual who would be an Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year;

"**NI 41-101**" means National Instrument 41-101 *General Prospectus Requirements* of the Canadian Securities Administrators;

"**NI 52-110**" means National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators;

"**NI 58-101**" means National Instrument 58-101 *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators;

"**NP 46-201**" means National Policy 46-201 *Escrow for Initial Public Offerings* of the Canadian Securities Administrators;

"**NP 58-201**" means National Policy 58-201 *Corporate Governance Guidelines* of the Canadian Securities Administrators;

"**Offering**" means the issuance on February 27 and March 1, 2018 of an aggregate of 26,811,000 special warrants by the Company at the Offering Price;

"**Offering Price**" means $0.10 per Special Warrant;

"**Option Plan**" means the Company's 2018 Stock Option Plan adopted on March 2, 2018, by the Board, and providing for the granting of incentive options to the Company's directors, officers, employees and consultants in accordance with the rules and policies of the Exchange;

"**Principal**" of an issuer means:

(a) a person or company who acted as a promoter of the issuer within two years before the prospectus;

(b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the prospectus;

(c) a 20% holder – a person or company that holds securities carrying more than 20% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's initial public offering; or

(d) a 10% holder – a person or company that:

(i) holds securities carrying more than 10% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's initial public offering, and

(ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries;

"**Prospectus**" means this prospectus dated October 10, 2018; and

"RewardDrop" means RewardDrop Software Inc., a wholly-owned subsidiary of the Company incorporated under the Canada Business Corporations Act.

"**Rig**" means a high-performance computer system used for cryptocurrency mining. Each Rig is used to solve complex computation puzzles to confirm transactions on the blockchain. See "*Description of the Business - Cryptocurrency Mining*"

"**Securities Commission**" means the British Columbia Securities Commission.

"**Share Exchange Agreement**" means the Share Exchange Agreement entered into by the Company and RewardDrop Software Inc. dated effective March 2, 2018 pursuant to which the Company acquired all of the issued and outstanding securities of RewardDrop.

"**Special Warrants**" means the special warrants of the Company exercisable to acquire Shares for no additional consideration issued on February 27 and March 13, 2018 pursuant to the Offering.

CURRENCY

In this Prospectus, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to $ are to Canadian dollars.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Except for statements of historical fact relating to the Company, certain statements in this Prospectus may constitute forward-looking information, future oriented financial information, or financial outlooks (collectively, "forward looking information") within the meaning of Canadian securities laws. Forward-looking information may relate to this Prospectus, the Company's future outlook and anticipated events or results and, in some cases, can be identified by terminology such as "may", "could", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "projects", "predict", "potential", "targeted", "possible", "continue" or other similar expressions concerning matters that are not historical facts and include, but are not limited in any manner to, those with respect to capital and operating expenditures, and any and all other timing, development, operational, financial, economic, legal, regulatory and political factors that may influence future events or conditions, as such matters may be applicable. In particular, this Prospectus contains forward-looking statements pertaining to the following:

- Proposed expenditures for business expansion and development, and general and administrative expenses and the intended use of the available funds (see "Use of Proceeds" for further details);

- The intention to complete the listing of the Common Shares on the Exchange and all transaction related thereto; and

- Treatment under applicable governmental regimes and regulatory systems (see "Risk Factors").

Such forward-looking statements are based on a number of material factors and assumptions, and include the ultimate adoption and acceptance of cryptocurrencies and blockchain technologies, the availability and final receipt of required approvals, licenses and permits, sufficient working capital to develop and operate its business, foreign currency exchange rates, interest rates, access to capital and debt markets and associated costs of funds, availability of a qualified workforce, and the ultimate ability to successfully develop, launch and market the Company's technology, most importantly in regards to the "CatchCoin" app. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in this Prospectus. See "Risk Factors". Forward-looking statements are based upon management's beliefs, estimates and opinions on the date the statements are made and, other than as required by law, the Company does not intend, and undertakes no obligation to update any forward looking information to reflect, among other things, new information or future events.

As a reporting issuer, the Company discusses in its quarterly and annual reports referred to as the Company's Management's Discussion & Analysis documents, any events and circumstances that occurred during the period to which such document relates that are reasonably likely to cause actual events or circumstances to differ materially from those disclosed in the Prospectus. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Investors are cautioned against placing undue reliance on forward-looking statements.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus.

Principal Business of the Company:	The Company is currently engaged in the business of acquiring and developing technology companies The Company operates through two subsidiaries, one in the social media mobile application space, and one in the blockchain and cryptocurrency software development space. See "Description of the Business".	
Management, Directors & Officers:	Jay Ruckenstein	President and Director
	Rahim Mohamed	Chief Executive Officer and Director
	Jason Collins	Chief Technology Officer
	Hanspaul Pannu	Chief Financial Officer
	Kelly Abbott	Director
	Derrick Lewis	Director
	See "Directors and Executive Officers".	

The Business:

The Company is a technology incubator specializing in developing, launching, acquiring, and vertically integrating technology companies. It currently holds a portfolio of technology companies, each with its own proprietary application platforms. The Company provides engineering, capital, and executive management and marketing expertise to new and newly acquired technology companies. The Company's current focus is the development of new blockchain and mobile applications in the Fintech, Cryptocurrency, and Mobile marketplace.

The Company has three primary business divisions:

1. <u>Fintech</u>: Cryptocurrency Mining, MaaS (Mining as a service), know your customer (KYC), know your transaction (KYT), anti-fraud, anti-money laundering, compliance software and processes for cryptocurrency, coin purity and proof audit systems and institution custodial cold storage and escrow services.
2. <u>Consumer Rewards Platform</u>: The proprietary "CatchCoin" app and adaptable technology platform is designed as a retailer loyalty platform and is operated through its subsidiary, RewardDrop Software Inc.
3. <u>Mobile Apps</u>: The Company's subsidiary ATI BC, owns and operates social media apps, gaming apps and a series of health and wellness apps. The most notable apps are "Sweetr" and"Swiipe".

Special Warrants:

This Prospectus is being filed to qualify the distribution in British Columbia, Alberta, Manitoba, and Ontario of 26,811,000 Qualified Shares issuable for no additional consideration upon exercise or deemed exercise of 26,811,000 Special Warrants issued on February 27, 2018 and March 1, 2018 at the Offering Price per Special Warrant.

Each Special Warrant entitles the holder thereof to acquire, upon voluntary exercise prior to, or deemed exercise on, the Deemed Exercise Date, one Qualified Share, subject to adjustment in certain circumstances, without payment of any additional consideration.

The Special Warrants were deemed to be exercised on the Deemed Exercise Date (being earlier of (i) the third business day after the date on which a Final Receipt has been issued by the Securities Commissions in each of the provinces of Canada in which the Special Warrants were sold; and (ii) the date that is 4 months and a day after the applicable issuance date of the Special Warrants), at which time each Special Warrant was automatically exercised for one Qualified Share, subject to adjustment in certain circumstances, without payment of any additional consideration and without any further action on the part of the holder.

Listing: The Company intends to apply to list its Common Shares on the Exchange. Listing is subject to the Company fulfilling all of the requirements of the Exchange, including minimum public distribution requirements. See "Plan of Distribution".

Use of Proceeds: The gross proceeds from the sale of the Special Warrants pursuant to the Offering were $2,681,100 and the net proceeds received by the Company from the Offering after deducting the Agent's Commission paid in connection with the March 13, 2018 Special Warrants of $135,100, and the non-refundable expenses of the Offering, estimated at $169,540 (inclusive of the Advisory Fee of $31,500 and the Agent's Expenses paid in connection with the March 13, 2018 Special Warrants, legal fees, transfer agent fees and filing fees) were $2,373,386. Immediately prior to completion of the Offering, the Company had positive working capital of $75,869, resulting in post-Offering working capital of $2,449,255. The Company will not receive any additional proceeds from the Offering upon the exercise or deemed exercise of the Special Warrants.

As at August 31, 2018, the Company had spent or allocated $1,474,436 of the proceeds of the Offering toward the execution of its business plan, and had a resulting working capital of $1,083,721, including cash of approximately $974,819, sales tax receivable of $100,570, pre-paid expenses of approximately $164,000 and accounts payable and accrued liabilities of $155,668. The Company intends to expend its available working capital for the following principal purposes:

USE OF PROCEEDS	
Expenses Related to Public Listing	
Investor Relations	$88,200
Listing Fees and Expenses (Frankfurt Stock Exchange)	$12,152
Listing Fees and Expenses (CSE)	$25,000
	$125,352
Build and Launch Cryptocurrency Mining Operations, MaaS (Mining as as service)	
Operating Costs	$70,000
Project related management fees	$50,000
	$120,000
Development and Launch of Catchcoin	
Security Audit	$100,000
Sales Wages	$100,000
Development Consulting Fees	$20,000
Marketing Expense	$25,000
Marketing Fees	$10,000
	$255,000
FinTech Project Development/Internal R&D	
Project Related Management Fees	$40,000
Research & Development Wages	$40,000
Marketing	$10,000
Marketing Wages	$10,000
	$100,000
General and administrative	
Management fees	$100,000
Consulting fees	$25,000
Transfer Agent	$15,000
Professional Fees	$50,000
Office Lease (including taxes and expenses)	$99,000
Miscellaneous Administrative (Supplies, Telephone, Internet, Courier)	$15,000
Travel (Transport, Meals, Accommodation)	$25,000
	$329,000

Contingency	$154,369
	$154,369
TOTAL	**1,083,721**

The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. See "Use of Proceeds".

Risk Factors: An investment in the Common Shares of the Company should be considered highly speculative and investors may incur a loss on their investment. The Company has no history of earnings, has negative cash flows from operations, and its activities are subject to risks inherent in early stage technology development and in the cryptocurrency industry, as well as the risks normally encountered in a newly established business. Such risks include, but are not limited to, liabilities inherent in the Company's operations; unprofitable efforts resulting from the failure to develop and market commercially acceptable products, reliance on sale of equity or liquidation of mined output (cryptocurrency coins) for funds required; inability to generate funds for general working capital and continuing operations; the Company’s cryptocurrency inventory may be largely reduced in value as a result of flaws in the cryptocurrency code or the actions of malicious actors; regulatory changes or actions may alter or prohibit investment in the Company’s cryptocurrency business and may result in a restriction in the use of cryptocurrencies; the current value of cryptocurrencies and the value of the Company’s future holdings of cryptocurrencies may be overvalued and volatile as a result of momentum pricing; there may be fraud or security failures of the cryptocurrency exchange(s) on which the Company’s cryptocurrencies are exchanged resulting in closures of such cryptocurrency exchange(s) or complete losses of the Company’s cryptocurrency balance; banks may refuse to provide cryptocurrency-related services resulting in a decrease in the usefulness of cryptocurrency and reduction in the value of the Company’s cryptocurrency inventory; the algorithm for cryptocurrencies may change, resulting in the Company losing its competitive advantage; the Company’s operations, investment strategies and profitability may be adversely affected by competition from other cryptocurrencies or financial vehicles; the Company may be subject to incorrect or fraudulent transactions resulting in its coins being lost or irretrievable; the number of coins awarded for solving a block in the blockchain may be decreased to a level where there is not an adequate incentive for the Company to continue mining; the sale of coins by other vehicles investing in coins or tracking cryptocurrency markets may negatively affect cryptocurrency prices and reduce the value of the Company’s inventory; the introduction of new services and technologies may make the Company’s hardware and equipment at its facilities obsolete and it may be cost-prohibitive to upgrade the Company’s hardware and equipment to remain competitive; fluctuations in the currency markets and stock market volatility; disruptions to the credit markets and delays in obtaining financing; uncertainties associated with business opportunities that may be presented to, or pursued by the Company; operating or technical difficulties in connection with business activities; and the possibility of cost overruns or unanticipated expenses. The Company and its assets may become subject to uninsurable risks. The Company's future operations may require permits which may not be granted to the Company. Additional Common Shares may be issued which will cause dilution to the ownership interests of the Company's shareholders. The Company does not maintain key person insurance on any of its directors or officers. The Company competes with other companies with greater financial resources and technical facilities. The Company is currently largely dependent on the performance of its officers and directors and there is no assurance the Company can maintain their services. There is no assurance that additional funding will be available to the Company. There is currently no market for the Company's Common Shares and there can be no assurance that an active, liquid and orderly trading market for the Common Shares will develop or be sustained. Furthermore, in recent years, the price of publicly traded securities prices has fluctuated widely. There are also increased costs and regulatory burden associated with being a public company. Situations may arise where directors and officers who are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, will be in direct competition with the Company. See "Risk Factors".

Summary of Financial Information: On March 2, 2018, the Company completed a share exchange agreement with RewardDrop Software Inc. (“RewardDrop”) pursuant to which it acquired 100% of the issued and outstanding securities of RewardDrop, with RewardDrop continuing as a wholly-owned subsidiary of the Company. The following selected financial information is subject to and more fully explained in the detailed information contained in the financial statements of the Company, of ATI BC, and of RewardDrop, and the notes thereto incorporated into this Prospectus. The Company has established December 31 as its fiscal year end.

Statement of Operations Data

	APPx Crypto Technologies Inc. (formerly Appature Mobile Applications Inc.)	APPx Crypto Technologies Inc. (formerly Appature Mobile Applications Inc.)	APPx Technologies Inc. (BC) (1)(2)	APPx Technologies Inc. (BC) (1) (2)
	Six Months Ended June 30, 2018 ($) (unaudited)	Year Ended December 31, 2017 ($) (audited)	Year Ended December 31, 2016 ($) (audited)	Year Ended December 31, 2015 ($) (audited)
Revenue	11	3,556	—	—
Total expenses	616,411	374,393	239,831	58,586
Other expenses/(income)	1,019,371	38,899	11,167	23,292
Net and comprehensive loss	(1,635,711)	(409,736)	(250,998)	(81,878)
Less: net loss attributable to non-controlling interest	10,296	9,241	-	-
Net income (loss) attributable to APPx Crypto Technologies Inc.	(1,635,475)	(400,495)	(250,998)	(81,878)
Earnings (loss) per share (basic and diluted)	(0.03)	(0.02)	(0.02)	(0.01)

(1) On October 26, 2017, the Company completed a share exchange agreement with its predecessor and current wholly owned subsidiary APPx Technologies Inc.

(2) Formerly known as Appature Technologies Inc., formerly known as Paraguay Minerals Corp.

Balance Sheet Data

	APPx Crypto Technologies Inc. (formerly Appature Mobile Applications Inc.)	APPx Crypto Technologies Inc. (formerly Appature Mobile Applications Inc.)	APPx Technologies Inc. (BC) (1)(2)	APPx Technologies Inc. (BC) (1)(2)
	As at June 30, 2018 ($) (unaudited)	As at December 31, 2017 ($) (audited)	As at December 31, 2016 ($) (audited)	As at December 31, 2015 ($) (audited)
Current Assets	1,695,440	107,593	35,633	60,994
Total Assets	2,387,878	549,961	543,042	592,994
Current Liabilities	132,468	252,638	199,464	120,994
Long Term Debt	—	—	—	—
Shareholders' Equity	2,255,410	297,323	343,578	472,000

(1) On October 26, 2017, the Company completed a share exchange agreement with its predecessor and current wholly owned subsidiary Appature Technologies Inc.

(2) Formerly known as Appature Technologies Inc., formerly known as Paraguay Minerals Corp.

Selected Unaudited Pro Forma Financial Information	The following table sets forth selected unaudited pro forma consolidated financial information of the Company as at December 31, 2017 as if the Company had acquired RewardDrop Software Inc. as at December 31, 2017.

Unaudited Pro Forma Statement of Operations Data

	APPx Crypto Technologies Inc. (formerly Appature Mobile Applications Inc.)	RewardDrop Software Inc.		
	Year Ended December 31, 2017 ($)	Period from August 23, 2017 (date of incorporation) December 31, 2017 ($)	Pro forma Adjustments ($)	Pro Forma Consolidated ($)
Revenue	3,556	-	-	3,556
Total Expenses	374,393	272,040	-	646,433
Other Income (Expense)	(38,899)	-	225,149	186,250
Less: net loss attributable to non-controlling interest	9,241	-	-	9,241
Net Income (Loss)	(400,495)	(272,040)	225,149	(447,386)

Unaudited Pro Forma Balance Sheet Data

.	APPx Crypto Technologies Inc. (formerly Appature Mobile Applications Inc.)	RewardDrop Software Inc	Pro forma Adjustments	Pro Forma Consolidated
	December 31, 2017 ($)	December 31, 2017 ($)		($)
Current Assets	107,593	15,000	2,376,462	2,499,055
Total Assets	549,961	15,000	4,608,306	5,173,267
Current Liabilities	252,638	286,890	(276,849)	262,679
Long Term Debt	-	-	-	-
Shareholders' Equity (Deficit)	297,323	(271,890)	4,885,155	4,910,588

See "Selected Financial Information" and "Management's Discussion and Analysis".

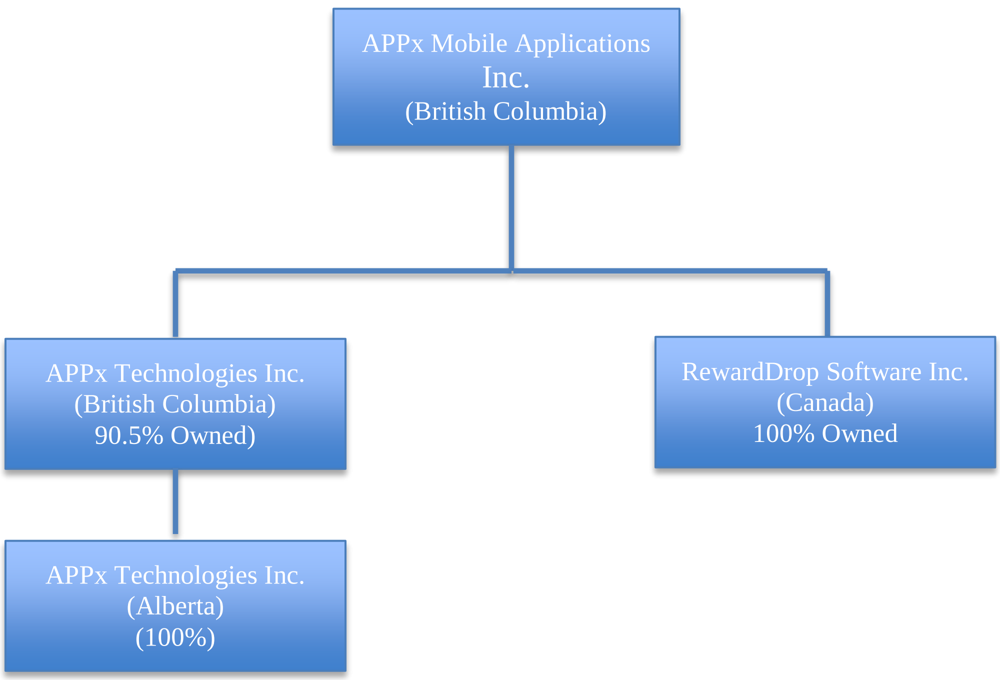
CORPORATE STRUCTURE

Name and Incorporation

The Company was incorporated under the *Business Corporations Act* (British Columbia) on October 30, 2014 under the name of as CDN BVentures Ltd. and subsequently changed its name to Appature Mobile Applications on May 21, 2017, and thereafter changed its name to APPx Crypto Technologies Inc. on March 27, 2018. The Company's registered and records office is located at Suite 409 – 221 West Esplanade, North Vancouver, BC V7M 3J3. The Company's head office is located at Suite 310, 221 West Esplanade, North Vancouver, British Columbia V7M 3J3. The Company's registered office is located at Suite 409, 221 West Esplanade, North Vancouver, British Columbia V7M 3J3.

Inter-corporate Relationships

The Company currently has three subsidiaries. The Company owns 90.5% of APPx Technologies Inc. (formerly Appature Technologies Inc., formerly Paraguay Minerals Corp.) ("**ATI BC**"), which was incorporated under the British Columbia *Business Corporations Act* on December 31, 2007. Appature has a wholly owned subsidiary named APPx Technologies Inc. ("**ATI AB**"), incorporated under the Alberta *Business Corporations Act*. In addition, the Company has the wholly owned subsidiary RewardDrop Software Inc. ("RewardDrop") which was incorporated on August 22, 2017 under *the Canada Business Corporations Act*. The Company's organizational structure is illustrated in the following diagram:



GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History

The Company was incorporated on October 30, 2014 under the Business Corporations Act (British Columbia) as a wholly-owned subsidiary of a reporting issuer, WebWatcher Systems Ltd. ("WebWatcher"). On November 18, 2014, Northern Vine Canada Inc. ("Northern") and WebWatcher entered into a letter of intent (the "LOI") providing for the amalgamation of the Company and Northern.

On December 9, 2014, WebWatcher entered into an arrangement agreement (the "Arrangement Agreement") with the Company. Under the terms of the Arrangement Agreement, WebWatcher was to complete a plan of arrangement (the "Plan of Arrangement") which would allow it to divest to the Company its interest in the LOI, in consideration for the issuance to the shareholders of WebWatcher 1,440,351 common shares of the Company. WebWatcher 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. On October 24, 2017, the Company issued 1,440,351 common shares pursuant to the Arrangement Agreement, thereby becoming a reporting issuer owned by the shareholders of WebWatcher, and ceased to be a subsidiary of WebWatcher.

The Company and ATI BC entered into the Share Exchange Agreement on September 13, 2017. The Share Exchange Agreement closed on October 26, 2017 with the Company's acquisition of 90.5% of the issued and outstanding shares of ATI BC. Pursuant to the Share Exchange Agreement, Company issued an aggregate of 19,961,193 Common Shares in exchange for the same number of issued and outstanding shares of ATI BC, which consisted of one Common Share of the company for each of the ATI BC Shares acquired. As ATI BC had 22,041,793 issued and outstanding, the Company acquired 90.5% of the issued shares of ATI BC.

The main assets and business of ATI BC are the 100% ownership of the mobile application known as Sweetr. Sweetr, has developed and deployed a proprietary, open person-to-person exchange and mobile application. In addition, ATI BC owns additional mobile applications Tinderama and SWIIPE.

On September 8, 2017 the Company appointed and engaged TSX Trust Company as the registration and transfer agent of its common stock.

On January 8, 2018 the Company entered into a Consulting Agreement with FronTier Consulting Ltd. pursuant to which FronTier has agreed to provide investor relations and marketing services to the Company for a term of 12 months beginning upon successful listing of the Company on the Exchange. In consideration of the services the Company has agreed to pay $84,000 plus GST to Frontier, to reimburse the reasonable out-of-pocket expenses of Frontier in relation to the services, and to issue stock options to purchase up to 300,000 common shares of the Company.

On February 27, 2018 the Company completed a non-brokered private placement of 7,511,000 special warrants in the capital stock of the Company at a price of $0.10 per Special Warrant for total proceeds of $751,100. The Special Warrants were 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 the private placement of special warrants, the Company has paid finder's fees to four arm's length parties, including an aggregate of 463,820 common shares with a deemed value of $0.10 per share, and warrants to purchase up to 200,000 common shares of the Company exercisable until February 28, 2019 at $0.25 per share.

On March 2, 2018 the Company completed the acquisition of RewardDrop Software Inc. ("RewardDrop"), pursuant to a share exchange agreement with RewardDrop dated February 1, 2018. Pursuant to the agreement, the Company issued an aggregate of 50,000,000 common shares in exchange for 100% of the issued and outstanding securities of RewardDrop. The Company has also paid a finder's fee of 2,825,000 common shares in respect of the transaction to an arm's length party.

RewardDrop is a Montreal, Quebec-based mobile application, blockchain and cryptocurrency software development company. APPx, together with RewardDrop as its subsidiary, will now pursue the final development and launch of RewardDrop's proprietary mobile application, "CatchCoin", which allows retailers, restaurants, and other public venues to offer personalized, real-time, mobile promotional offers to nearby visitors, bridging the gap between e-commerce and retail.

On March 2, 2018 the Board of Directors of the Company also approved the adoption of the 2018 Stock Option Plan, which authorizes the Company to issue to its officers, directors, employees and consultants, incentive stock options to purchase up to 15,241,473 shares of the Company's common stock at an exercise price of $0.20 per share or higher.

On March 2, 2018 the Board of Directors of the Company appointed its current officers and directors, Jay Ruckenstein (President and Director), Jason Collins (Chief Technology Officer), Hanspaul Pannu (Chief Financial Officer), and Kyle Maglio (Vice President Product Development). Mr. Mohamed, who resigned as President due to the appointment of Jay Ruckenstein, continues as the Chief Executive Officer and as a director of the Company.

On March 13, 2018, the company issued 19,300,000 Special Warrants on a brokered private placement basis on March 13, 2018 pursuant to the terms and conditions of an agency agreement (the "**Agency Agreement**") dated for reference March 13, 2018 with Mackie Research Capital Corporation. (the "**Agent**"). The Company received gross proceeds of $1,930,000 and net proceeds of $1,725,362 from the private placement. 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 in the Private Placement. An additional 500,000 advisory warrants and 100,000 Shares were issued to the Agent in consideration of advisory services rendered under the agreement. Each warrant issued to the Agent is exercisable until March 13, 2020 to purchase one additional Share at a price of $0.10. All of the securities issued pursuant to the March 13, 2018 private placement were subject to a four month hold period which expired on July 14, 2018.

Effective June 28, 2018 the 7,511,000 Special Warrants issued February 27, 2018 were deemed exercised and converted into 7,511,000 Shares of the Company.

Effective July 30, 2018 19,300,000 Special Warrant issued March 13, 2018 were deemed exercised and converted into 19,300,000 Shares of the Company.

DESCRIPTION OF THE BUSINESS

The Company is a technology incubator specializing in developing, launching, acquiring and vertically integrating technology companies. It currently holds a portfolio of technology companies, each with their own proprietary application platforms. The Company provides engineering, capital, executive management and marketing expertise to new and newly acquired technology companies. The Company also brings skills, expertise and innovative ideas to build new blockchain and mobile applications in the FinTech, cryptocurrency and mobile marketplace.

The Company has three primary business divisions:

1. Fintech: Cryptocurrency Mining, MaaS (Mining-as-a-service), KYC/Anti-Fraud/AML compliance software for cryptocurrency, Coin purity and proof audit systems and institution custodial cold storage and escrow services.

2. Consumer Rewards Platform: The proprietary "CatchCoin" app and adaptable technology platform is designed as a retailer loyalty platform and is operated through its subsidiary, RewardDrop Software Inc.

3. Mobile Apps: The Company's subsidiary ATI BC owns and operates social media apps, gaming apps and a series of health and wellness apps. The most notable apps are "Sweetr" and "Swiipe".

APPX'S FINANCIAL TECHNOLOGY (FINTECH) AND CRYPTOCURRENCY MINING BUSINESS

APPX Cryptocurrency Mining

Cryptocurrency mining is the process of confirming transactions to be added on a blockchain by solving complex computations using high performance computers known as "Rigs". Mining is critical to the continuation and security of the cryptocurrency network. Miners are incentivized when they verify and solve a new block by being awarded newly generated coins. These new coins are considered pure or "virgin" coins and could demand a premium to institutional buyers. The Company may exchange coins earned for fiat currencies like US or CDN dollars in order to fund operations as it sees fit, or may hold the coins in inventory to benefit from price appreciation.

Typically, Rigs are unique to the specific currency involved; however, many are capable of mining more than one type. APPx will utilize both Graphic Processing Units ("**GPU**") and Application Specific Integrated Circuit ("**ASIC**") Rigs for mining. ASICs are efficient and consume drastically less power than GPUs; however, they can only be used to mine a singular coin and often come with a higher price point than GPUs. GPUs are effective at solving complex calculations and capable of mining more than one coin.

The Company has acquired an aggregate of 200 Rigs, consisting of: (i) 100 Bitmain model L3++ model ASIC Rigs that are used for Mining Litecoin and were acquired through direct order from Bitmain (the "**LiteCoin Rigs**"); and (ii) 100 Bitmain Antminer S9 model that are used for Mining SHA256 (Bitcoin and Bitcoin Cash) and were also acquired directly from Bitmain (the "**BitCoin Rigs**").

The Bitmain Antminer S9 model Rig is currently the most powerful Bitcoin miner on the market. It is based on the 16 nm process node and is built using TSMC's 16nm FinFET technology. Each Bitmain Antminer S9 consumes a 0.098 J/GHs and employs 189 chips.

The Company's 200 Rigs are currently delivered in Montreal and expected to be set up and operating by the end of September, 2018. It is estimated that the 200 Rigs will generate monthly gross revenue of approximately $20,000, before accounting for operational costs. This is based on an aggregate daily Rig capacity of approximately US$659 per day, including US$405 per day for the BitCoin Rigs (switching between Bitcoin or Bitcoin Cash to optimize profitability), and US$254 per day for the Litecoin Rigs.

The Company has the capacity to accommodate 200 rigs in its current Montreal offices, and it has an option to annex an adjacent space to accommodate an additional 100 rigs. The overall Rig capacity of the Montreal office location is capped at 300 rigs due heat ventilation limitations.

In June, 2018 Hydro Quebec announced it could not meet demand for all proposed cryptocurrency mining operations in the Province of Quebec, and would limit its allocation of electrical power for new cryptocurrency miners to 500 megawatts in the aggregate. This is in addition to the 120 megawatts currently allocated to existing mining operations in the province. The utility is seeking approval from its regulator for a corresponding selection process by which it intends allocate power to miners based on an evaluation of the relative sustainability and positive local economic impact of their proposed operations. The Company, having participated in several meetings with Hydro Quebec, has identified several properties in the province which would satisfy Hydro Quebec's criteria for approval. If it is successful in securing a suitable property, Hydro Quebec has committed to an allocation of 5 megawatts power.

As at the date of this prospectus, the Company is evaluating opportunities to finance the expansion of its planned mining operations, however no definitive arrangements have been reached. The Company estimates that an expansion to 1,400 Rigs would require an investment of approximately $2,000,000, including $1.8 million in equipment and set-up costs, and $200,000 toward the down payment to purchase a suitable commercial building in the $700,000 range.

APPX Mining-as-a-Service (MaaS)

Mining as a Service, or MaaS, is the management of cryptocurrency mining on behalf of third parties globally. MaaS enables anyone, anywhere the ability to mine cryptocurrency. Anyone can buy cryptocurrency, but not everyone can start up their own mining rig(s). The Company intends to provide expertise, rigs, and power in exchange for a monthly fee for hosting and management, plus a percentage of coins mined.

The Company is continually scouting additional mining locations to set up further cryptocurrency mining operations. Hydro Quebec's updated mandate to favor Quebec-based companies in expanding their mining industry footprint while creating local jobs.

The Company will also offer any underutilized mining space to other companies and individuals to rent out for their mining rigs. Current average prices for MaaS range from $145.00 USD per month to $175.00 USD per month per mining rig plus 10% of all the coins mined from those rigs under management.

Other APPX Fintech Projects

The Company is currently researching the potential for releasing a Cryptocurrency Credit Card. This is still in the research phase and the Company consulting with multiple card providers, POS (point of sale) providers, and financial institutions in multiple jurisdictions to determine whether it is possible to create a Crypto Card that will be accepted. The concept of a Crypto Card dovetails well with the CatchCoin platform for retailers.

The Company is not considering issuing its own cryptocurrency at this time.

Financial Technology and Cryptocurrency Experience of Management.

The Company's management has diverse experience related to the financial technology and cryptocurrency service industries. The President and Director, Jay Ruckenstein has over 15 years' experience working in financial processing, online marketing and operations, electronic payment services, and know your customer/anti-money laundering operations. The Chief Technology Officer, Jason Collins, has over ten years' experience in information technology infrastructure and security, generally, and over five years' experience in cryptocurrency mining proof of work (POW), and in blockchain projects combining both security and networking. Mr. Collins has helped to facilitate the launch of several cryptocurrency mining operations to date. See "*Directors and Executive Officers*" for a comprehensive description of management's qualification and experience.

Overview of Mining, Blockchain and Cryptocurrency

Details regarding the cryptocurrency market and blockchain technologies, including cryptocurrency, keys and wallets, are provided below.

Cryptocurrency Market

Cryptocurrencies first surfaced in 2009 with the debut of Bitcoin as the world's first decentralized cryptocurrency. In early 2010, the initial exchange rate for Bitcoin was 1 BTC = US$0.003. As of May 14, 2018, the trading price of one Bitcoin was over US $8,800.00.[1]

The market for cryptocurrencies has been growing substantially, reaching peaks for market capitalization of approximately US$250 billion in November 2017.[2] Estimates from Canaccord Genuity predict that the total value of all cryptocurrencies required for payments and store of value will grow from $11.2 billion and $16.6 billion, respectively, in 2017 to $1,132 billion and $92 billion, respectively, by 2025.[3]

Blockchain

Background and History

Blockchain was discovered with the invention of the cryptocurrency Bitcoin in 2008 by a pseudonymous person or organization known as Satoshi Nakamoto. Satoshi Nakamoto sought to create a new digital currency, but one that was global and not controlled by any single authority.

Blockchain is often defined as a distributed ledger or database with decentralized control. The types of databases that could be implemented on the blockchain are broad and include, among others, databases similar to a bank ledger that record statements of accounts or transactions, or any other digital record of asset ownership, such as an identity system, land registry or even the rights and obligations defined in a contract. In the traditional centralized model (ie. one that does not include blockchain technology), the master version of such ledgers is controlled by a bank, government, or a trusted third party. Disputes are resolved by checking the master version, through a manual and often redundant reconciliation process. In the decentralized blockchain model, the master ledger is not stored in one place or controlled by one entity. Every counterparty on the network receives an identical real-time copy of the ledger; the data in the ledger is tamper-proof using cryptography; new states of the ledger are agreed upon by consensus among all parties - with trust achieved through the application of economic game theory, as discussed below; and the entire process is automated using software.

Participants (also referred to as nodes or miners) on a blockchain network connect their computer resources with each other via a common software protocol. The software appropriates the necessary processing power and storage for the network to run, and acts as a secure messaging system to enable transactions. The protocol is coded with specific rules to ensure the validity of transactions, and shares the ledger and all valid transactions to all participants on the network in real time. This ensures broad persistence of the data, and continuity in the event that any computers go offline. In public blockchains the software is open source and created by an open community of developers, while in closed blockchains the software is created by private organizations.[4]

The shared ledger is made tamper-proof using a cryptographic technique called hashing. A hashing algorithm is a mathematical transformation function with two key properties. First, it accepts any alphanumeric dataset as an input and produces a unique 256-bit code as an output. It is nearly impossible to find another data set that produces the same code. Second, the smallest change in the dataset results in a significant change in the unique code. Any tampering of the dataset can be detected by re-hashing the data and checking for a change in the unique code. Any user that runs the hash algorithm on the same strings will derive the same unique code. Thus, the data on the distributed ledger can be run through a series of hash algorithms to create a unique code, which ensures the entire ledger is immutable. Furthermore, whenever a new set or block of transactions is added to the ledger, it is appended with the code from the prior state of the ledger before it is hashed. This chain links both states of the ledger by combining them into a single unique code. Thus, tampering of any historical state of the ledger can be automatically detected by the blockchain software protocol.

As new blocks of transactions are collected, the concepts of game theory are applied before the next block is hashed and chained to the ledger. This ensures that the data in the new block is trustworthy and that no participants on the network cheat. The process is commonly referred to as mining, particularly on the Bitcoin blockchain, and in general terms is referred to as a consensus algorithm. Essentially, the miners are network nodes that compete to play a game, with the winner earning the right to record the next block of data to the blockchain. The game requires a cost to play, to ensure miners have a vested interest in fair play. A reward is also offered to offset these costs and provide an incentive for miners to participate. Once the winner is determined, the new block of data must match the versions held by the majority of nodes before the reward is provided. If consensus is not achieved, the reward is not given, and the game is played again. Therefore, the costs of cheating outweigh the benefits of playing the game fairly, and decentralized trust can be established. Notably, the game is also meritocratic. The number of times a miner can expect to win the game is based on the proportion of their costs incurred vs the total costs of all miners on the network. Thus, the incentive system is fair, and the rewards are shared proportionally.

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[1] Cryptocurrency Market Capitalizations. (n.d.). Retrieved May 14, 2018, from https://coinmarketcap.com/

[2] Global Charts. (n.d.). Retrieved May 14, 2018, from https://coinmarketcap.com/charts/

[3] Graham, M., Moldow, A., & Suh, S. (2017, November 14). Crypto Quarterly Q4-17. Retrieved from https://www.scribd.com/document/364523190/Crypto-Quarterly-Q4-17#

[4] "Equity Research" published by GMP Securities (November 7, 2017)

In public, open source blockchains, a token is created to capture the utility value of the underlying service the blockchain is enabling and provides the incentive that powers the consensus algorithm. Users of the blockchain must buy the tokens to use the service, with the value of the token determined by market forces of supply and demand. Demand increases with usage, while supply is set by the underlying protocol as determined by the consortium of developers creating the particular blockchain. Tokens are also provided to the miner as their reward, with the prospects for value appreciation offering an economic incentive for miners to participate and for the consensus algorithm of the blockchain to function. Tokens also incentivize the addition of processing power to the network and creates a virtuous circle or network effect for the system to grow from the ground up. Notably, token supply may or may not be capped, and increases may be gradual or immediate, depending on how the particular blockchain protocol is defined.

Bitcoin was the first and remains the simplest blockchain protocol. In the Bitcoin network, counterparties connect their computers to a shared network via the Bitcoin software protocol. Accounts or wallets are represented by numeric addresses on the network, and coins are represented by unique and specially coded serial numbers. There are two kinds of parties on the Bitcoin network: nodes and miners. Nodes track and check the validity of all transactions. Miners collect groups of transactions into blocks and compete to earn the right to add these blocks to the blockchain. The consensus algorithm in Bitcoin is known as Proof-of-Work (PoW). Miners collect blocks of transactions and append the hash of the prior block to the dataset. Miners are then required to add a single additional number (called a "nonce" - number used only once) such that the resulting new hash starts with a certain number of zeros. Miners run the hash calculation over and over to guess the unique nonce that results in a hash with the required number of zeros. The network sets the number of zeros required based on the total processing power among all miners (known as the hash rate), such that the solution takes 10 minutes to find. The miner that finds the solution first earns the right to add their version of the block to the blockchain. For their efforts, they receive all the transaction fees within the block, plus newly mined or minted Bitcoins, if they are available. The reward is set to halve every four years (next in 2020), and the maximum amount of Bitcoin that will ever be generated is capped at 21 million Bitcoin. To date, 16,720,475 Bitcoins have been mined by the global community. Considering that the reward is expected to be cut in half every four years, it is estimated that the supply limit will be reached in the year 2140. When the supply limit is reached, miners only receive the transaction fees as their reward.

For users, Bitcoin is valued as a fast and efficient borderless payment network, and valued for the potential as an inflation hedge, given its limited supply. If demand outpaces supply, the value of the coins appreciates. For miners, Bitcoin is valued for transaction fees and new Bitcoin rewards. Furthermore, these incentives ensure sufficient processing power is provided to the network and creates a virtuous circle or network effect for the system to grow from the ground up.

Types of Blockchains

<u>Open or public blockchains</u>*:* Open or public blockchains are available to the general public, counterparties are unknown, and protocols are generally open-source and developed by a decentralized community or an open, not-for-profit foundation. A token of value is required to drive the incentive and consensus mechanisms of the blockchain. Examples include Bitcoin, Dash, Ethereum and Litecoin. See "*Description of the Business - Blockchain – Background and History*" above.

<u>Closed or permissioned blockchains</u>**:** Closed or permissioned blockchains are restricted to known counterparties, and development is more centralized or completely proprietary. Read and write permissions are assigned independently, and a token of value is not required for an incentive mechanism or consensus algorithm. Rather, counterparties share a common interest for trust, such as automation to lower costs. Examples include Chain, Hyperledger and Ripple, each of which are working with major banks to automate back-office operations. Private blockchains require specialized mining networks that tend to require specialized mining with greater auditable security.

<u>Distributed ledgers and databases:</u> A distributed ledger type of blockchain can be a simple record of transactions, a record of asset ownership, or a record of rights and obligations between counterparties. Bitcoin and similar payment networks are the simplest types of ledger-based blockchains. Other examples include identity records (i.e. citizenship, shareholders), ownership registries (i.e. land, cars), supply chains, and systems to manage simple processes like licensing and voting. In some cases, such as government-run blockchain registries, tokens may only have nominal value or may not be required at all.

<u>Smart contracts and distributed applications</u>: In a smart contract, the obligations between counterparties (i.e. payments, approvals or notifications) are recorded and automatically executed by the blockchain protocol. Ethereum is the second largest blockchain protocol by market capitalization and is a platform that enables smart contracts. Ethereum is essentially a distributed computer powered by Ether tokens, with a scripting language to allow for the creation of smart contracts and other tokenized blockchain applications. The latter are referred to as decentralized applications (DAPPs) and are essentially applications that run autonomously using the decentralized consensus mechanisms of blockchain. A simplified example of a smart contract is a power utility that creates a tokenized blockchain network for a neighborhood. Homeowners would pay monthly tokens to receive power, and in the event of a default, the smart contract

could automatically trigger a shutdown and notify the customer's bank, the regulator and credit agencies as required. Furthermore, consumers that generate excess power could receive tokens as payment from the power authority for net power they contribute to the grid. More significantly, with blockchain, this type of system can now be created as an open system by a consortium of miners, without the involvement of any central authority, power company or bank. This would be considered a type of distributed application. Smart contract platforms today include Tezos, Eos, and Interbit by BTL Group.

Blockchain systems offer significant advantages over traditional centralized systems, are disruptive to the status quo, and are potentially invaluable to society. The technology is also at its infancy and is rapidly evolving to address significant challenges that it is facing.

Blockchain protocols, while complex, are typically open source and available to all counterparties for scrutiny and evaluation. Participants are also generally free to join and exit at will. While limited regulations at this stage require participants to verify the quality of the protocol on their own, the rules governing protocols can be understood in advance, and can only change with the consensus of the majority of counterparties on the network.

Cryptographic hashing of transactions creates a tamper-proof record of the entire history of a blockchain. This makes forging of records very unlikely. It also allows for the entire history of a given token to be tracked between addresses, albeit with the appropriate analytical software. Requirements to disclose ownership of network addresses are not ubiquitous, however. Hence blockchains such as Bitcoin remain pseudonymous. While it may be possible to track the history of every coin through every address, it may not be possible to identify the address owners without proper regulation.

With no centralized authority or control, blockchain systems do not have a single source of failure or corruption. Furthermore, consensus algorithms are typically meritocratic, where rewards are distributed in proportion to relative investment in the system. This creates a flatter and more equitable system for shared value creation.

Similar to traditional peer-to-peer networks, the broader the distribution of nodes on the network, the more resilient the network is to infrastructure failures or data corruption. This also reduces the ability for single parties to control, manipulate or even shut the system down.

Blockchains are typically global peer-to-peer networks that are limited only by the reach of the internet, or by the particular rules embedded into each specific blockchain protocol. This offers a large addressable market for growth and diversification. For bitcoin, this has been a double-edged sword. Bitcoin's global presence has supported its growth and persistence, but its borderless nature has caused concern for governments and central banks, since regulations for security, capital control, and anti-money laundering are not yet in place.

As primarily open source protocols, blockchains benefit from large, diverse groups of software developers which can accelerate the development of new capabilities. Open source software can often leapfrog traditionally developed software. The success of Android as the most pervasive mobile operating system, and the flexibility of Linux as an operating system deployed in PCs, web servers and cars, are good examples.

Blockchains, and Bitcoin in particular, have powerful built-in network effects. These are generally a consequence of the incentive mechanisms built into the consensus algorithms. Providing a reward to miners through a valuable and potentially appreciating token not only removes the incentive to cheat, but creates the incentive for token owners to recruit more users to the network. During periods of growing adoption, demand will outpace supply and tokens will appreciate, with the majority of the value accruing to the earlier users of the network.

Cryptocurrency

A cryptocurrency is a form of encrypted and decentralized digital currency, transferred directly between peers across the internet, with transactions being settled, confirmed and recorded in a distributed public ledger through Mining. Cryptocurrency is generated in one of two ways, they are either newly created or "minted" through an Initial Coin Offering or "mined" which results in a new coin generated as a reward to incentivize miners for verifying transactions on the blockchain. Our management anticipates mining cryptocurrency will be a significant revenue-generating activity of the Company.

Cryptocurrencies enable instant transfers to anyone, anywhere in the world. Transactions occur via an open source, cryptographic protocol platform which uses peer-to peer technology to operate with no central authority. No single entity owns or operates the network, the infrastructure of which is collectively maintained by a distributed user base. Units of a cryptocurrency exist only as data on the internet. Whereas most of the world's money currently exists in the form of electronic records managed by central authorities such as banks, units of a cryptocurrency exist as electronic records in a decentralized tamper-proof transaction database called a blockchain. See "*Description of the Business – Blockchain*" above.

The value of a coin is determined by market supply and demand for the coins, the prices set in transfers as well as the number of merchants that accept the coins. Because coins are digital files that can be transferred without the involvement of intermediaries or third parties, there are little or no transaction costs in direct peer-to-peer transactions. Coins can be used to pay for goods and services or can be converted to fiat currencies, such as the US dollar, at rates determined by various exchanges.

Cryptocurrencies offer many advantages over traditional (also known as 'fiat') currencies, including:

- Acting as a fraud deterrent, as cryptocurrencies are digital and cannot be counterfeited or reversed arbitrarily by sender;
- Immediate settlement;
- Eliminate counterparty risk;
- No centralized intermediary required;
- Lower fees;
- Identity theft prevention;
- Accessible by everyone;
- Transactions are verified and protected through a confirmation process, which prevents the problem of double spending currencies;
- Decentralized - no central authority (government or financial institution); and
- Not bound by government-imposed exchange rates.

Examples of some of the largest cryptocurrencies in terms of market capitalization today include Bitcoin, Ethereum, Dash, Ripple, Litecoin and Bitcoin Cash. According to International Data Corporation (IDC)'s inaugural *Worldwide Semiannual Blockchain Spending Guide*, $945 million was spent on blockchain solutions in 2017. The report notes that this amount is expected to reach $2.1 billion during 2018.[5] See "*Description of the Business – Types of Blockchain*" above.

Keys to Cryptocurrency

A private key is a secret number that allows coins to be spent on a blockchain protocol. Every digital currency wallet (see "*General Development of the Business – Cryptocurrency Wallets*" below) contains one or more private keys, which are saved in the wallet file. The private keys are mathematically related to all addresses generated for the wallet.

Because the private key is the "ticket" that allows someone to spend coins, it is important that these are kept secure. Private keys can be kept on computer files, but in some cases are also short enough that they can be printed on paper.

To be able to spend coins and unlock funds, the private key stored in one's wallet must match the public address the currency is assigned to on the blockchain. If public and private keys match, the balance of the receiving digital wallet will increase, and the sender's balance will decrease accordingly. Although the balance associated with the wallet is said to increase, there is no actual exchange of real coins or "storage" within the wallet, as one might expect given the function of a traditional fiat currency "pocket" wallet. The transaction is signified merely by a transaction record on the blockchain. The wallet itself simply contains the private key which is required to "spend" the cryptocurrency. See "*Description of the Business – Overview of Mining, Blockchain, and Cryptocurrency: Cryptocurrency Wallets*" below

Cryptocurrency Wallets

A cryptocurrency wallet is a software program that stores private and public keys (see "*General Development of the Business – Keys to Cryptocurrency*" above) and interacts with various blockchains to enable users to send and receive digital currency and monitor their balance. Millions of people use cryptocurrency wallets, but there is considerable misunderstanding about how they work. Unlike traditional fiat currency "pocket" wallets, digital wallets don't store currency. In fact, currencies don't get stored in any single location or exist anywhere in any physical form. All that exists are records of transactions stored on the blockchain.[6]

When a new cryptocurrency wallet is opened, two sets of keys are created, a public key and a private key. The public key or address is only used to receive funds into a wallet and does not have to be kept secret as it is a receive-only access. The private keys allow the user

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[5] Ashutosh Bisht et al., comps., "Worldwide Semiannual Blockchain Spending Guide,".

[6] Elliott, C., Rosic, A., L., Lind, P., Emery, L., Ahier, B., . Perpinan, J. (2018, March 06). What is Blockchain Technology? A Step-by-Step Guide For Beginners. Retrieved from https://blockgeeks.com/guides/what-is-blockchain-technology/

to update and send cryptocurrencies on the blockchain. These must be kept in a safe place because if you lose your private keys, you lose your funds. Receiving or transferring funds is effectively recording a transaction on the blockchain and linking a public key and private key to the respective funds which is unique to a wallet.

Receipt of funds into a cryptocurrency wallet is effectively documenting a permanent record on the blockchain that a specified unit of cryptocurrency belongs to an account or wallet. There is no actual movement into the cryptocurrency wallet, it is simply a record tying the fact that currency is owned by that account or private/public key combination.

To receive cryptocurrency into a wallet, users must provide their public key to a sender and the transaction will then be documented on the blockchain as belonging to that account or public/private key combination. The private key is not something that is publicly available but is encrypted within the blockchain so that when an owner inputs the code to sell the currency, the miners are able to verify that it belongs to the particular wallet or account.

For example, when wallet A sends funds to wallet B, the person who owns the funds in wallet A must input their private key to record the transaction. Once verified, the funds are sent to the public address for wallet B and recorded on the blockchain. The blockchain now has a record that these funds are linked with the account for wallet B and can only be spent by using the private key associated with wallet B.

There are several types of wallets that provide different ways to store keys. Each wallet will have its own private key and therefore transfers of funds between wallets of the same owner will result in a different private key associated with the funds. Given the importance of keeping the private key confidential, the type of wallet used becomes very important in order to protect the security of digital currency.

There are two main categories of wallets – a hot wallet and a cold wallet. A hot wallet is an electronic wallet that is always connected to the internet and more prone to hacks. A cold wallet is disconnected from the internet and considered more secure. Wallets can be further broken down into three distinct categories – software, hardware and paper. Software wallets can be in the form of a desktop, mobile or online wallet, and are discussed below, along with hardware and paper wallets.

- **Desktop wallets**, which are downloaded and installed on a PC or laptop. They are only accessible from the single computer on which they are downloaded. Desktop wallets offer one of the highest levels of security; however, if a computer is hacked or gets a virus, there is the possibility of hackers obtaining the private key resulting in a loss of funds.

- **Online wallets**, which run on the internet and are accessible from any computing device in any location. While they are more convenient to access, online wallets store private keys online and are controlled by a third party which makes them more vulnerable to hacking attacks and theft.

- **Mobile wallets**, which run on an "app" on a cell phone and are useful because they can be used anywhere, including retail stores. Mobile wallets are usually much smaller and simpler than desktop wallets because of the limited space available on a mobile phone.

- **Hardware wallets** differ from software wallets in that they store a user's private keys on a hardware device, such as a USB proprietary dongle. Although hardware wallets make transactions online, the private keys are stored offline which delivers increased security over the private key. Transactions using hardware wallets are relatively simple. Users simply plug in their hardware device to any internet-enabled computer or device, enter a pin, send currency and confirm. Hardware wallets make it possible to easily transact while also keeping private keys offline and away from danger.

- **Paper wallets** are easy to use and provide a very high level of security. While the term paper wallet can simply refer to a physical copy or printout of public and private keys, it can also refer to a piece of software that is used to securely generate a pair of keys which are then printed. Using a paper wallet is relatively straightforward. Transferring currency to a paper wallet is accomplished by the transfer of funds from your software wallet to the public address shown on the paper wallet. To withdraw or spend currency, funds are transferred from a paper wallet to a software wallet. This process, often referred to as "sweeping," can either be done manually by entering your private keys or by scanning the QR code on the paper wallet.

The level of security of wallets vary by type listed above and the service provider. A web server is an intrinsically riskier environment to keep currency compared to offline. Online wallets can expose users to possible vulnerabilities in the wallet platform which can be exploited by hackers to steal private keys and ultimately funds. Offline wallets, on the other hand, cannot be hacked because they simply aren't connected to an online network and don't rely on a third party for security.

Although online wallets have proven the most vulnerable and prone to hacking attacks, diligent security precautions need to be implemented and followed when using any wallet. No matter which wallet is used, loss of the private keys will lead to loss of the currency held. Similarly, if a wallet gets hacked, there is no way to reclaim lost currency or reverse the transaction.

Precautions can be taken to protect cryptocurrency wallets as follows:

- **Offline storage**. Only small amounts of currency for everyday use should be kept online with the remainder of available funds maintained in a high security environment. Cold or offline storage options such as paper or USB (hardware) protect against computer failures and allow for recovery in the event a computer is lost or stolen.

- **Regular software updates**. Keeping wallet, computer and mobile software up to date ensures the latest security enhancements available.

- **Additional security layers**. Set long and complex passwords and ensure any withdrawal of funds requires a password. Further, utilize wallets that have a good reputation and provide extra security layers like two-factor authentication and additional pin code requirements every time a wallet application gets opened.

The Company will employ two types of wallets, an online wallet that is included on the CoinSquare exchange, and a Trezor cold storage hardware wallet.

The Company will utilize the Trezor cold storage hardware wallet that is not connected to the Internet to store the private keys associated with the majority of its coins. Trezor cannot be infected by malware and never exposes private keys which make it as safe as holding traditional paper money. Trezor is open source and transparent, with all technical decisions benefiting from wider community consultation. To use the Trezor wallet, the hardware, which resembles a USB, physically must be with the sender at the time digital currency is sent. This, therefore, makes Trezor best for investors who want to keep large amounts of digital currency highly secure.

From time to time, the Company will temporarily transfer currency from the Trezor wallet to an online wallet incorporated into the CoinSquare trading exchange in order to sell digital currencies. The CoinSquare exchange has a second set of private keys which differ from those maintained in the Trezor cold storage wallet. Given that the CoinSquare exchange wallet, and therefore private keys associated with coins stored on the platform, are connected to the internet, the Company will strictly limit the amount and duration of time any currency is stored on the exchange. The exchange will be used on a limited basis to sell coins. Once the transactions are completed, the Company will then immediately transfer funds to a cold storage wallet where private keys are kept offline and not connected to the internet. All funds from the cryptocurrency mining operations will be directed to the Trezor cold storage wallet and only transferred to the CoinSquare wallet if required to transfer to fiat currency on the exchange. See "*Description of the Business – Overview of Mining, Blockchain, and Cryptocurrency: Cryptocurrency Exchanges*" below.

To ensure the safety and security of the Trezor wallet, and ultimately HashChain’s private key, it will be stored at a financial institution in a safety deposit box. In the event that the Trezor is lost or stolen, the wallet can be cancelled, and the private key can only be recovered using the backup security code. This backup security code consists of 24 randomly generated words and will be stored in a safety deposit box at a different location than the Trezor wallet.

The Company will continuously evaluate and update processes and procedures, including its use of the Trezor cold storage wallet and the CoinSquare trading exchange, to ensure a high level of cyber security.

Cryptocurrency Exchanges

A cryptocurrency exchange is an online website where you can buy and sell cryptocurrencies, much as you would trade stocks on a stock market. They are also some of the most popular options for hot wallets where cryptocurrency can be purchased and private keys stored directly by the exchange. Common exchanges include CoinSquare, Bittrex, Poloniex and Coinbase.

Private keys stored on an exchange are vulnerable in the event the exchange is hacked. The risk is very similar to online banking which is more prone to security breaches. Like banks that have an online presence, online wallets and exchanges go to extreme measures to ensure security; however, like any site connected to the internet, they are not impenetrable. The safest way to store private keys is to have a device that is stored in a safe location that is not connected to the internet. Such devices are known as “cold” storage devices. Many online exchanges and wallets are starting to store the majority of their funds in cold wallets.

The Company intends to use the CoinSquare exchange operated by goNumerical Ltd. for the purposes of buying or selling digital currency in Canada. Like other cryptocurrency exchanges, and unlike traditional banks or stock exchanges, CoinSquare is not currently regulated at the federal or provincial level. CoinSquare does, however voluntarily reports to the Financial Transactions and Reports Analysis Centre of Canada (Fintrac) and is a Fintrac-registered and compliant money services business (MSB). Fintrac is responsible for facilitating the detection, prevention and deterrence of money laundering and the financing of terrorist activities. Fintrac registered MSBs are therefore required to maintain a host of controls and procedures to ensure accurate record keeping, client identify verification, and large or suspicious transaction reporting. MSB compliance is monitored and enforced by Fintrac. CoinSquare also utilizes cold storage and multi-signatory technology to reduce cyber security risks. See "Description of the Business – Overview of Mining, Blockchain, and Cryptocurrency: Cryptocurrency Wallets" above. To mitigate the risks associated with cyber security on the CoinSquare exchange, The Company will strictly limit the value of currency stored on the exchange and the duration of use. The Company will also use a Trezor cold wallet for redundant storage to supplement security of its transactions on the CoinSquare exchange.

The Company's decision to use CoinSquare is based on CoinSquare's current reputation and track-record as Canada's most established, secure and reliable cryptocurrency exchange. However, the Company may, at the discretion of management, use alternative cryptocurrency exchanges (such as Bittrex, Poloniex or Coinbase) as necessary to optimize the security, liquidity or value of the Company's cryptocurrency portfolio.

Competitive Conditions for Cryptocurrency Mining

The Company competes with other users and/or companies that are mining cryptocurrencies and other potential financial vehicles, possibly including securities backed by or linked to cryptocurrencies through entities similar to the Company.

Many online companies exist that offer cryptocurrency mining services, as well as companies, individuals and groups that run their own mining farms. Miners can range from individual enthusiasts to professional mining operations with dedicated data centres, however, the vast majority of mining is now undertaken by mining pools.

A mining pool is created when cryptocurrency miners pool their processing power over a network and mine transactions together. Rewards are then distributed proportionately to each miner based on the work / hash power contributed. Mining pools allow miners to pool their resources so they can generate blocks quickly and receive rewards on a consistent basis instead of mining alone where rewards may not be received for long periods.

Other market participants in the cryptocurrency industry include investors and speculators, retail users transacting in cryptocurrencies, and service companies that provide a variety of services including buying, selling, payment processing and storing of cryptocurrencies. The following table identifies examples of mining companies that exist today:

Competitor	Currency Mined	Location
Riot Blockchain Inc. (NASDAQ: RIOT)	Bitcoin	Colorado, USA
Hive Blockchain Technologies Ltd. (TSXV: HIVE)	Ethereum	Iceland
The Future of Mining (Private)	Bitcoin	Boden, Sweden
MGT Capital (Private)	Bitcoin, Ethereum, Ethereum Classic	Washington, USA
DMG Blockchain (OTCMKTS:DMGGF)	Bitcoin	Vancouver, Canada

APPx Cyber Security Policies

The Company's management team has developed a risk management policy for the Company as a commitment to continuously focus on cyber security as a key initiative. Key elements of the policy as well as initiatives already implemented are as follows:

1) **Wallet –** the Company will maintain private keys using a cold storage hardware wallet. This form of wallet is considered the most secure means of storage for private keys currently available in the marketplace as it is not connected to the internet. The Company will

continuously evaluate new alternatives and will ensure that the private key is stored in the most secure environment available in the marketplace.

2) **Cryptocurrency Exchanges –** the Company will minimize the value and time that cryptocurrency is listed on a public exchange to reduce the risk associated with fund misappropriation resulting from the exchange being hacked. Any exchange used by the Company must comply with current best practices for cyber security including use of cold storage, two-factor authentication for login, and good public validation of security practices.

3) **Security Updates –** the Company will ensure that software updates and recommendations are implemented immediately. This includes updates related to the exchange, wallet as well as software installed on local computers including malware and anti-virus

4) **Password protection –** passwords will be utilized for all electronic devices and online accounts and will adhere to best practices for effective passwords including storage, expiry, length, special characters, upper and lower-case numbers.

5) **Dual factor authentication –** dual factor authentication will be utilized for wallets and online exchanges.

6) **PCI:DSS Certification** - The company has already adopted and will get the Payment Card Industry Data Security Standard (PCI DSS) certification. PCI:DSS is a set of security standards designed to ensure that all companies that accept, process, store or transmit credit card information maintain a secure environment. The requirements were developed and are maintained by the Payment Card Industry (PCI) Security Standards Council.

As a commitment to uphold cyber security and safeguarding of assets, the leadership team will continuously review and develop risk management processes around the receipt, storage and sale of coins. Software updates will occur regularly, electronic and physical controls will be constantly evaluated and maintained, and continuous process improvements will be sought. Risk management processes and procedures will be reviewed by the advisory group, board of directors and the leadership team.

All connections to mining pools will use https with Secure Sockets Layer ("**SSL**"). SSL is the standard security technology for establishing an encrypted link between a web server and a browser. This link ensures that all data passed between the web server and browsers remain private and integral.

All data at rest on servers and laptops will be encrypted. Data protection at rest aims to secure inactive data stored on any device or network. While data at rest is sometimes considered to be less vulnerable than data in transit, attackers often find data at rest a more valuable target than data in motion.

The Company has a password policy implemented where it is mandatory to change passwords regularly. The security provided by a password system depends on the passwords being kept secret at all times.

APPX'S CONSUMER REWARDS PLATFORM—CATCHCOIN^{tm}

The Company's proprietary CatchCoin^{TM} application is an augmented reality consumer rewards platform which enables brick and mortar enterprises, such as malls, retailers, and event venues, to attract customers and attendees, and create long-term customer loyalty. CatchCoin allows participating merchants to incentivize customer visits by offering cash rewards, discounts, and incentives, generating measurable foot traffic and providing a calculable return on investment.

To launch a CatchCoin rewards campaign, merchants set-up an account to design, fund, and manage their campaigns. Merchants may pay for CatchCoin services by credit card or bank transfer, or using the Company's cryptocurrency checkout option.

How CatchCoin Works

The CatchCoin app uses a smartphone's camera to place a virtual image of CatchCoin Coins inside any location determined by the participating merchant. The application is compatible with any publicly accessible business or venue, such as stand-alone retail stores, shopping districts, hotels, sports or entertainment venues, and tourist destinations, whether indoor or outdoor. Rewards locations are displayed as a list and as a map on the Company's CatchCoin mobile app. Users of the app receive notifications of new CatchCoin campaigns and updates.

CatchCoin app users interface with a camera viewer, which uses the phone's GPS, accelerometer, and compass to identify the user's location and the direction toward which the user's phone is pointing. The camera viewer presents an augmented reality of the user's location in which virtual CatchCoin Coins appear. When a consumer locates and targets the image of a CatchCoin Coin using the viewer, they catch the CatchCoin Coin and its value is added to their account. Although no purchase is necessary, the value of the

CatchCoin can be increased if the user buys specified products or services, or pays for admission at participating locations. Once a user has collected over $25 in rewards, they may redeem their earnings by requesting a cheque, an 'Email Money Transfer', or an equivalent value of cryptocurrency. CatchCoin will not issue its own cryptocurrency, or any minted coin or token. Reward redemptions will be paid in Canadian currency, or in a commonly available third party cryptocurrency.

Fig 1. CatchCoin Coins Location Image

The merchant's involvement can be key to the success of the campaign. For example, CatchCoin's backend campaign control management system allows merchants to specify when and where Coins will appear, allowing them to incentivize user traffic at optimal times and locations. Merchants may also tailor their campaign notification settings and metrics to target specific customers at specific times, based on customer demographics or location. These setting can be updated and changed by the merchant at any time.

CatchCoin also includes a mobile shopper marketing and messaging platform featuring robust tracking, analytics, and reporting capabilities. Merchants can send specials or news items to users who have been in their store, whether they caught a coin or not. CatchCoin modules are designed to engage shoppers, influence in-store purchasing decisions, increase brand loyalty, and encourage ongoing dialogue and the sharing of brand content through automated marketing and retargeting systems.

The Company will seek to deploy CatchCoin in select metropolitan areas at popular retail, restaurant, and event locations in order to optimize awareness and enhance consumer and merchant satisfaction.

CatchCoin Sales and Marketing Strategy

CatchCoin's sales strategy will rely on a local promotion using a straightforward approach of cold calling and personal visits using a CatchCoin promotional vehicle. Calls will be made to key decision makers at retailers and event venues introducing them to CatchCoin and signing partner agreements. The Company endeavors to hire a team of location representatives responsible for setting up new locations in major metropolitan areas. This remote team will be supported by local advertising and our "on the road" representatives. The main focus is on locations and businesses to generate revenues and also to guarantee user satisfaction with the variety of rewards those locations will offer to the user base.

The strategy is to target specific geographies one at a time until the targets are met. The current target is 100 participating locations per 1 million residents in each targeted area. The Company's goal is to establish CatchCoin service in 15 metropolitan areas within 36 months of initial deployment. A separate team of user acquisition representatives will target the same city in conjunction with our location reps. The target is 500 participating users per 1 million residents of the area.

In addition, the Company intends to use various additional marketing programs to establish a broader, global geographical presence. The programs would include a Channel Partner (co-branding) Program, and an Ambassador Program which would seek enlist local and international celebrities or public features to build awareness of our service and rewards programs. The Company aims to target 35 cities with Chanel Partner and Ambassador Programs within 24 months of initial deployment. These initiatives will be supported by our in-house ambassador/outreach team to optimize user acquisition, and brand awareness.

The Company seeks to employ multiple media channels to disseminate our media output, such as YouTube, Facebook, local radio, local newspapers, LinkedIn, on-site kiosks, tech publications, redflagdeals, MobileSyrup, sponsoring social media groups and local classified ads sites. Beyond assisting the Company's reps in accomplishing the metropolitan targets, the Company's advertising will also assist with growth in already established cities. The Company intends to retain two in-house marketing experts and to enlist external firms to execute a larger promotional push once CatchCoin service is established in five metropolitan areas. When locations complete their initial deposit, the Company will ship them a small welcome package. This package will contain some marketing and branding material for the location to display at their leisure.

Additionally, the Company intends to rely on the following marketing and media tools to build our brand awareness and user base:

- Partnerships with marketing firms
- Premium branding
- YouTube advertising of promotional video for locations
- YouTube advertising of promotional video for users
- Facebook targeted advertising to couponing & frugal groups
- Google AdSense campaigns to support the Company's representatives
- LinkedIn direct to business for locations
- Kijiji for targeted metro users
- Physical Advertising in targeted metro areas
- Kiosk near campuses of targeted metro areas
- Conventions for channel partners
- Sponsorships of bloggers and social media persona
- Local radio ads in targeted metro areas
- Local newspaper ads in targeted metro areas
- Print ads in specialty magazines
- User giveaways
- Location giveaways
- Visible emblems in signed-up locations

The following marketing strategies will expose retailers for time sensitive offers to mobile phone users using the Company's state of the art geolocation technology. Retailers gain visibility and exposure attracting millennials, giving them visibility to CatchCoin users, and creating a call-to-action foot traffic store visit.

- Strategy #1: Develop strategic partnerships with national and multinational companies: Target the top 20 nationals and five multinationals in the following industries: Food chains, Restaurants, Retail outlets, Petroliere, Events, Entertainment, Pharmacy & Car dealerships.

- Strategy #2: Create an affiliate channel partnership program: Target the top 20 marketing, advertising and promotional partners and create affiliate programs.

- Strategy #3: Create an online marketing campaign: Develop an online marketing and social media campaign to grow the brand, engage users through a sophisticated lead generation campaign.

- Strategy #4: Create a National CatchCoin Tour: Target high profile events in high foot traffic locations and use two VIP in house representatives to reward the consumers on sign ups.

- Strategy #5: Viral video marketing: Increase the brand awareness by producing a story brand teller and create a viral video marketing campaign.

- Strategy #6: Digital PR and partnering: Create a multi-channel PR campaign reaching the top media outlets to build the brand and drive sales.

- Strategy #7: Create compelling sales aid tools: Create compelling sales aid and merchandising tools to promote CatchCoin brand awareness and support the company's sales force.

- Strategy #8: Create video tutorials: Teach users and affiliates on how to use CatchCoin by creating a step by step video tutorial.

- Strategy #9: Create a CatchCoin Zone affiliate giveaways: Reward the participating CatchCoin Zone affiliate with giveaways under sign-ups.

- Strategy #10: Refer a friend referral program: Refer a friend to CatchCoin and get rewarded with a $10 CatchCoin credit program.

CatchCoin Competitive Conditions

Groupon

Groupon is a deal site that gives users any information they need within moments. Groupon is one of the most famous and largest daily deals sites. It has up to 120 million subscribers.

Flipp

Flipp has partnered with select brands and retailers to offer rebate coupons so that you can get cash back on your purchases.

Checkout 51

Checkout 51 is one of the best providers of coupons and discounted deals. It provides new deals on weekly basis and not on a daily basis. Checkout 51 has a list of authorized brands and stores and the user just snaps a photo of their receipt and gets the cash back in return.

Ibotta

Ibotta offers cash back instead of coupons via their free app or website to find offers and promo codes. Estimated revenue is $75 million.

RetailMeNot

RetailMeNot claims to have more than 500,000 coupon offers for 70,000 stores. Browse the coupons at the website or sign up to receive an email with the current deals. After making a selection, a code is sent to enter at a website for the deal. RetailMeNot offers cash back deals to people who make online purchases at one of its sponsoring companies.

Competitive Distinctiveness of CatchCoin

The above listed competitors offer a variety of coupons or cash back refunds for shopping at participating businesses, allowing users to browse available promotions (by subject matter and based on their geographic location) through traditional websites and through mobile applications. These websites function primarily as digitized coupon catalogues, allowing users to browse for promotions using a smartphone global positioning system (GPS) and mapping feature, which identifies opportunities proximate to the user. Some, such as iBotta and Checkout41, require users to watch promotional videos or to complete surveys in order to access promotions, which consumes user data and may discourage use.

The Company intends to distinguish CatchCoin by emphasizing the real-time, interactive, augmented reality gaming features of the CatchCoin rewards program. In contrast to its anticipated competitors, CatchCoin functions primarily as an ad server, allowing merchants to broadcast promotions with specificity (through streaming images and mobile alerts), alerting customers within a chosen location radius, and at chosen times. CatchCoin is further distinguished from its anticipated competitors by its augmented reality user interface, which requires users to capture coins in a treasure-hunt styled, live video game. Finally, unlike its anticipated competitors, CatchCoin will allow users to accumulate credits without purchase by merely entering participating merchant locations and capturing CatchCoin tokens using the application.

The Company anticipates that CatchCoin's distinguishing features will: (i) incentivize users to visit merchant locations, whether they buy something or not; (ii) allow merchants to generate foot traffic and sales at desired times; (iii) allow merchants to track user foot-traffic in real time, and to analyze participating and non-participating user demographics; (iv) allow merchants to adjust campaign parameters quickly in light of user response; (v) eliminates the need for merchants to design and advertise discount campaigns and materials (coupons, flyers etc.) well in advance of execution; and (vi) more generally, to help merchants create an atmosphere of fun and gamesmanship for the benefit of their customers and businesses.

CatchCoin Development Timeline

CatchCoin is in its pre-alpha version pending a 5 week independent security audit scheduled to begin in September 2018. Security audit results and pilot program user feedback modifications are scheduled to be done by end of September. The full beta launch will be in October, 2018, and will include additional system functionality including the artificial intelligence advertisement serving algorithm and expanded cryptocurrency payment processing function.

APPX'S MOBILE APPLICATION (APP) BUSINESS

Sweetr

At its core, Sweetr is an app designed to bring users together, typically in the context of dating and relationships. Users are presented with profiles of nearby users in a fun format that asks they show interest in facts about a person before they can see profile photos and details. This gamified model is not just for fun, but rather to bring intention and accountability to the online dating experience for those seeking deeper and/or longer-lasting connections.

Users can communicate with one another in one of several ways, including text, photos, audio chat, and video chat. Users cannot communicate with others until they both show interest in one another. If a user doesn't like being contacted by a particular user, they have the option to block said user. This also allows the Company better means to provide a safer experience for everyone.

Users with good intentions are empowered to show them by "Going Exclusive" with one of their matches. Once both users agree to Go Exclusive, they will not be able to communicate with anyone other than their Exclusive match, nor will they be able to see any other user profiles. Sweetr allows users to find who they're looking for, no matter their preferences, including those who are just looking for friends.

Swiipe

Swiipe is an event discovery App that aggregates events from multiple online services (e.g. Facebook, Eventbrite) and uses geolocation to link users to nearby events. Similar to the swiping model made popular by Tinder, users can swipe events to show their interest (or lack thereof) in these events and their event preferences are used to match them with other like-minded users.

In addition to event discovery, Swiipe allows for connecting with other users for dating or friendship. As users swipe events, their preferences get more refined, which helps match them with other users who are more likely to share common interests.

Mobile Health and Wellness & Gaming Applications

Health and Wellness

The Company has acquired twenty-eight basic APPs that provide an array of lifestyle and health functions (some free and some freemium) whose intent is to assist users in their daily life. The APPs provide users access to: Meditation, Ab Training, Weight Loss, Get to Sleep, Sleep Meditation, Meditation, Pure Binaural Beats, Relaxing Melodies, Six Pack Workouts, Sleep Ambience, Soundscape Machine, 6-Pack Trainer, Ultimate Relaxation, Voice Translator, and Weight Loss.

Mobile Games

The Company has acquired fourteen APPs that provide an array of simple, mobile games. The Apps include: Baby Kong Banana Kart Racing, Baby Panda Super Cart Racing, Balloons Popping Mania, Crazy Snowboard Racer, Ninja Jungle Swing – Jump-N-Fly, Ninja Snow Racer, Ninja Snow Racer Pro, Spermy's Journey, Swinging Tarzan Jungle Run Free, and Tiny Ninja Penguin Dash.

APPx Apps Method of Distribution

Links to the Company's apps can be found on the Company's website, and apps can be downloaded via Apple's App Store for use on iPhone, iPad and iPod, and on the Google Play Store for Android smartphones and tablets. The current version of the Sweetr APP is available as a free download from Apple's iTunes App Stores in four languages. In the future, other platforms will be considered for distribution, such as web.

APPx Apps Marketing Strategy

The target market for Sweetr are individuals between the ages of 18 and 38 who are seeking to chat, flirt, socialize, and make new friends. The target market for Swiipe are individuals between the ages of 18 and 45 who are looking to discover local events, socialize, and make new friends.

The Sweetr and Swiipe apps enable users to discover and connect other users and events, based upon proximity. Location-based services are projected to reach US$96.01 billion in annual revenue in 2021[7], and Sweetr is well-positioned to capitalize on the growth this suggests.

The Company has developed a 12 month marketing plan to focus on domestic markets (namely, Canada and US), however it does not intend to launch this plan during the 12 months following completion of the Offering. If the domestic marketing plan is executed, the Company intends to expand its core offerings to Europe, Asia, and South America. There are no definitive seasonal trends in the Company's market, with the exception of a potential pick-up in downloads/sales around calendar year-end coinciding with Christmas/year-end sales and purchases of new mobile phones and tablets.

The Company's marketing and advertising plan will leverage the following media and strategies:

- Premium branding
- Social media and traditional online advertising of website and promotional video
- Facebook targeted advertising to users of competing apps
- Street teams to engage prospective new users in the real world and help them sign up
- Kiosk near campuses of targeted metro areas
- Conventions and trade shows
- Sponsorships of bloggers and social media persona
- Local radio ads in targeted metro areas
- Local newspaper ads in targeted metro areas
- Print ads in specialty magazines

- Strategy #1: Create an online marketing campaign: Develop an online marketing and social media campaign to grow the brand, engage users through a sophisticated lead generation campaign.

- Strategy #2: Create a National Tour: Target or host high-profile events in high foot traffic locations and reward the consumers on sign ups.

- Strategy #3: Viral video marketing: Increase the brand awareness by producing a story brand teller and create a viral video marketing campaign.

- Strategy #4: Digital PR and partnering: Create a multi-channel PR campaign reaching the top media outlets to build the brand and drive installs.
- Strategy #5: Refer a friend referral program: Offer in-app incentives for users who refer a friend who goes on to install and use the Company's apps.

- Strategy #6: Create an online presence: Develop a social media presence that includes curated and original content, as well as original articles about user success stories, events, app features and matters important to the Company's users.

Revenue Streams for APPx Apps

Revenues for the APPx Technologies Inc. products/apps have been nominal to date.

Mobile app revenue is based on the 'Freemium' concept employed by numerous successful online businesses, whereby the basic service is free for anyone to use and value-added features or additional utility cost extra. Revenue will come from in-application purchases and advertising within the app.

[7] *Global Location-Based Services (LBS) Market 2017-2021*(Rep.). (2017). Infiniti Research.

Sweetr

The initial stream of revenue is expected to come primarily from users paying for Sweetr Coins, which can be expended for single-use access to premium features within the application. For example, users can pay to show another user that they are interested, before the other user decides if they are themselves interested. Sweetr will also offer a premium subscription for users who want unlimited access to most features that normally cost Sweetr Coins. Subscription users benefit from the highest cost savings and APPx benefits from recurring billings (e.g. weekly, monthly).

Swiipe

The primary source of revenue for Swiipe is advertisements. Initially, Swiipe will rely on third-party ad platforms to display ads. An ad platform will be created to allow event creators and businesses to create advertisements to promote their events or venues within the app.

Games and Health and Wellness Apps

The primary source of revenue for mobile Games and Health and Wellness applications is advertisements. In some cases, users will have the option to make a one-time purchase to remove advertisements and/or unlock the full or pro version of the app.

Competitive Conditions for APPx Apps

The Company operates at the front of a nascent segment (social discovery) of a broader sector that is still being defined (social networking). As such, it faces significant competition in every aspect of its business, both from established companies whose products help users meet new people, or are evolving to do so, and from smaller but well-funded startups that can quickly gain attention and compete with the Company for users.

Examples of services that compete with Sweetr for users and advertiser interest include, but are not limited to:

- Websites and mobile applications whose primary focus is to help users meet new people in their geographical area, including Match.com, eHarmony, and other dating sites.
- Social networking websites and mobile applications with a focus on dating, which is a subset of the opportunity around meeting new people, such as Tinder, Bumble, Zoosk, Match.com, Plenty of Fish, and OkCupid.
- Broader social networks that currently offer or may evolve to offer services aimed at helping users meet new people in their area, such as Facebook, Google+, Twitter, and LinkedIn.

Many of our competitors have greater resources, more established reputations, a broader range of content and products and services, longer operating histories, and more established relationships with their users. They can use their experience and resources against us in a variety of competitive ways, including developing ways to attract and maintain users. These factors may allow our competitors to respond more effectively than us to new or emerging technologies and changes in market requirements.

Our competitors may develop products, features, or services that are similar to ours or that achieve greater market acceptance, may undertake more far-reaching and successful efforts at developing new services or marketing campaigns, or may adopt more aggressive pricing policies.

As the Company introduces new products, and as other companies introduce new products and services, the Company expect to become subject to additional competition. Some notable companies that partially overlap the Company's offerings are:

Tinder

Tinder is a location-based social search mobile app that facilitates communication between mutually interested users, allowing matched users to chat. The app is most commonly used as a dating app, but it also has services, making it a social media application too. Matching is based on Facebook and Spotify profiles.

Originally incubated inside Hatch Labs, the app was launched in 2012. By 2014, it was registering about one billion "swipes" per day. Tinder is among the first "swiping apps", whose users employ a swiping motion to choose photos of other users, swiping right for potentially good matches and swiping left on a photo to move to the next one.

As of October 2014, the app was processing over one billion swipes per day, producing about twelve million matches per day. The average user would generally spend about an hour and a half on the app each day. In March 2017, Tinder launched Tinder Online, a web-optimized version of the dating app so people can access Tinder at their desktops. Currently, it is only available in Argentina, Brazil, Colombia, Indonesia, Italy, Mexico, Philippines, and Sweden. The website doesn't include special features available on mobile, such as Super Likes or Tinder Boost.

Bumble

Bumble is a location-based social and dating application which facilitates communication between interested users. In heterosexual matches, the app permits only women to start a chat with their male matches, while in same-sex matches either party can message first, though all free users must reply to messages within 24 hours or the match disappears.

Features include the ability to favorite conversations, to sort conversations, to send photo messages, and to swipe, which allows users to "like" potential matches by swiping right and to swipe left to continue on their search. Bumble released a "backtrack" feature in 2015 that allows users to undo accidental left swipes by shaking their phones. Three free "backtracks" are provided initially, which are replenished every three hours. Users have the option to immediately receive a new set of three backtracks by sharing Bumble on Facebook, Instagram, or Twitter, although they are limited to one of these refills per day. There is a 24-hour time frame on matches in which a conversation must be started or else the match disappears.

In 2017, after just over 2 years, Bumble now has 18 million registered users. Bumble introduced the SuperSwipe., which allows users to indicate if they extraordinarily interested in a someone’s profile. Bumble Coins are now available to pay for enhanced features (like the SuperSwipe). According to reports, Match Group made an offer to buy Bumble for $450 million. Some analysts value Bumble at almost $1 billion. Bumble is launching a new platform, BumbleBeez, in October which is aiming to connect professionals looking for a new job, a business partner, or to hire new talent. According to some estimates Bumble continues to add more than 50,000 new users per day. Bumble is expected to take in more than $150 million in 2018.

Competitive Distinctiveness of APPx Apps

Swiipe

Traditional online event discovery is passive, typically with users learning about events through the activity of social connections on social media sites or through emails. Swiipe aims to make event discovery a more active, engaging, entertaining activity by aggregating events from various sources and presenting them to users based on their preferences and behaviors over time. Two key advantages:

Advantage #1: There is currently no definitive, dedicated event-discovery app. Swiipe aims to be a first-of-its-kind offering.

Advantage #2: Conventional mobile advertising consists of displaying banner and/or interstitial ads that may or may not be relevant to an app’s user base. Low quality or less-relevant ads have a negative effect on click-through rates and ad revenues earned. As part of the long-term strategy for Swiipe, the Company will create a self-serve ad platform that empowers venues and event creators to create promotions. These ads will naturally be relevant to our users while generating needed interest for event providers and venues.

Sweetr

The new version of Sweetr is designed with features to disrupt current trends of popular online dating apps (e.g. Tinder, Bumble). The opportunity is to address pain points expressed by consumers and media associated with current online-dating culture (e.g. superficial, non-committal, hook-up) by introducing accountability and ways to connect and socialize that go deeper than physical appearance. Additionally, a focus on features that promote and encourage accountability (e.g. in-app voice/video chat, going Exclusive, and tracking & displaying qualities that users express interest in over time) are anticipated to give users a sense of increased safety and security compared with competing apps.

Development Timeline for APPx Apps

Swiipe

Core functionality for development of Swiipe version 1.0 has been designed. The Company has identified third-party event APIs to integrate within the app and preliminary prototyping has taken place to prove the concept. The Issuer has also identified potential app development studios that can deliver on the Swiipe application, and intends to select a subcontractor during 2019 to develop a market-ready application. However, the Company does not anticipate launching its development plan for Swiipe during the 12 months following the date of this Prospectus.

Sweetr

The current version of the Sweetr APP is available as a free download from Apple's iTunes App Stores in four languages. The Issuer may undertake a redesign and begin production of the Sweetr APP in the future, however there are no plans to begin a redesign during the 12 months following the date of this Listing Statement.

Specialized Skill and Knowledge Requirements and Availability

The specialized skill and knowledge requirements are such that the Company's personnel has sufficient training and knowledge to further develop the Company's apps and related technologies and also will be able to provide the marketing and business development resources required for the Company's marketing efforts.

Canada has recently experienced a record of high investment and revenue in the FinTech industry[8], but like much of the rest of the world, it is affected by a shortage of Fintech talent. Postsecondary education institutions, government, and industry partners have responded to the FinTech talent shortage by financing and promoting various forms of programs and extra-curricular activities to students. These can include hackathons, mentorship programs, independent course offerings for specific skill enhancement, conferences, and both privately-funded and publicly-funded events.[9] APPx has taken the initiative to foster closer relationships with local English and French Universities in an effort to find and mentor students who are interested in the future of Fintech, while gaining access to the newest technology innovations and talent.

Business Cycle and Seasonality

The Company's business is not cyclical or seasonal; however, coin generation may vary depending on the level of difficulty involved in confirming transactions to be added to the blockchain. Difficulty levels and coin generation have an inverse relationship and fluctuate daily.

Changes to Contracts

No part of the Company's business is reasonably expected to be affected in the current financial year by either the renegotiation or termination of any contract.

Employees

As of the date of this Prospectus, the Company had three full time employees providing services in the areas of technology & product development, and strategy. . With the exception of Jason Collins (Chief Technology Officer), who is a full-time employee, the Company's executive officers and directors provide their services as independent contractors. The Company engages additional independent contractors to fulfill personnel requirements in the areas of sales & marketing, product development, administration, and accounting. The Company may retain additional full-time or part-time employees to meet its future staffing requirements.

Foreign Operations

All of the Company's business and operations are carried on in Canada.

Lending

The Company does not engage in any lending activities.

Bankruptcy and Similar Procedures

There are no bankruptcies, receivership or similar proceedings against the Company, nor is the Company aware of any such pending or threatened proceedings. There has not been any voluntary bankruptcy, receivership or similar proceedings by the Company during its last three financial years.

Reorganizations

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[8] KPMG. (2017). Pulse of FinTech: Global Analysis of Investment in Fintech - Quarter 4, 2016. Retrieved from: https://assets.kpmg.com/content/dam/kpmg/xx/pdf/2017/02/pulse-of-fintech-q4-2016.pdf

[9] Coe, I., Dr., Flanagan, K., & Modjtahedi, A., Dr. (2017). *Investigating the Global FinTech Talent Shortage*(Rep.). Toronto, ON: Ryerson University.

Except as disclosed herein, the Company has not completed any material reorganization. No reorganization is proposed for the current financial year.

USE OF PROCEEDS

Proceeds and Principal Purposes

The gross proceeds from the sale of the Special Warrants pursuant to the Offering were $2,681,100 and the net proceeds received by the Company from the Offering after deducting the Agent's Commission of $135,100, and the non-refundable expenses of the Offering, estimated at $169,540 (inclusive of the Advisory Fee of $31,500 and the Agent's Expenses paid in connection with the March 13, 2018 Special Warrants, legal fees, transfer agent fees and filing fees) were $2,373,386. Immediately prior to completion of the Offering, the Company had positive working capital of $75,869, resulting in a post-Offering working capital of $2,449,255. The Company will not receive any additional proceeds from the Offering upon the exercise or deemed exercise of the Special Warrants.

As at August 31, 2018, the Company had spent or allocated $1,474,436 of the proceeds of the Offering toward the execution of its business plan, and had a resulting working capital of $1,083,721, including cash of approximately $974,819, sales tax receivable of $100,570, pre-paid expenses of approximately $164,000 and accounts payable and accrued liabilities of $155,668. The $1,474,436 of spent or committed proceeds from the Offering consisted of the following expenditures:

Non-Refundable Expenditures (not included in working capital)	
Audit Fees	$33,500
Legal Fees	$200,000
Administrative Overhead	$82,123
Salaries, Wages and Consulting fees	$468,000
Office Equipment and Leaseholds	$113,312
Mining Equipment	$312,931
Total Non-Refundable Expenditures	**$1,209,866**
Expenditures Classified As Prepaid Expenses (included in Working Capital as At August 31, 2018)	
Investment Relations Contract Deposit	$88,200
Office Lease deposit	$19,583
Frankfurt Stock Exchange Listing Fee	$12,152
Legal retainer for Trademark Work	$14,025
General Prepaids	$30,040
Sales Tax Receivable	$100,570
Total Prepaid Expenses and Sales tax receivable	**$264,570**
TOTAL	**$1,474,436**

The Company estimates that it has sufficient working capital to fund operations for at least 12 months and to achieve its stated business objectives during that period. The Company intends to expend its available working capital to achieve the business objectives and milestones outlined below. The Company had negative cash flow from operating activities during its most recently completed fiscal year and estimates its monthly burn rate will be approximately $120,000.

Business Objectives and Milestones

The Company's primary intended business objective following the Offering is to achieve the business milestones described in the below table. These include listing of the Company's common shares on the Canadian Stock Exchange and the Frankfurt Stock Exchange (Milestone 1), building and launching a Cryptocurrency Mining business (Milestone 2), continued development and commercial launch of the CatchCoin reward platform (Milestone 3), , and completing an initial research and development program for potential FinTech software applications (Milestone 4). There may be circumstances however, where, for sound business reasons, a reallocation of funds may be necessary.

USE OF PROCEEDS	**Estimated Cost**	**Estimated Completion Date**
Milestone 1—Listing of Common Shares on CSE and FSE		September 2018

Investor Relations	$88,200	September 2018
Listing Fees and Expenses (Frankfurt Stock Exchange)	$12,152	September 2018
Listing Fees and Expenses (CSE)	$25,000	September 2018
	$125,352	
Milestone 2--Build and Launch 200 Rig Cryptocurrency Mining Operations, MaaS (Mining as a service)		September 2018
Operating costs	$70,000	12 months
Project related management fees	$50,000	12 Months
	$120,000	
Milestone 3—Development, Launch and Marketing of Catchcoin		October 2018
● **Pilot Programs Launch**		September 2018
● **Testing and Optimization**		October 2018
● **Beta launch: Montreal**		October 2018
● **Full launch: Montreal.**		November 2018
Security Audit	$100,000	September 2018
Sales Wages	$100,000	12 Months
Development Consulting Fees	$20,000	12 Months
Marketing Expense	$25,000	12 Months
Marketing Fees	$10,000	12 Months
	$255,000	
Milestone 4—FinTech Project Development/Internal R&D		
● **- Know your Client (KYC) & Anti-Money Laundering (AML) Onboarding/Audit Platform**		12 Months
● **- Source of Funds (KYT) Audit Platform**		12 Months
● **- Proof of Coin Audit Platform**		12 Months
● **- Proof of Purity "Virgin" Coin Audit Platform**		12 Months
● **- Unified Escrow and Compliance for Crypto Institution Transactions**		12 Months
Project Related Management Fees	$40,000	12 Months
Research & Development Wages	$40,000	12 Months
Marketing	$10,000	12 Months
Marketing Wages	$10,000	12 Months
	$100,000	
General and administrative		
Management fees	$100,000	12 Months
Consulting fees	$25,000	12 Months
Transfer Agent	$15,000	12 Months
Professional Fees	$50,000	12 Months
Office Lease (including taxes and expenses)	$99,000	12 Months
Miscellaneous Administrative (Supplies, Telephone, Internet, Courier)	$15,000	12 Months
Travel (Transport, Meals, Accommodation)	$25,000	12 Months
	$329,000	
Contingency	$154,369	
	$154,369	

TOTAL	**$1,083,721**	

(1) The Company will be paying the Chief Executive Officer and Director, Chief Technology Officer and the President and Director $10,000 per month each and the Chief Financial Officer $4,000 per month.
(2)Includes lease expenses for the Company's executive office located in Vancouver, British Columbia and its operations facility located in Montreal. Quebec.

While the Company intends to spend its current working capital as stated above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary or advisable. The actual amount that the Company spends in connection with each of the intended uses of proceeds may vary significantly from the amounts specified above, and will depend on a number of factors, including the Company's operating and capital needs, the discretion of the Company's management, and those factors listed under the heading "Risk Factors".

DIVIDENDS OR DISTRIBUTIONS

Dividends

The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain its earnings to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion of the operating results and financial position of the Company should be read in conjunction with the audited consolidated financial statements and related notes as at and for the year ending December 31, 2017, and the unaudited consolidated financial statements and related notes as at and for the three and six month periods ending June 30, 2018, forming part of this Prospectus. The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards. The information below is as of August 31, 2018 (unless otherwise specified below).

Overview

The Company is a 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's registered office is located at Suite 409, 221 West Esplanade, North Vancouver, British Columbia V7M 3J3.

The Company is a reporting issuer that was incorporated 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, WebWatcher entered into an arrangement agreement (the "Arrangement Agreement") with the Company. Under the terms of the Arrangement Agreement, WebWatcher was to complete a plan of arrangement which would divest WebWatcher of the asset consisting of the LOI, which would be divested to the Company for consideration of 1,440,351 common shares of the Company. WebWatcher 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.

Under the terms of the Arrangement Agreement, WebWatcher was to complete a plan of arrangement which would divest WebWatcher 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. WebWatcher 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 October 26, 2017, APPx entered into and closed a share exchange agreement dated September 12, 2017 (the "Exchange") with Appature Technologies Inc. ("ATI"). Pursuant to the share exchange agreement, the Company issued 19,961,193 of common shares of the Company in exchange for 19,961,193 common shares of ATI, resulting in a 90.56% acquisition of the outstanding common shares of ATI.

Under the terms of the Exchange, The Company issued 19,961,193 common shares in exchange for the equivalent number of issued and outstanding shares of ATI, which represents 90.56% ownership of ATI. As a result of the Transaction, the shareholders of ATI own

93.3% of APPx. APPx's board of directors and senior management were reconstituted and consist of the directors and senior management of ATI. Given the majority ownership of the common shares of the Company and the majority representation on the Company's Board of Directors are held by the former shareholders of ATI, ATI 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 ATI is considered the accounting acquirer of APPx. As a result of reverse acquisition accounting, the financial information contained herein represent a continuation of ATI's consolidated financial statements and the acquisition of the Company.

On March 2, 2018, the Company completed a share exchange agreement with RewardDrop Software Inc. Pursuant to the agreement, the Company has issued aggregate of 50,000,000 common shares of the Company in exchange for all of the issued and outstanding securities of RewardDrop.

The Company is a technology incubator specializing in developing, launching, acquiring and vertically integrating technology companies. It currently holds a portfolio of technology companies each with their own proprietary application platforms. The Company provides engineering, capital, executive management and marketing expertise to new and newly acquired technology companies. The Company also brings skills, expertise and innovative ideas to build new blockchain and mobile applications in the FinTech, Cryptocurrency, and Mobile marketplace.

The Company has three primary business divisions:

1. Fintech: Cryptocurrency Mining, MaaS (Mining as a service), KYC/Anti-Fraud/AML/KYT compliance software and process' for cryptocurrency, Coin purity and proof audit systems and institution custodial cold storage and escrow services.

2. Consumer Rewards Platform: The proprietary "CatchCoin" app and adaptable technology platform is designed as a retailer loyalty platform and is operated through its subsidiary, RewardDrop Software Inc.

3. Mobile Apps: The Company's subsidiary ATI BC.. owns and operates social media apps, gaming apps and a series of health and wellness apps. The most notable apps are "Sweetr" and "Swiipe".

The Company seeks to list its Common Shares on the Exchange.

Overall Performance

As at June 30, 2018, the Company has an accumulated deficit of $1,897,515. The Company expects its operating losses to continue into the next fiscal year as it continues to develop its portfolio of technologies.

The Company has funded its operations with proceeds from equity financings and expects to seek additional funding through equity financings to finance its growth initiatives. However, if the Company's cryptocurrency mining, consumer rewards, or mobile application businesses do not show progress or generate revenues, or if capital market conditions in general or with respect to the sector or development stage companies such as APPx are unfavorable, its ability to obtain additional funding will be adversely affected.

Selected Financial Information

The following table sets forth selected financial information for the six months ended June 30, 2018 and the fiscal year ended December 31, 2017 ("Fiscal 2017") of APPx Crypto Technologies Inc., and the comparable selected financial information of its predecessor, Appature Technologies Inc. (formerly Paraguay Minerals Corp.), for the fiscal year ended December 31, 2016 ("Fiscal 2016") and fiscal year ended December 31, 2015 ("Fiscal 2015"). The selected financial information set out below has been derived from the condensed consolidated interim financial statements, the Annual Audited Financial Statements, and the accompanying notes thereto, in each case prepared in accordance with IFRS. The selected financial information set out below may not be indicative of the Company's future performance. The following discussion should be read in conjunction with the condensed consolidated interim financial statements for the six months ended June 30, 2018, and the Annual Financial Statements for the fiscal years ended December 31, 2017 and December 31, 2016, respectively.

Statement of Operations Data

	APPx CryptoTechnologies Inc.	**APPx CryptoTechnologies Inc.**	**Appature Technologies Inc. (formerly Paraguay**	**Appature Technologies Inc.**

	(formerly Appature Mobile Applications Inc.)	(formerly Appature Mobile Applications Inc.)	Minerals Corp.)[(1)]	(formerly Paraguay Minerals Corp) [(1)].
	June 30, 2018 ($) (unaudited)	**December 31, 2017 ($) (audited)**	**December 31, 2016 ($) (audited)**	**December 31, 2015 ($) (audited)**
Revenue	11	3,556	—	—
Total expenses	616,411	374,393	239,831	58,586
Other expenses (income)	1,019,371	38,899	11,167	23,292
Net and comprehensive loss	(1,635,711)	(409,736)	(250,998)	(81,878)
Less: net loss attributable to non-controlling interest	10,296	9,241	—	—
Net income (loss) attributable to APPx Crypto Technologies Inc.	(1,625,475)	(400,495)	(250,998)	(81,878)
Earnings (loss) per share (basic and diluted)	(0.03)	(0.02)	(0.02)	(0.01)

(1) On October 26, 2017, the Company completed a share exchange agreement with its predecessor and current wholly owned subsidiary Appature Technologies Inc. (formerly Paraguay Minerals Corp.)

Balance Sheet Data

	APPx Crypto Technologies Inc. (formerly Appature Mobile Applications Inc.)	**APPx Crypto Technologies Inc. (formerly Appature Mobile Applications Inc.)**	**Appature Technologies Inc. (formerly Paraguay Minerals Corp.)[(1)]**	**Appature Technologies Inc. (formerly Paraguay Minerals Corp.) [(1)]**
	As at June 30, 2018 ($) (unaudited)	**As at December 31, 2017 ($) (audited)**	**As at December 31, 2016 ($) (audited)**	**As at December 31, 2015 ($) (audited)**
Current Assets	1,695,440	107,593	35,633	60,994
Total Assets	2,387,878	549,961	543,042	592,994
Current Liabilities	132,468	252,638		
Long Term Debt	—	—	—	—
Shareholders' Equity	2,255,410	297,323	343,578	472,000

(2) On October 26, 2017, the Company completed a share exchange agreement with its predecessor and current wholly owned subsidiary Appature Technologies Inc. (formerly Paraguay Minerals Corp.)

The Company recorded its first revenues since its inception in Fiscal 2017 attributable to app sales in the Apple iTunes Connect store. Revenues are expected to continue in the current fiscal year as these apps are already available in the Apple iTunes Connect store. However, revenue levels are expected to be inconsistent and unpredictable over the next twelve months as marketing and development campaigns are performed on applications owned, created and acquired by APPx as well as Apple iTunes programming requirements.

Expenses related to the Company's business development and administration have materially increased following closing of the Offering. Such increased expenses have included and will continue to include, without limitation, increased expenditures with respect to the Company's cryptocurrency mining business, its CatchCoin consumer rewards business, and its general and administrative expenses following closing of the Offering.

Results of Operations

For the Three Months Ended June 30, 2018

During the three month period ended June 30, 2018 we incurred the following expenses:

- Advertising and marketing expense of $52,582. This amount includes costs associated with advertising and marketing fees related to CatchCoin, and includes $5,000 fees paid to the former Chief Information Officer.

- Consulting and management expense of $76,871. This amount includes fees paid to newly the appointed Chief Executive Officer and Chief Financial Officer.

- General and administrative expense of $74,560. This amount includes costs relating to office costs and administrative overhead as well as wages paid to the Chief Technology Officer and employees working on business development initiatives.

- Professional fees of $83,109. This amount includes audit and legal costs incurred in relation to the prospective public listing of the Company's common shares on the Canadian Securities Exchange

- Research and development costs of $115,153. This amount includes fees paid to the President and Director, Chief Technology Officer and the former Chief Information Officer, as well as some mobile application development subcontractors.

For the Six Months Ended June 30, 2018

During the six month period ended June 30, 2018 we incurred the following expenses:

- Advertising and marketing expense of $76,961. This amount includes costs associated with advertising and marketing fees related to CatchCoin, and includes $5,000 fees paid to the former Chief Information Officer.

- Consulting and management expense of $94,688. This amount includes fees paid to newly the appointed Chief Executive Officer and Chief Financial Officer.

- General and administrative expense of $83,769. This amount includes costs relating to office costs and administrative overhead as well as wages paid to the Chief Technology Officer and employees working on business development initiatives.

- Professional fees of $121,826. This amount includes audit and legal costs incurred in relation to the prospective public listing of the Company's common shares on the Canadian Securities Exchange

- Research and development costs of $186,495. This amount includes fees paid to the President and Director, Chief Technology Officer and the former Chief Information Officer, as well as some mobile application development subcontractors.

For the Year Ended December 31, 2017

APPx recorded a net loss of $409,736 ($0.02 per Common Share) in Fiscal 2017 and $250,998 ($0.02 per Common Share) in the Fiscal 2016. The $158,738 increase in net loss was primarily due to increased consulting and management fees and amortization costs associated with intangible assets.

The following table provides an overview of the financial results in Fiscal 2017 as compared to those in Fiscal 2016:

	Fiscal 2017	**Fiscal 2016**	**Variance**
	$	**$**	**$**
Revenue	3,556	—	3,556
Expenses			
Advertising	2,116	3,770	(1,654)
Amortization	140,466	72,690	67,776
Consulting and management fees	169,017	127,500	41,517
General and administrative	8,808	17,297	(8,489)

Professional fees	53,549	18,574	34,975
Transfer agent and filing fees	437	--	437
Loss before other expenses	(370,837)	(239,831)	(131,006)
Other expenses	(38,899)	(11,167)	(27,732)
Less: net loss attributable to non-controlling interest	9,241	--	9,241
Net loss	(400,495)	(250,998)	(149,497)

- Revenue increased by $3,556. Fiscal 2017 was the first year APPx has reported revenue to date as the Company made some of its apps available for sale in the Apple iTunes Connect store.

- General and administrative expense decreased by $8,489. This cost consists of office supplies, travel expenses, bank service charges, website costs and interest expense on outstanding professional fees. The decrease is due to there not being interest expense accrued on professional fees in the current year.

- Amortization expense increased by $67,776. The amortization relates to the mobile application SweetrLife which started being amortized in Fiscal 2016.

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- Consulting and management fees increase by $41,517 as the Company contracted with a part time Chief Executive Officer and Chief Operating Officer as well as hired consultants for mobile application development.

- Professional fees increased by $31,826 as the Company incurred audit costs for the first time during Fiscal 2016 and increase legal fees due to services provided in relation to the Exchange.

- Other expense increased by 27,732. Fiscal 2017 consists of $38,899 related to restructuring costs arising on the Exchange and Fiscal 2016 consists of a write-down of intangible assets of $11,167.

- The net loss attributable to non-controlling interest relates to the shareholders who did not participate in the Exchange and represents their collective 9.44% interest in Appature Technologies Inc. (ATI BC).

For the Year Ended December 31, 2016

	Fiscal 2016 **$**	**Fiscal 2015** **$**	**Variance** **$**
Revenue	—	—	—
Expenses			
Advertising	3,770	—	3,770
Amortization	72,690	—	72,690
Consulting and management fees	127,500	30,000	97,500
General and administrative	17,297	13,858	3,439
Professional fees	18,574	14,728	3,846
Loss before other expenses	(239,831)	(58,586)	(181,245)
Other expenses	(11,167)	(23,292)	12,125
Net loss	(250,998)	(81,878)	(169,120)

During the year ended December 31, 2016, the Company incurred a net loss of $250,998 (2015 – $85,031).

Administrative, advertising and professional fees increased by an aggregate of $11,055, to $17,297, $3,770, and $18,574, respectively. This increase was primarily a result of increased operational activities following the strategic acquisition of three mobile application technologies late in fiscal 2015.

The Company began amortization of its SweetrLife mobile application technologies as it has been made available for purchase on iTunes during the year resulting in an amortization expense of $72,690 (2015 - $nil).

Consulting and management fees increased by $97,500 to $127,500. This increase was primarily a result of having operational activities for an entire year as a result of the strategic acquisition of three mobile application technologies late in fiscal 2015.

During the year ended December 31, 2016, restructuring costs were $nil (2015 - $31,445). This is a result of the Company completing a one-time reverse asset acquisition transaction with ATI BC.

Liquidity, Financial Position, and Capital Resources

For the Six Months Ended June 30, 2018, and for the Years Ended December 31, 2017 and December 31, 2016

	Six Months Ended June 30, 2018	**Fiscal 2017**	**Fiscal 2016**	**Fiscal 2015**
	$	**$**	**$**	**$**
Cash used in operating activities	(728,417)	(59,467)	(103,200)	(27,134)
Cash provided by (used in) investing activities	487,519	(54,025)	(9,266)	64,338
Cash provided by financing activities	1,707,642	196,045	72,576	(22,000)
Net (decrease) increase in cash and cash equivalents	1,466,744	82,553	(39,890)	59,204

As at August 31, 2018, the Company has $974,819 in cash and working capital of $1,083,721. As at December 31, 2017, the Company has $101,867 in cash and cash equivalents compared to $19,314 as at December 31, 2016 (2015 - $59,204). The Company had negative working capital of $145,045 at December 31, 2017 compared to $163,831 as at December 31, 2016 (2015 – $60,000).

The Company has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants.

Since the Company will not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the funding through future equity issuances and through short term borrowing in order to fund ongoing operations and to meet its obligations. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

Subsequent to December 31, 2017, 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 total proceeds of $751,100 and completed a brokered private placement that raised gross proceeds of $1,930,000 in the Private Placement through the issuance of a total of 19,300,000 special warrants at a price of $0.10 per Special Warrant.

Net loss has increased over Fiscal 2017 and 2016 as the Company raised capital and started to develop its applications. The majority of costs to date are due to consulting and management fees related to business development and programming, professional fees related to financial reporting and corporate legal services and amortization of the Company's intangible assets. In Q4 2017, the Company recognized a restructuring costs relating to the Exchange of $38,899.

As at August 31, 2018, the Company had spent or allocated $1,474,436 of the proceeds of the Offering toward the execution of its business plan, and had a resulting working capital of $1,083,721, including cash of approximately $974,819, sales tax receivable of $100,570, and pre-paid expenses of approximately $164,000 and accounts payable and accrued liabilities of $155,668. As set out under the heading "Use of Proceeds", the Company anticipates spending $1,083,721 to execute its business plan for the next 12 month period. The Company will have approximately $154,369 in contingency for unallocated general working capital for the next 12 month period. The Company cannot offer any assurance that expenses will not exceed management's expectations. The Company will require additional funds and will be dependent upon its ability to secure equity and/or debt financing, the availability of which cannot be assured.

Although the Company currently has limited capital resources, management currently believes that, the Company will not have to rely upon the sale of its equity and/or debt securities for cash required to fund operations for the next 12 month period, other than as disclosed in this Prospectus.

Pro Forma Financial Statements:

The following table sets forth selected unaudited pro forma consolidated financial information of the Company as at December 31, 2017 as if the Company had acquired RewardDrop Software Inc. as at December 31, 2017.

Unaudited Pro Forma Statement of Operations Data

	APPx Crypto Technologies Inc. (formerly Appature Mobile Applications Inc.)	RewardDrop Software Inc.		
	Year Ended December 31, 2017 ($)	Period from August 23, 2017 (date of incorporation) December 31, 2017 ($)	Pro forma Adjustments ($)	Pro Forma Consolidated ($)
Revenue	3,556	-	-	3,556
Total Expenses	374,393	272,040	-	646,433
Other Income (Expense)	(38,899)	-	225,149	186,250
Less: net loss attributable to non-controlling interest	9,241	-	-	9,241
Net Income (Loss)	(400,495)	(272,040)	225,149	(447,386)

Unaudited Pro Forma Balance Sheet Data

.	APPx Crypto Technologies Inc. (formerly Appature Mobile Applications Inc.)	RewardDrop Software Inc.	Pro forma Adjustments	Pro Forma Consolidated
	December 31, 2017 ($)	December 31, 2017 ($)	($)	($)
Current Assets	107,593	15,000	2,376,462	2,499,055
Total Assets	549,961	15,000	4,608,306	5,173,267
Current Liabilities	252,638	286,890	(276,849)	262,679
Long Term Debt	-	-	-	-
Shareholders' Equity (Deficit)	297,323	(271,890)	4,885,155	4,910,588

Off Balance Sheet Arrangements

The Company has no undisclosed off-balance sheet arrangements that have or are reasonably likely to have, a current or future effect on its results of operations, financial condition, revenues or expenses, liquidity, capital expenditures or capital resources that is material to investors.

Related Party Transactions

During the three and six months ended June 30, 2018, the Company incurred $30,000 and $40,000, respectively, to Rahim Mohamed, the Chief Executive Officer of the Company (“CEO”) in consulting and management fees to a company controlled by the CEO. As at June 30, 2018, the Company owed $799 (December 31, 2017 - $nil) to a company controlled by the CEO which is included in accounts payable and accrued liabilities.

During the three and six months ended June 30, 2018, the Company incurred $16,706 and $21,706, respectively, in consulting and management fees and $16,706 and $21,706, respectively, in research and development fees to a company controlled by Jay Ruckenstein, the President of the Company. As at June 30, 2018, the Company owed $7,645 (December 31, 2017 - $50,032) to the company controlled by the President included in accounts payable and accrued liabilities. The amounts owed are unsecured, non-interest bearing, and due on demand. During six months ended June 30, 2018, the total amount of $50,032 owed to this company was forgiven.

As at June 30, 2018, the Company owed $Nil (December 31, 2017 - $79,349) to Jay Ruckenstein, President of the Company, of which $Nil (December 31, 2017 - $54,600) is included in accounts payable and accrued liabilities. The amounts owed are unsecured, non-interest bearing, and due on demand. During six months ended June 30, 2018, the total amount of $79,349 owed to the President of the Company was forgiven.

During the three and six months ended June 30, 2018, the Company incurred $10,000 and $20,000, respectively, in research and development fees and $20,000 and $20,000, respectively, in general and administrative costs to Jason Collins, Chief Technology Officer ("CTO") of the Company. As at June 30, 2018, the Company owed $Nil (December 31, 2017 - $54,150) to the CTO of the Company, of which $Nil (December 31, 2017 - $54,600) is included in accounts payable and accrued liabilities. The amounts owed are unsecured, non-interest bearing, and due on demand. During six months ended June 30, 2018, the total amount of $54,150 owed to the President of the Company was forgiven.

During the three and six months ended June 30, 2018, the Company incurred $20,000 and $25,000, respectively, in research and development fees and $Nil and $5,000, respectively, in advertising and marketing fees to Maxime Rochon, the former Chief Information Officer ("CIO") of the Company. As at June 30, 2018, the Company owed $Nil (December 31, 2017 - $91,650) to the CIO of the Company, of which $nil (December 31, 2017 -$54,600) is included in accounts payable and accrued liabilities. The amounts owed are unsecured, non-interest bearing, and due on demand. During the six months ended June 30, 2018, the amount of $91,650 owed to the CIO was forgiven.

During the three and six months ended June 30, 2018, the Company incurred $12,000 and $16,000, respectively, in consulting and management fees to a company controlled by Hanspaul Pannu, the Chief Financial Officer of the Company ("CFO"). As at June 30, 2018, the Company owed $Nil (December 31, 2017 - $Nil) to the CFO.

During the year ended December 31, 2017, the Company incurred $60,000 (2016 – $60,000; 2015 – $15,000) in consulting and management fees provided by the CEO of the Company. As at December 31, 2017, the Company owed $51,296 (2016 - $52,500; 2015 - $15,000) to the CEO of the Company, which is included in accounts payable and accrued liabilities. The amount due is unsecured, non-interest bearing, and due on demand.

During the year ended December 31, 2017, the Company incurred $37,500 in consulting and management fees (2016 – $60,000; 2015 - $15,000) provided by the Chief Operating Officer of the Company. As at December 31, 2017, the Company owed $11,903 (2016 - $52,118; 2015 - $15,000) to the Chief Operating Officer of the Company, which is included in accounts payable and accrued liabilities. The amount due is unsecured, non-interest bearing, and due on demand.

During the year ended December 31, 2017, the Company incurred $45,000 in research and development costs capitalized as intangible assets (2016 – $2,500; 2015 - $nil) provided by the Vice President of Technology of the Company. As at December 31, 2017, the Company owed $21,400 (2016 - $nil; 2015 - $nil) to the Vice President of Technology of the Company, which is included in accounts payable and accrued liabilities. The amount due is unsecured, non-interest bearing, and due on demand

Significant Accounting Policies

A detailed summary of all of the Company's significant accounting policies is included in Note 3 to the financial statements for the year ended December 31, 2017 included in and forming part of this Prospectus.

Future Changes in Accounting Standards

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2017, and have not been applied in preparing these consolidated financial statements.

- IFRS 9, "Financial Instruments"
- IFRS 15, "Revenue from Contracts with Customers"

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the Company's consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

Disclosure of Outstanding Security Data

As of August 31, there were 103,118,367 Common Shares issued and outstanding, and other securities convertible into Common Shares as summarized in the following table:

	Number Outstanding as of August 31, 2018, 2018	**Number Outstanding as of December 31, 2017**
Common Shares issued and outstanding (1)(2)(3)(4)(5)	103,118,367	21,401,544
Broker's and Finder's Warrants(2)(5)	2,051,000	Nil

Notes:

(1) On January 10, 2018, the Company issued 900,391 common shares for debt.

(2) 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 total proceeds of $751,100. The Special Warrants were exercisable by the holders thereof at any time after February 27, 2018 for no additional consideration and all Special Warrants were deemed to be exercised without any further action on the part of the holder on June 28, 2018.In connection with the private placement of special warrants, the Company has paid finder's fees to four arm's length parties, including an aggregate of 463,820 common shares with a deemed value of $0.10 per share, and warrants to purchase up to 200,000 common shares of the Company exercisable until February 28, 2019 at $0.25 per share. The 7,511,000 special warrants were converted to common shares on July 5, 2018.

(3) On February 27, 2018, the Company issued 616,612 common shares for debt.

(4) On March 2, 2018, the Company completed a Share Exchange Agreement with RewardDrop Software Inc ("RSI"). Pursuant to the agreement, the Company has issued aggregate of 50,000,000 common shares of the Company in exchange for all of the issued and outstanding securities of RSI. The Company also paid a finder's fee of 2,825,000 common shares in respect of the transaction to an arm's length party.

(5) On March 13, 2018, the Company raised gross proceeds of $1,930,000 from the March 13, 2018 Special Warrants through the issuance of a total of 19,300,000 special warrants at a price of $0.10 per Special Warrant. Each Special Warrant was exercisable by the holder to receive one common share of the Company for no additional consideration, and all Special Warrants were deemed to be exercised without any further action on July 14, 2018. Pursuant to the Agency Agreement, an aggregate of 1,351,000 Agent's Warrants were issued to the Agent, representing 7% of the March 13, 2018 Special Warrants sold in the Private Placement. An additional 500,000 advisory warrants and 100,000 Advisory Shares were issued to the Agent in consideration of advisory services rendered under the agreement. Each warrant issued to the Agent is exercisable until March 13, 2020 to purchase one additional Share at a price of $0.10. All of the securities issued pursuant to the Private Placement are subject to a four month hold period expiring on July 14, 2018. The 19,300,000 special warrants were converted to common shares on July 30, 2018.

Stock Options

The Company has not granted any stock options as at the date of this Prospectus.

Additional Disclosure for Junior Issuers

The Company anticipates that its estimated working capital of $1,083,721 as at August 31, 2018 will fund operations for the next 12-month period. Management estimates that the total operating costs necessary for the Company to achieve its stated business objective during the next 12-month period will be $929,352 leaving unallocated working capital of $154,369. The operating costs necessary for the Company to achieve its stated business objectives includes, without limitation, $125,352 to complete the anticipated listing of its common shares on the Canadian Securities Exchange and the Frankfurt Stock Exchange, $120,000 to establish its cryptocurrency mining operations, $255,000 to carry out the development and launch of its CatchCoin consumer rewards application, $100,000 to carry out its financial technology research and development, and 329,000 to cover anticipated general and administrative expenses (which include anticipated professional fees and administrative costs for the next 12 month period). Other than the costs stated above, the Company does not anticipate incurring any other material capital expenditures during the next 12 month period.

DESCRIPTION OF SHARE CAPITAL

The Company’s authorized capital consists of an unlimited number of Common Shares, of which 103,118,367 are issued and outstanding as at the date of this Prospectus.

Holders of the Common Shares are entitled to vote at all meetings of the holders of the Company’s common shares and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Shares, to participate ratably in any distribution of the Company’s property or assets upon liquidation or wind-up.

The Board is authorized to issue additional Common Shares on such terms and conditions and for such consideration as the Board may deem appropriate without further security holder action.

DESCRIPTION OF SECURITIES BEING QUALIFIED FOR DISTRIBUTION

The Company is authorized to issue an unlimited number of Common Shares, of which as at the date of this Prospectus, 76,307,367 Common Shares were issued and outstanding. This Prospectus is being filed for the purpose of qualifying the distribution of 26,811,000 Qualified Shares, issuable upon the exercise or deemed exercise of the Special Warrants.

The Qualified Shares issuable upon the exercise or deemed exercise of the Special Warrants will have the same rights as the Common Shares. See "Description of Share Capital" for a description of the attributes of the Common Shares.

Contractual Right of Rescission

The Company has granted to each holder of a Special Warrant a contractual right of rescission of the prospectus-exempt transaction under which the Special Warrant was initially acquired. The contractual right of rescission provides that if a holder of a Special Warrant who acquires another security of the issuer on exercise of the Special Warrant as provided for in the Prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of the Prospectus or an amendment to the Prospectus containing a misrepresentation, (a) the holder is entitled to rescission of both the holder’s exercise of its Special Warrant and the private placement transaction under which the Special Warrant was initially acquired, (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Company, as the case may be, on the acquisition of the Special Warrant, and (c) if the holder is a permitted assignee of the interest of the original Special Warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.”

CONSOLIDATED CAPITALIZATION

The following table sets out the share capitalization of the Company as at the dates specified below.

Description	**Authorized**	**Outstanding as at December 31, 2017** **(Audited)**	**Outstanding as at June 30,2018** **(Unaudited)**	**Outstanding as at the date of this Prospectus**(1)(2)
Common Shares	Unlimited	21,401,544	76,307,367	103,118,367

Notes:

(1) See "Prior Sales".

(2) On an undiluted basis,including the Qualified Shares, but excluding outstanding warrants..

Fully Diluted Share Capitalization

Common Shares	**Amount of Securities**	**Percentage of Total**
Issued and outstanding as at the date of this Prospectus	103,118,367	98.05%
Common Shares reserved for issuance upon exercise of share purchase warrants	2,051,000	1.95%
Common Shares reserved for issuance upon exercise of stock options	Nil	Nil
Total Fully Diluted Share Capitalization after the Offering	**105,169,367**	**100%**

OPTIONS TO PURCHASE SECURITIES

Outstanding Options

The following table summarizes the options of the Company that will be outstanding as of the Listing Date.

Name of Optionee	Designation of Securities under Option	Number of Common Shares under Option	Exercise price per Common Share	Expiry Date
Executive officers of the Company as a group (2 persons)	Common Shares	Nil	$N/A	N/A
Directors of the Company who are not also executive officers as a group (2 persons)	Common Shares	Nil	$N/A	N/A
TOTAL:		Nil		

Options

On March 2, 2018 the Company's board of directors approved the adoption of the Company 2018 Stock Option Plan (the "**Option Plan**"). The purpose of the Option Plan is to advance the interests of the Company and its shareholders by attracting, retaining and motivating the performance of selected directors, officers, employees or consultants of the Company of high caliber and potential and to encourage and enable such persons to acquire and retain a proprietary interest in the Company by ownership of its stock. The Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance, set aside and made available for issuance under the Option Plan may not exceed 10% of the issued and outstanding shares of the Company at the time of granting of options (including all options granted by the Company to date). The number of Common Shares which may be reserved in any 12-month period for issuance to any one individual upon exercise of all stock options held by that individual may not exceed 5% of the issued and outstanding Common Shares of the Company at the time of the grant. The number of Common Shares which may be reserved in any 12-month period for issuance to any one consultant may not exceed 2% of the issued and outstanding Common Shares and the maximum number of Common Shares which may be reserved in any 12-month period for issuance to all persons engaged in investor relations activities may not exceed 2% of the issued and outstanding Common Shares of the Company. The Option Plan provides that options granted to any person engaged in investor relations activities will vest in stages over 12 months with no more than ¼ of the stock options vesting in any three-month period.

The Option Plan will be administered by the Board or a special committee of directors, either of which will have full and final authority with respect to the granting of all stock options thereunder. Stock options may be granted under the Option Plan to such directors, officers, employees or consultants of the Company, as the board of directors may from time to time designate.

The exercise price of any stock options granted under the Option Plan shall be determined by the Board but may not be less than the market price of the Common Shares on the Exchange on the date of the grant (less any discount permissible under Exchange rules). The term of any stock options granted under the Option Plan shall be determined by the Board at the time of grant but, subject to earlier termination in the event of termination or in the event of death, the term of any stock options granted under the Option Plan may not exceed ten years. Options granted under the Option Plan are not to be transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession. Subject to certain exceptions, in the event that a director or officer ceases to hold office, options granted to such director or officer under the Option Plan will expire 90 days after such director or officer ceases to hold office.

Subject to certain exceptions, in the event that an employee, or consultant ceases to act in that capacity in relation to the Company, stock options granted to such employee, consultant or management company employee under the Option Plan will expire 30 days after such individual or entity ceases to act in that capacity in relation to the Company.

Stock options granted to optionees engaged in investor relations activities on behalf of the Company expire 30 days after such optionees cease to perform such investor relations activities for the Company. In the event of death of an option holder, options granted under the Option Plan expire the earlier of one year from the date of the death of the option holder and the expiry of the term of the option.

PRIOR SALES

The following table summarizes all sales of securities of the Company since the date of incorporation:

Date of Issue	Price per Security	Number and Type of Securities
October 30, 2014	$0.01	100 Common Shares(1)
October 26, 2017	$0.10	1,440,351 Common Shares(2)
October 26, 2017	$0.10	19,961,193 Common Shares(3)
January 10, 2018	$0.10	900,391 Common Shares(4)
February 27, 2018	$0.10	7,511,000 Special Warrants(5)
February 27, 2018	$0.10	616,612 Common Shares(6)
February 27, 2018	$0.25	463,820 Common Shares(7)
March 2, 2018	$0.05	52,825,000 Common Shares
March 13, 2018	$0.10	100,000 Common Shares(8)
March 13, 2018	$0.10	19,300,000 Special Warrants
March 13, 2018	$0.10	1,851,000 Warrants(8)

Notes:
(1) Issued at incorporation, subsequently cancelled.
(2) Issued pursuant to the terms of the Arrangement Agreement.
(3) Issued pursuant to a private placement undertaken by the Corporation.
(4) Issued to settle debt of $90,039
(5) The Corporation issued an aggregate of 26,811,000 Special Warrants in connection with the Offering. See "*Plan of Distribution*".
(6) Issued to settle debt of $61,661
(7) In connection with the issuance of 7,511,000 Special Warrants on February 27, 2018 the Company paid a finder's fee of 463,810 common shares and 200,000 warrants with each warrant entitled the holder to purchase one additional common share exercisable at $0.25 per share until February 28, 2019.
(8) In connection with the Offering, pursuant to the Agency Agreement the Company issued to the agent 100,000 common shares, 1,351,000 agent's warrants, representing 7% of the special warrants sold, and 500,000 advisory warrants 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.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As at the date of this Prospectus, the Common Shares subject to contractual restriction and escrow are as shown in the following table:

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Common Shares	52,210,970	50.63

Notes:
(1) These Common Shares are held under the Escrow Agreement in accordance with NP 46-201. The Escrow Agent is TSX Trust Company (Canada).
(2) Based on 103,118,367Common Shares issued and outstanding as at the date of this Prospectus, which number includes the 26,811,000 Qualified Shares.

Escrow Agreement

NP 46-201 provides that all shares of an issuer owned or controlled by its Principals will be escrowed at the time of the issuer's initial public offering. Also, certain shareholders have entered into the escrow agreement.

At the time of its initial public offering, an issuer will be classified for the purposes of escrow as either an "exempt issuer", an "established issuer" or an "emerging issuer" as those terms are defined in NP 46-201.

Uniform terms of automatic timed-release escrow apply to Principals of exchange listed issuers, differing only according to the classification of the issuer. As the Company anticipates that its Common Shares will be listed on the Exchange, it will be classified as an "emerging issuer". As such, the following automatic timed releases will apply to the securities held by its Principals:

Date of Automatic Timed Release	Amount of Escrowed Securities Released
On the Listing Date	1/10 of the escrowed securities
6 months after the Listing Date	1/6 of the remaining escrowed securities

12 months after the Listing Date	1/5 of the remaining escrowed securities
18 months after the Listing Date	1/4 of the remaining escrowed securities
24 months after the Listing Date	1/3 of the remaining escrowed securities
30 months after the Listing Date	1/2 of the remaining escrowed securities
36 months after the Listing Date	The remaining escrowed securities

Assuming there are no changes to the escrowed securities initially deposited and no additional escrowed securities are deposited, automatic timed-release escrow applicable to the Company will result in a 10% release on the Listing Date, with the remaining escrowed securities being released in 15% tranches every six months thereafter.

The automatic timed-release provisions under NP 46-201 pertaining to "established issuers" provide that 25% of each Principal's and shareholder's escrowed securities are released on the Listing Date, with an additional 25% being released in equal tranches at six-month intervals over eighteen months. If, within eighteen months of the Listing Date, the Company meets the "established issuer" criteria as set out in NP 46-201, the escrowed securities will be eligible for accelerated release available for established issuers. In such a scenario, that number of escrowed securities that would have been eligible for release from escrow if the Company had been an "established issuer" on the Listing Date will be immediately released from escrow. The remaining escrowed securities would be released in accordance with the timed-release provisions for established issuers, with all escrowed securities being released eighteen months from the Listing Date.

Pursuant to the terms of the Escrow Agreement, 5,221,097 Common Shares will be released from escrow on the Listing Date.

PRINCIPAL SECURITYHOLDERS

To the knowledge of the directors and officers of the Company, as of the date of this Prospectus no person beneficially owns or exercises control or direction over Common Shares carrying more than 10% of the votes attached to the Common Shares except for the following:

Name	**Number of Common Shares Held and Type of Ownership**	**Percentage of Common Shares Held(1)**
Jay Ruckenstein	14,241,666 (Direct)	13.81%
Maxime Rochon	14,000,000 (Direct)	13.81%
Jason Collins	16,231,667 (Direct)	15.74%

Notes:
(1) Based on 103,118,367 Common Shares issued and outstanding on the date of this Prospectus, which number includes the 26,811,000 Qualified Shares.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holdings

The following table provides the names, municipalities of residence, position, principal occupations and the number of voting securities of the Company that each of the directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date hereof:

Name and Municipality of Residence and Position with the Company	**Director/Officer Since**	**Principal Occupation**	**Number and Percentage of Common Shares Beneficially Owned or Controlled, Directly or Indirectly(1)**
Rahim Mohamed(2) Calgary, Alberta *Chief Executive Officer, and Director*	August 24, 2017	Executive	4,641,371 (Direct) 4.50%
Jay Ruckenstein(2) Montreal, Quebec	March 2, 2018	Executive	14,241,666 (Direct) 13.81%

President, and Director			
Hanspaul Pannu Vancouver, Canada *Chief Financial Officer*	March 2, 2018	Accountant, Executive	133,600 (100,000 Direct, 33,600 Indirect) 0.01%
Jason Collins Montreal, Quebec *Chief Technology Officer*	March 2, 2018	Network Infrastructure & Information Technology Consultant	16,231,667 (Direct) 15.74%
Kelly Abbott(2)(3) Surrey, British Columbia *Director*	November 23, 2017	Executive	Nil 0%
Derrick Lewis(2)(3) Calgary, Alberta *Director*	January 2, 2017	Executive	3,062,666 (Direct) 2.97%

Notes:
(1) Percentage is based on 113,118,367 Common Shares issued and outstanding as of the date of this Prospectus, including the 26,811,000 Qualified Shares.
(2) Denotes a member of the Audit Committee of the Company.
(3) Denotes an independent director.

The term of office of the directors expires annually at the time of the Company's annual general meeting. The term of office of the executive officers expires at the discretion of the Company's directors. None of the Company's directors or executive officers have entered into non-competition or non-disclosure agreements with the Company.

As at the date of this Prospectus, the directors and executive officers of the Company as a group beneficially own, directly or indirectly, or exercised control or discretion over an aggregate of 38,210,970 Common Shares of the Company, which is equal to approximately 33.78% of the Common Shares issued and outstanding as at the date hereof.

Background

The following is a brief description of each of the directors and executive officers of the Company, including their names, ages, positions and responsibilities with the Company, relevant educational background, principal occupations or employment during the five years preceding the date hereof, experience in the Company's industry and the amount of time intended to be devoted to the affairs of the Company:

Rahim Mohamed – Director, and Chief Executive Officer, 42 years old

Mr. Mohamed has a successful background in corporate communications, investor relations, new business development and C-suite presentations. Over his career, he has acquired vast and diverse experience as a change agent, market advocate, project leader and team builder in office admin, organizational development, and business planning. Mr. Mohamed’s drive, leadership and ability to execute under pressure with precision give teams and partners the confidence and support needed to deliver leading, world-class products.

Mr. Mohamed’s public company experience includes serving as a president and CEO (2012 to 2017) and as a director (since 2012) of AGAU Resources, Inc., where he has most recently assisted that company in a restructuring and transition to new management. Mr. Mohamed has also served as the sole officer and director (since 2013) of ChitrChatr Communications Inc., a former technology company now in restructuring, and as a director (2015 to 2017) of Saville Resources Inc. (TSX-V:SRE).

As the Chief Executive Officer of the Company, Mr. Mohamed is responsible for the over-all operations, acquisitions and project development, and the financial operations of the Company in conjunction with the Chief Financial Officer and coordination with outside accounting, tax and auditing firms. Mr. Mohamed anticipates devoting approximately 90% of his working time for the benefit of the Company.

Jay Ruckenstein – Director, and President, 50 years old

Jay Ruckenstein, co-founder of RewardDrop Software, is a seasoned technology & marketing executive and entrepreneur with over sixteen years' experience in product development, digital marketing & strategy, lead generation, search engine optimization and financial analysis. Since 2001, he has served as Chief Operating Officer of Envivo Digital International Inc., a marketing and business development agency which he co-founded. From 2002 to 2008, Mr. Ruckenstein served as COO of Net Win Media, a Dominican Republic based firm with expertise in SEO, gaming, financial transaction management, and fraud prevention. His extensive knowledge of internet technology, finance, and marketing, coupled with his strong leadership skills and passion for delivering exceptional service, will help lead the Company into the next exciting stage of its development. Mr. Ruckenstein studied Business Administration and Finance at Concordia University in Montreal, PQ and New York University. He continues to be involved with both English and French Universities in Montreal, mentoring Fintech student groups and donating expertise to Fintech projects.

As the President of the Company, Mr. Ruckenstein is responsible for the day-to-day operations, outside contractors and service providers, acquisitions and project development. Mr. Ruckenstein anticipates devoting approximately 90% of his working time for the benefit of the Company.

Hanspaul Pannu – Chief Financial Officer, 30 years old

Hanspaul Pannu, CPA-CA, has worked in the Canadian small cap public company space for over 5 years providing financial reporting, corporate secretary, listing and general accounting support. In addition to his role at the Company. Mr. Pannu is the CFO of Marapharm Ventures Inc. (CSE:MDM, OTCQB: MRPHF), a company investing in the medical and recreational cannabis space, and he has held or currently holds a senior financial consulting position with LED Medical Diagnostics Inc. (TSX-V: LMD), Aequus Pharmaceuticals Inc. (TSX-V:AQS, OTCQB:AQSZF), Veritas Pharma Inc.(CSE:VRT), Blok Technologies Inc.(CSE:BLK), and Sharc International Systems Inc. (CSE:SHARC).

As the Chief Financial Officer of the Company, Mr. Pannu is responsible for coordination of the financial operations of the Company in conjunction with the CEO and President and coordination with outside accounting, tax and auditing firms. Mr. Pannu will devote the time necessary to fulfill his function. Mr. Pannu anticipates devoting approximately 50% of his working time for the benefit of the Company.

Jason Collins – Chief Technology Officer, 33 years old

Jason Collins is a network engineer by trade with formal training in telecommunications and real time networking. A co-founder of RewardDrop Software, He has over 10 years of experience in network architecture and latency sensitive network deployments, working predominantly on multi-site networks of enterprises world-wide. He is a consultant specializing in the resolution of critical network latency, uptime, redundancy, and disaster recovery issues. Jason has designed the network infrastructure of corporations in the financial, banking, logistics & transportation, pharmaceutical, and manufacturing industries. In recent years, Mr. Collins has developed a keen interest in the resiliency and intricate details of blockchain-distributed networks. He has particular expertise with cryptocurrency mining proof of work (POW), blockchain projects combining both security and networking, and has helped facilitate the launch of several cryptocurrency mining operations.

As the CTO of the Company, Mr. Collins will advise the officers and the Board of Directors with regard to the development of the Company's technologies. Mr. Collins anticipates devoting approximately 50% of his working time for the benefit of the Company.

Kelly Abbott – Independent Director, 30 years old

Kelly Abbott has over 10 years of experience in entrepreneurship and software management and is extremely passionate for disruptive innovation. Kelly has made a career of identifying opportunities within early stage and existing startups. He is a skilled business analyst, specializing in process design/redesign, solution development and all aspects of supply chain management. Kelly is experienced in management, technology development, business development, sales and marketing, and capital markets. Kelly is a director and the current CEO of ParcelPal, a parcel delivery software development firm, where he is responsible for day-to-day operations. Mr. Abbott will devote approximately 15% of his time to the affairs of the Company.

Derrick Lewis – Independent Director, 51 years old

Derrick Lewis is a seasoned capital markets professional who brings over 19 years of corporate development experience. He has operated in the position of Investment Advisor at multiple financial institutions and has led investor relations for various technology and biotech companies in Canada. He currently holds the position as CEO at R&D Pharma a vertical integrated cannabis company, and is a Managing Partner at Hibis Capital Inc., an investor relations firm in Calgary, Alberta. Mr. Lewis will devote approximately 15% of his time to the affairs of the Company.

Corporate Cease Trade Orders or Bankruptcies

Rahim Mohamed, the President and a Director of the Company, has served as the President, Chief Executive Officer and as a Director of ChitrChatr Communications Inc. ("ChitrChatr") since September 2013. Additionally, Mr. Mohamed served as the President, Chief Executive Officer of AGAU Resources, Inc. ("Agau") from January 2012 through April 2017, and as a Director of Agau since January 2012.

On December 2, 2016 the Alberta Securities Commission and the Ontario Securities Commission issued a cease trade for ChitrChatr 's failure to file (a) annual audited financial statements, annual management's discussion and analysis, and certification of the annual filings for the year ended 31 July 2016; and (b) certification of the interim filings for the interim nine-month period ended April 30, 2016. On December 5, 2016, the CSE suspended trading of ChitrChatr' s common shares. The cease trade order remains in effect as at the date of this Prospectus.

On February 3, 2011 and February 10, 2011, respectively, the Alberta Securities Commission and the BC Securities Commission each issued a cease trade order for Agau's failure to file (a) Interim unaudited financial statements, interim management's discussion and analysis, and certification of interim filings for the interim period ended 30 November 2010. On November 29, 2010 the TSX Venture Exchange suspended trading of Agau's common shares. The cease trade orders were amended on April 5, 2013 and November 6, 2017, and were revoked on June 28, 2018.

Except with respect to the above described cease trade orders, no director or executive officer of the Company is, as at the date of this Prospectus, or was within ten years before the date hereof, a director, Chief Executive Officer or Chief Financial Officer of any company, including the Company, that:

(i) was subject to a cease trade order, an order similar to cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period for more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer; or

(ii) was subject to an a cease trade order, an order similar to cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period for more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, Chief Executive Officer or Chief Financial Officer and which resulted from an event that occurred while that person was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer.

Penalties or Sanctions

No director or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

(i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement with a regulatory authority; or

(ii) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

Bankruptcies

No director or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(i) is, as at the date of this Prospectus, or has been within the ten years before the date hereof, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(ii) has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the best of the Company's knowledge, and other than as disclosed herein, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company. The directors and officers of the Company are directors and officers of other companies, some of which are in the same business as the Company. In particular, Mr. Mohamed will be devoting 50% of his time to the affairs of the Company, Mr. Pannu will be devoting 50% of his time to the affairs of the Company and the remaining directors will be devoting 20% of their respective time to the affairs of the Company. The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligations to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives.

EXECUTIVE COMPENSATION

The following table discloses compensation paid to or awarded to the Company's Named Executive Officers for each of the Company's two most recently completed financial years. For the purposes hereof, the term Named Executive Officer, or NEO, means each Chief Executive Officer, each Chief Financial Officer and each of the Company's three most highly compensated executive officers, other than the Chief Executive Officer and the Chief Financial Officer, who were serving as executive officers during the years ended December 31, 2017 or 2016, and whose total salary and bonus exceeds $150,000 and any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Company at the end of the Company's most recently completed financial year.

Compensation Excluding Compensation Securities							
Name and Position	**Year(1)**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
Rahim Mohamed *CEO and Director(1)*	2017 2016	60,000 60,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	60,000 60,000
Donald Gordon *CFO(1)*	2017 2016	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

(1) Donald Gordon served as Chief Financial Officer of the Company from inception until August 23, 2017.

Compensation Discussion and Analysis

At its present stage of development, the Company does not have any formal objectives, criteria and analysis for determining the compensation of its Named Executive Officers and primarily relies on the discussions and determinations of the board of directors. With a view to minimizing its cash expenditures not directed at the development and expansion of the Company's business and technologies, the emphasis in compensating the Named Executive Officers is expected to be the grant of incentive stock options. The type and amount of future compensation to be paid to NEOs and directors has not been determined.

Option Based Awards

On March 2, 2018, the Company implemented the Option Plan in order to provide effective incentives to directors, officers, senior management personnel and employees of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company's shareholders. The Company has no equity incentive plans other than the Option Plan. The size of stock option grants is dependent on each officer's level of responsibility, authority and importance to the Company and the degree to which such officer's long-term contribution to the Company will be key to its long-term success.

During the period from incorporation to December 31, 2017, the Company did not grant any Options to its NEOs. See "Options to Purchase Securities".

Defined Benefit Plans

The Company does not have any defined benefit or actuarial plan.

Termination and Change of Control Benefits

The Company does not have any contracts, agreements, plans or arrangements in place with any NEOs that provides for payment following or in connection with any termination (whether voluntary, involuntary or constructive) resignation, retirement, a change of control of the Company or a change in a NEO's responsibilities.

Director Compensation

The Company does not have any arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts. As with the Named Executive Officers, the Board intends to compensate directors primarily through the grant of stock options and reimbursement of expenses incurred by such persons acting as directors of the Company.

During the period from incorporation to December 31, 2017, the Company did not grant any Options to directors.

Employment, Consulting and Management Agreements

Effective March 1, 2018 the Company entered into an Independent Contractor Agreement with Envivo Consulting International Inc. for the services of Jay Ruckenstein as President of the Company. Pursuant to the agreement we will pay annual compensation of $120,000 in consideration of Mr. Ruckenstein's services plus applicable taxes. In addition, the Company will issue to Mr. Ruckenstein stock options to purchase up to 500,000 common shares of the Company. The options will vest at the rate of 1/12 per month over a 12 month period. The agreement does not specify the duration of the exercise period. The term of the agreement is 1 year beginning on March 9, 2018. The Company may terminate the agreement with written notice in the event of material breach, death of Mr. Ruckenstein, or for cause. Each party may terminate the agreement without cause by providing reasonable notice.

Effective March 9, 2018 the Company entered into an Independent Contractor Agreement with 1002349 BC Ltd. for the services of Hanspaul Pannu as Chief Financial Officer of the Company. Pursuant to the agreement the Company will pay annual compensation of $48,000 in consideration of Mr. Pannu's services plus applicable taxes. In addition, the Company will issue to Mr. Pannu stock options to purchase up to 250,000 common shares of the Company. The options will vest at the rate of 1/12 per month over a 12 month period. The agreement does not specify the duration of the exercise period. The term of the agreement is 1 year beginning on March 9, 2018. The Company may terminate the agreement with written notice in the event of material breach, death of Mr. Pannu, or for cause. Each party may terminate the agreement without cause by providing reasonable notice.

Effective March 9, 2018 the Company entered into an Independent Contractor Agreement with Nexium Financial Inc. for the services of Rahim Mohamed as Chief Executive Officer of the Company. Pursuant to the agreement the Company will pay annual compensation of $120,000 in consideration for Mr. Mohamed's services plus applicable taxes. In addition, the Company will issue to Mr. Mohamed stock options to purchase up to 500,000 common shares of the Company. The options will vest at the rate of 1/12 per month over a 12 month period. The agreement does not specify the duration of the exercise period. The term of the agreement is 1 year beginning on March 9, 2018. The Company may terminate the agreement with written notice in the event of material breach, death of Mr. Mohamed, or for cause. Each party may terminate the agreement without cause by providing reasonable notice.

Effective March 9, 2018 the Company entered into an Employment Agreement with Jason Collins regarding Mr. Collin's services as Chief Technology Officer of the Company. Pursuant to the agreement the Company will pay annual compensation of $120,000 in consideration for Mr. Collin's services. In addition, the Company will issue to Mr. Collins stock options to purchase up to 500,000 common shares of the Company. The options will vest at the rate of 1/12 per month over a 12 month period. The agreement does not specify the duration of the exercise period. The term of the agreement is 1 year beginning on March 9, 2018, subject to a 3 month trial period during which the Company may terminate the agreement without notice. The Company may terminate the agreement with written notice in the event of material breach, death of Mr. Collins, or for cause. Each party may terminate the agreement without cause by providing reasonable notice.

Effective March 9, 2018 the Company entered into an Independent Contractor Agreement with 10371084 Canada Inc. for the services of Rui Santos as Inside Sales Manager of the Company. Pursuant to the agreement the Company will pay annual compensation of $70,000 in consideration of Mr. Santos' services plus applicable taxes. In addition, the Company will issue to Mr. Santos stock options to purchase up to 80,000 common shares of the Company. The options will vest at the rate of 1/12 per month over a 12 month period. The agreement does not specify the duration of the exercise period. Mr. Santos will be eligible to receive options to purchase up to 175,000 additional common shares upon achievement of CatchCoin sales milestones. The term of the agreement is 1 year beginning on March 9, 2018. Compensation will be allocated $32,000 pro-rated monthly for the first 6 months of the term, and $37,500 pro-rated monthly for the second 6 months of the term. The Company may terminate the agreement with written notice in the event of material breach, death of Mr. Santos, or for cause. Each party may terminate the agreement without cause by providing reasonable notice.

Effective March 9, 2018 the Company entered into an Independent Contractor Agreement with Summum Marketing Inc. for the services of Alex Rinaldoni as Brand Manager of the Company. Pursuant to the agreement the Company will pay annual compensation of $25,000 in consideration of Mr. Rinaldoni's services plus applicable taxes and disbursements. In addition, the Company will issue to Mr. Santos stock options to purchase up to 66,600 common shares of the Company. The options will vest at the rate of 1/12 per month over a 12 month period. The term of the agreement is 1 year beginning on March 9, 2018. The Company may terminate the agreement with written notice in the event of material breach, death of Mr. Santos, or for cause. Each party may terminate the agreement without cause by providing reasonable notice.

Other than the above described agreement, the Company has not entered into any written agreements with its officers, directors or key consultants which are effective as at the date of this prospectus.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Aggregate Indebtedness

Other than as disclosed herein and other than routine indebtedness, as that term is defined in paragraph 10.3(c) of Form 51-102F5 *Information Circular* ("Form 51-102F5"), no directors, executive officers and employees and no former directors, executive officers and employees of the Company are or were indebted to the Company in connection with a purchase of securities and all other indebtedness as at the date of this Prospectus.

Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs

Other than as disclosed herein, or other than routine indebtedness, as that term is defined in paragraph 10.3(c) of Form 51-102F5, no directors or executive officers of the Company, and associates of such directors or executive officers are or were indebted to the Company as at the date of this Prospectus.

AUDIT COMMITTEE

Audit Committee

The Audit Committee's role is to act in an objective, independent capacity as a liaison between the auditors, management and the Board and to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations. NI 52-110 and Form 52-110F2 require the Company, as a venture issuer (as defined in NI 52-110), to disclose certain information relating to the Company's audit committee and its relationship with the Company's independent auditors.

Audit Committee Charter

The text of the Audit Committee's charter is attached as Schedule "A" to this Prospectus.

Composition of Audit Committee

The members of the Company's Audit Committee are:

Rahim Mohamed	Not Independent[(1)]	Financially literate[(2)]
Jay Ruckenstein	Not Independent[(1)]	Financially literate[(2)]
Kelly Abbott	Independent	Financially literate[(2)]
Derrick Lewis	Independent	Financially literate[(2)]

Notes:

(1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. Mr. Mohamed and Mr. Ruckenstein are not independent as they are respectively the CEO and President of the Company.

(2) An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

Each member of the Company's present Audit Committee has adequate education and experience that is relevant to his performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

(a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

(b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and

(c) an understanding of internal controls and procedures for financial reporting.

See "Directors and Executive Officers" for further details.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems is necessary, and the Chairman will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Committee's consideration, and if thought fit, approval in writing.

External Auditor Service Fees

The fees billed by the Company's external auditors in each of the last two fiscal years for audit and non-audit related services provided to the Company or its subsidiaries (if any) are as follows:

Financial Year End	**Audit Fees**	**Audit Related Fees[(1)]**	**Tax Fees[(2)]**	**All other Fees[(3)]**

December 31, 2017	$9,000	Nil	Nil	Nil
December 31, 2016	$9,000	Nil	Nil	Nil

Notes:
(1) Fees charged for assurance and related services that are reasonably related to the performance of an audit, and not included under Audit Fees.
(2) Fees charged for tax compliance, tax advice and tax planning services.
(3) Fees for services other than disclosed in any other column.

Exemption

The Company has relied upon the exemption provided by section 6.1 of NI 52-110, which states that the Company, as an IPO Venture Issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations).

CORPORATE GOVERNANCE

General

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. NP 58-201 provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, NI 58-101 prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

Board of Directors

The Board will facilitate its exercise of independent supervision over the Company's management through frequent meetings of the Board. The Board is comprised of four (4) directors: Rahim Mohamed, Jay Ruckenstein, Derrick Lewis and Kelly Abbott. As the size of the Board is small, the Board has no formal procedures designed to facilitate the exercise of independent supervision over management, relying instead on the integrity of the individual members of its management team to act in the best interests of the Company.

Mr. Mohamed is not independent as he is the Chief Executive Officer and President of the Company. Mr. Pannu is not independent as he is the Chief Financial Officer of the Company. Both Derrick Lewis and Kelly Abbott are independent.

Directorships

Currently, Mr. Mohamed is also a director of the following other reporting issuers:

Rahim Mohamed	- AGAU Resources Inc. (delisted; formerly TSX-V/NEX: AGS) - ChitrChatr Communications Inc. (delisted; formerly US-OTC: CHICF**)**

Orientation and Continuing Education

New Board members will receive an orientation package includes reports on operations, and any public disclosure filings by the Company, as may be applicable. Board meetings may be held at the Company's offices and, from time to time, may be combined with presentations by the Company's management to give the directors additional insight into the Company's business. In addition, management of the Company will make itself available for discussion with all Board members.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board will consider its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

Compensation

The Board is responsible for determining compensation for the directors of the Company to ensure it reflects the responsibilities and risks of being a director of a public company.

Other Board Committees

The Board has no committees, other than the Audit Committee.

Assessments

Due to the minimal size of the Board, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committees.

PLAN OF DISTRIBUTION

This Prospectus is being filed in Alberta, British Columbia, Manitoba and Ontario to qualify the distribution of 26,811,000 Qualified Shares, issuable upon the exercise or deemed exercise of 26,811,000 Special Warrants.

On February 27, 2018 and March 1, 2018, the Company completed the Offering pursuant to prospectus exemptions under applicable securities legislation. An aggregate of 26,811,000 Special Warrants were issued in the Offering for gross proceeds of $2,681,100 and net proceeds of 2,476,462. The Company issued the Special Warrants in certain jurisdictions outside of Canada on a private placement basis at a price of $0.10 per Special Warrant which price was determined by negotiation between the Company and the investors. No Special Warrants were acquired by any underwriter or agent.

The Qualified Shares and the Special Warrants are not available for purchase pursuant to this Prospectus and no additional funds are to be received by the Company from the qualification for distribution of the securities under this Prospectus.

The Special Warrants will be deemed to be exercised on the second business day after the Deemed Exercise Date, at which time each Special Warrant shall be automatically exercised for one Qualified Share, subject to adjustment in certain circumstances, without payment of any additional consideration and without any further action on the part of the holder.

In the event that a holder of Special Warrants exercises such securities prior to the Qualification Date, the Qualified Shares issued upon exercise of such Special Warrants will be subject to statutory hold periods under applicable securities legislation and shall bear such legends as required by securities laws.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities qualified for distribution hereunder within the United States or to U.S. persons (as such terms are defined in Regulation S under the United States Securities Act of 1933, as amended).

The securities offered under this Prospectus have not been, and will not be, registered under the U.S. Securities Act, or any state securities laws, and except pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws, may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. Person. This Prospectus does not constitute an offer to sell or solicitation of an offer to buy any of the securities offered hereby within the United States.

Listing of Common Shares

The Company has appliedto list the Common Shares on the Exchange. Listing will be subject to the Company fulfilling all of the listing requirements of the Exchange, including distribution requirements, which cannot be guaranteed.

Venture Issuer

As at the date of the Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside of Canada and the United States of America. See "Risk Factors".

RISK FACTORS

Risks Related to the Company's Business

<u>The Company’s cryptocurrency inventory may be exposed to cybersecurity threats and hacks</u>

As with any other computer code, flaws in the cryptocurrency codes have been exposed by certain malicious actors. Several errors and defects have been found and corrected, including those that disabled some functionality for users and exposed users’ information. Discovery of flaws in or exploitations of the source code that allow malicious actors to take or create money have been relatively rare. For example, an ETH hacking occurred in late July of 2017, where an unknown hacker exploited a critical flaw in the Parity multi-signature wallet on the ETH network and drained three large wallets that had a combined total of over $31 million worth of ETH. If left undetected, the hacker could potentially have stolen an additional $150 million of ETH. The loss was limited to the $31 million of ETH as white-hat hackers acted swiftly to protect the remaining accounts at risk.

<u>Regulatory changes or actions may alter the nature of an investment in the Company or restrict the use of cryptocurrencies in a manner that adversely affects the Company’s operations</u>

Over the last two years cryptocurrencies have grown in both popularity and market size, governments around the world have reacted differently to cryptocurrencies with certain governments deeming them illegal while others have allowed their use and trade. Ongoing and future regulatory actions may alter, perhaps to a materially adverse extent, the ability of the Company to continue to operate.

The effect of any future regulatory change on the Company or any cryptocurrency that the Company may mine is impossible to predict, but such change could be substantial and have a material adverse effect on the Company.

Governments may in the future curtail or outlaw the acquisition, use or redemption of cryptocurrencies. Ownership of, holding or trading in cryptocurrencies may then be considered illegal and subject to sanction. Governments may also take regulatory action that may increase the cost and/or subject cryptocurrency companies to additional regulation. For example, on July 25, 2017 the United States Securities and Exchange Commission released an investigative report that indicated that the United States Securities and Exchange Commission would, in some circumstances, consider the offer and sale of blockchain tokens pursuant to an initial coin offering subject to U.S. securities laws. Similarly, on August 24, 2017, the Canadian Securities Administrators released a notice which indicated that the Canadian Securities Administrators would, in some circumstances, consider the offer and sale of blockchain tokens pursuant to an initial coin offering subject to Canadian securities laws.

Governments may in the future take regulatory actions that prohibit or severely restrict the right to acquire, own, hold, sell, use or trade cryptocurrencies or to exchange cryptocurrencies for fiat currency. By extension, similar actions by other governments, may result in the restriction of the acquisition, ownership, holding, selling, use or trading in the Shares. Such a restriction could result in the Company liquidating its Ether inventory at unfavorable prices and may adversely affect the Company’s shareholders.

<u>The value of cryptocurrencies may be subject to momentum pricing risk</u>

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

<u>Cryptocurrency exchanges and other trading venues are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure</u>

To the extent that cryptocurrency exchanges or other trading venues are involved in fraud or experience security failures or other operational issues, this could result in a reduction in cryptocurrency prices.

Cryptocurrency market prices depend, directly or indirectly, on the prices set on exchanges and other trading venues, which are new and, in most cases, largely unregulated as compared to established, regulated exchanges for securities, derivatives and other currencies. For example, during the past three years, a number of BTC exchanges have been closed due to fraud, business failure or security breaches. In many of these instances, the customers of the closed BTC exchanges were not compensated or made whole for the partial or complete losses of their account balances in such BTC exchanges. While smaller exchanges are less likely to have the infrastructure and capitalization that provide larger exchanges with additional stability, larger exchanges may be more likely to be appealing targets for hackers and "malware" (i.e., software used or programmed by attackers to disrupt computer operation, gather sensitive information or gain access to private computer systems) and may be more likely to be targets of regulatory enforcement action.

Banks may not provide banking services, or may cut off banking services, to businesses that provide cryptocurrency-related services or that accept cryptocurrencies as payment

A number of companies that provide BTC and/or other cryptocurrency-related services have been unable to find banks that are willing to provide them with bank accounts and banking services. Similarly, a number of such companies have had their existing bank accounts closed by their banks. Banks may refuse to provide bank accounts and other banking services to BTC and/or other cryptocurrency-related companies or companies that accept cryptocurrencies for a number of reasons, such as perceived compliance risks or costs. The difficulty that many businesses that provide BTC and/or other cryptocurrency-related services have and may continue to have in finding banks willing to provide them with bank accounts and other banking services may be currently decreasing the usefulness of cryptocurrencies as a payment system and harming public perception of cryptocurrencies or could decrease its usefulness and harm its public perception in the future. Similarly, the usefulness of cryptocurrencies as a payment system and the public perception of cryptocurrencies could be damaged if banks were to close the accounts of many or of a few key businesses providing BTC and/or other cryptocurrency-related services. This could decrease the market prices of cryptocurrencies and adversely affect the value of the Company's cryptocurrency inventory.

The impact of geopolitical events on the supply and demand for cryptocurrencies is uncertain

Crises may motivate large-scale purchases of cryptocurrencies which could increase the price of cryptocurrencies rapidly. This may increase the likelihood of a subsequent price decrease as crisis-driven purchasing behavior wanes, adversely affecting the value of the Company's cryptocurrency inventory.

The possibility of large-scale purchases of cryptocurrencies in times of crisis may have a short-term positive impact on the price of BTCs. For example, in March 2013, a report of uncertainty in the economy of the Republic of Cyprus and the imposition of capital controls by Cypriot banks motivated individuals in Cyprus and other countries with similar economic situations to purchase BTCs. This resulted in a significant short-term positive impact on the price of BTCs. However, as the purchasing activity of individuals in this situation waned, speculative investors engaged in significant sales of BTCs, which significantly decreased the price of BTCs. Crises of this nature in the future may erode investors' confidence in the stability of cryptocurrencies and may impair their price performance which would, in turn, adversely affect the Company's investments.

As an alternative to fiat currencies that are backed by central governments, cryptocurrencies, which are relatively new, are subject to supply and demand forces based upon the desirability of an alternative, decentralized means of buying and selling goods and services, and it is unclear how such supply and demand will be impacted by geopolitical events. Nevertheless, political or economic crises may motivate large-scale acquisitions or sales of BTCs either globally or locally. Large-scale sales of cryptocurrencies would result in a reduction in their market prices and adversely affect the Company's operations and profitability.

The further development and acceptance of the cryptographic and algorithmic protocols governing the issuance of and transactions in cryptocurrencies is subject to a variety of factors that are difficult to evaluate

The use of cryptocurrencies to, among other things, buy and sell goods and services and complete other transactions, is part of a new and rapidly evolving industry that employs digital assets based on a computer-generated mathematical and/or cryptographic protocol. The growth of this industry in general, and the use of cryptocurrencies in particular, is subject to a high degree of uncertainty, and the slowing, or stopping of the development or acceptance of developing protocols may adversely affect the Company's operations. The factors affecting the further development of the industry, include, but are not limited to:

- Continued worldwide growth in the adoption and use of cryptocurrencies;
- Governmental and quasi-governmental regulation of cryptocurrencies and their use, or restrictions on or regulation of access to and operation of the network or similar cryptocurrency systems;
- Changes in consumer demographics and public tastes and preferences;
- The maintenance and development of the open-source software protocol of the network;
- The availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies;

- General economic conditions and the regulatory environment relating to digital assets; and Negative consumer sentiment and perception of BTCs specifically and cryptocurrencies generally.

Acceptance and/or widespread use of cryptocurrency is uncertain

Currently, there is relatively small use of BTCs and/or other cryptocurrencies in the retail and commercial marketplace in comparison to relatively large use by speculators, thus contributing to price volatility that could adversely affect the Company's operations, investment strategies, and profitability.

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

The relative lack of acceptance of cryptocurrencies in the retail and commercial marketplace limits the ability of end-users to use them to pay for goods and services. A lack of expansion by cryptocurrencies into retail and commercial markets, or a contraction of such use, may result in increased volatility or a reduction in their market prices, either of which could adversely impact the Company's operations, investment strategies, and profitability.

The Company may be required to sell its coins to pay for expenses

The Company may sell its coins to pay for expenses incurred, irrespective of then-current coin prices. Consequently, the Company's coins may be sold at a time when the price is low, resulting in a negative effect on the Company's profitability.

The Company's operations, investment strategies, and profitability may be adversely affected by competition from other methods of investing in cryptocurrencies

The Company competes with other users and/or companies that are mining cryptocurrencies and other potential financial vehicles, possibly including securities backed by or linked to cryptocurrencies through entities similar to the Company. Market and financial conditions, and other conditions beyond the Company's control, may make it more attractive to invest in other financial vehicles, or to invest in cryptocurrencies directly which could limit the market for the Company's shares and reduce their liquidity.

The Company's coins may be subject to loss, theft or restriction on access

There is a risk that some or all of the Company's coins could be lost or stolen. Access to the Company's coins could also be restricted by cybercrime (such as a denial of service attack) against a service at which the Company maintains a hosted online wallet. Any of these events may adversely affect the operations of the Company and, consequently, its investments and profitability.

The loss or destruction of a private key required to access the Company's digital wallets may be irreversible. The Company's loss of access to its private keys or its experience of a data loss relating to the Company's digital wallets could adversely affect its investments.

Cryptocurrencies are controllable only by the possessor of both the unique public and private keys relating to the local or online digital wallet in which they are held, which wallet's public key or address is reflected in the network's public blockchain. The Company will publish the public key relating to digital wallets in use when it verifies the receipt of cryptocurrency transfers and disseminates such information into the network, but it will need to safeguard the private keys relating to such digital wallets. To the extent such private keys are lost, destroyed or otherwise compromised, the Company will be unable to access its coins and such private keys will not be capable of being restored by network. Any loss of private keys relating to digital wallets used to store the Company's Ether could adversely affect its investments and profitability.

Incorrect or fraudulent coin transactions may be irreversible

Cryptocurrency transactions are irrevocable and stolen or incorrectly transferred coins may be irretrievable. As a result, any incorrectly executed or fraudulent coin transactions could adversely affect the Company's investments.

Coin transactions are not, from an administrative perspective, reversible without the consent and active participation of the recipient of the transaction. In theory, cryptocurrency transactions may be reversible with the control or consent of a majority of processing power on the network. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer of a coin or a theft of coin generally will not be reversible and the Company may not be capable of seeking compensation for any such transfer or theft. Although the Company’s transfers of coins will regularly be made by experienced members of the management team, it is possible that, through computer or human error, or through theft or criminal action, the Company’s coins could be transferred in incorrect amounts or to unauthorized third parties, or to uncontrolled accounts.

If the award of coins for solving blocks and transaction fees are not sufficiently high, miners may not have an adequate incentive to continue mining and may cease their mining operations

As the number of coins awarded for solving a block in the blockchain decreases, the incentive for miners to continue to contribute processing power to the network will transition from a set reward to transaction fees. Either the requirement from miners of higher transaction fees in exchange for recording transactions in the blockchain or a software upgrade that automatically charges fees for all transactions may decrease demand for the relevant coins and prevent the expansion of the network to retail merchants and commercial businesses, resulting in a reduction in the price of the relevant cryptocurrency that could adversely impact the Company’s Ether inventory and investments.

In order to incentivize miners to continue to contribute processing power to the network, the network may either formally or informally transition from a set reward to transaction fees earned upon solving for a block. This transition could be accomplished either by miners independently electing to record on the blocks they solve only those transactions that include payment of a transaction fee or by the network adopting software upgrades that require the payment of a minimum transaction fee for all transactions. If transaction fees paid for the recording of transactions in the blockchain become too high, the marketplace may be reluctant to accept network as a means of payment and existing users may be motivated to switch between cryptocurrencies or back to fiat currency. Decreased use and demand for coins may adversely affect their value and result in a reduction in the market price of coins.

If the award of coins for solving blocks and transaction fees for recording transactions are not sufficiently high to incentivize miners, miners may cease expending processing power to solve blocks and confirmations of transactions on the blockchain could be slowed temporarily. A reduction in the processing power expended by miners could increase the likelihood of a malicious actor or botnet obtaining control in excess of 50 percent of the processing power active on the blockchain, potentially permitting such actor or botnet to manipulate the blockchain in a manner that adversely affects the Company’s mining activities.

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

The price of coins may be affected by the sale of coins by other vehicles investing in coins or tracking cryptocurrency markets

To the extent that other vehicles investing in coins or tracking cryptocurrency markets form and come to represent a significant proportion of the demand for coins, large redemptions of the securities of those vehicles and the subsequent sale of coins by such vehicles could negatively affect cryptocurrency prices and therefore affect the value of the inventory held by the Company.

Risk related to technological obsolescence and difficulty in obtaining hardware

To remain competitive, the Company will continue to invest in hardware and equipment required for maintaining the Company’s mining activities. Should competitors introduce new services/software embodying new technologies, the Company recognizes its hardware and equipment and its underlying technology may become obsolete and require substantial capital to replace such equipment.

The increase in interest and demand for cryptocurrencies has led to a shortage of mining hardware as individuals purchase equipment for mining at home.

Equipment will require replacement from time to time. Shortages of graphics processing units may lead to unnecessary downtime as the Company searches for replacement equipment.

Management Experience and Dependence on Key Personnel and Employees

The Company's success is currently largely dependent on the performance of the Company's directors and officers. Certain members of the Company's management team have experience in the cryptocurrency industry, while others have experience in areas including financial management, corporate finance and sales and marketing. The experience of these individuals is a factor which will contribute to the Company's continued success and growth. The Company will initially be relying on the Company's board members, as well as independent consultants, for certain aspects of the Company's business. The amount of time and expertise expended on the Company's affairs by each of the Company's management team and the Company's directors will vary according to the Company's needs. The Company does not intend to acquire any key man insurance policies and there is, therefore, a risk that the death or departure of any member of management, the Company's board, or any key employee or consultant, could have a material adverse effect on the Company's future. Investors who are not prepared to rely on the Company's management team should not invest in the Company's securities.

Uncertainty of Additional Funding

Further acquisitions of additional Rigs will require additional capital, the ongoing operation of the Uniserve Facility will require ongoing operating costs, and the Company will require funds to operate as a public company. There is no assurance that the Company will be successful in obtaining any required financing(s) or that such financing(s) will be available on terms acceptable to the Company. Any future financing(s) may also be dilutive to the Company's existing shareholders.

Negative Cash Flow

The Company has a limited history of operations, and no history of earnings, cash flow or profitability. The Company has had negative operating cash flow since the Company's inception, and the Company will continue to have negative operating cash flow for the foreseeable future. No assurance can be given that the Company will ever attain positive cash flow or profitability additional or that additional funding will be available for operations.

Uninsured or Uninsurable Risks

The Company intends to insure its operations in accordance with technology industry practice. However, given the novelty of cryptocurrency mining and associated businesses, such insurance may not be available, uneconomical for the Company, or the nature or level may be insufficient to provide adequate insurance cover. The Company may become subject to liability for hazards against which the Company cannot insure or against which the Company may elect not to insure because of high premium costs or for other reasons. The payment of any such liabilities would reduce or eliminate the funds available for operations. Payments of liabilities for which the Company does not carry insurance may have a material adverse effect on the Company's financial position.

General

Key Person Insurance

The Company does not maintain key person insurance on any of its directors or officers, and as result the Company would bear the full loss and expense of hiring and replacing any director or officer in the event the loss of any such persons by their resignation, retirement, incapacity, or death, as well as any loss of business opportunity or other costs suffered by the Company from such loss of any director or officer.

Management

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business.

Financing Risks

The Company has no history of significant earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its securities. Even if the initial results from the launch of any apps, specifically CatchCoin, are encouraging, the Company may not have sufficient funds to conduct the further development and marketing that may be necessary to determine whether or not such apps are commercially viable. While the Company may generate additional working capital through further equity offerings or through the sale or possible license of technologies and intellectual property owned by the Company, there is no assurance that any such funds will be available. If available, future equity financing may result in substantial dilution to purchasers under the Offering. At present it is impossible to determine what amounts of additional funds, if any, may be required.

Negative Cash Flows from Operations

The Company had negative operating cash flow for the period from incorporation to December 31, 2017. To the extent that the Company has negative cash flow in future periods, the Company may need to allocate a portion of its cash reserves to fund such negative cash flow.

The Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that additional capital or other types of financing will be available when needed or that these financings will be on terms favorable to the Company.

Resale of Common Shares

The Common Shares are not currently listed and there is no market for the securities of the Company. The continued operation of the Company will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Company is unable to generate such revenues or obtain such additional financing, any investment in the Company may be lost. In such event, the probability of resale of the Common Shares purchased would be diminished, even in the uncertain event that a public market for the Common Shares has developed.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of Common Shares distributed hereunder will be affected by such volatility. There is no public market for the Common Shares. An active public market for the Common Shares might not develop or be sustained after the Offering. The initial public offering price of the Common Shares has been determined by the Company and this price will not necessarily reflect the prevailing market price of the Common Shares following the Offering. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited, and the share price may decline below the initial public offering price.

Conflicts of Interest

Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with the Company. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the British Columbia *Business Corporations Act*. Some of the directors and officers of the Company are or may become directors or officers of other companies engaged in other business ventures. In order to avoid the possible conflict of interest which may arise between the directors' duties to the Company and their duties to the other companies on whose boards they serve, the directors and officers of the Company have agreed to the following:

- Participation in other business ventures offered to the directors will be allocated between the various companies and on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate;

- No commissions or other extraordinary consideration will be paid to such directors and officers; and business opportunities formulated by or through other companies in which the directors and officers are involved will not be offered to the Company except on the same or better terms than the basis on which they are offered to third party participants.

Tax Issues

Income tax consequences in relation to the Common Shares will vary according to circumstances of each investor. Investors should seek independent advice from their own tax and legal advisers prior to investing in Common Shares of the Company.

Dividends

The Company does not anticipate paying any dividends on its Common Shares in the foreseeable future.

PROMOTER

Rahim Mohamed may be considered to be the Promoter of the Company in that he took the initiative in organizing the business of the Company.

Mr. Mohamed is the President and a Director of the Company, and has served as the President, Chief Executive Officer and as a Director of ChitrChatr Communications Inc. ("**ChitrChatr**") since September 2013. Mr. Mohamed also served as the President and Chief Executive Officer of AGAU Resources, Inc. ("**Agau**") from January 2012 through April 2017. He has been a Director of Agau since January 2012.

On December 2, 2016 the Alberta Securities Commission and the Ontario Securities Commission issued a cease trade for ChitrChatr 's failure to file (a) annual audited financial statements, annual management's discussion and analysis, and certification of the annual filings for the year ended 31 July 2016; and (b) certification of the interim filings for the interim nine-month period ended April 30, 2016. On December 5, 2016, the CSE suspended trading of ChitrChatr's common shares. The cease trade order remains in effect as at the date of this Prospectus.

On February 3, 2011 and February 10, 2011, respectively, the Alberta Securities Commission and the BC Securities Commission each issued a cease trade order for Agau's failure to file (a) Interim unaudited financial statements, interim management's discussion and analysis, and certification of interim filings for the interim period ended 30 November 2010. On November 29, 2010, the TSX Venture Exchange suspended trading of Agau's common shares. The cease trade orders were amended on April 5, 2013 and November 6, 2017, and were revoked on June 28, 2018.

Other than as disclosed above, no person who was a Promoter of the Company:

1. received anything of value directly or indirectly from the Company;

2. sold or otherwise transferred any asset to the Company within the last 2 years;

3. is at of the date hereof, or was within 10 years before the date hereof, a director, CEO or CFO of any person or company that was the subject of a cease trade order or similar order or an order that denied the relevant person or company access to any statutory exemptions for a period of more than 30 consecutive days while that person was acting in the capacity as director, CEO or CFO;

4. is at of the date hereof, or was within 10 years before the date hereof, a director, CEO or CFO of any person or company that was the subject of a cease trade order or similar order or an order that denied the relevant person or company access to any statutory exemptions for a period of more than 30 consecutive days that was issued after the person ceased to be a director, CEO or CFO and which resulted from an event that occurred while the person was acting in the capacity as director, CEO or CFO;

5. is at of the date hereof, or was within 10 years before the date hereof, a director or executive officer of any person or company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets;

6. has, within 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the person;

7. has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority;

8. has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision; or

9. has within the past 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets.

CERTAIN FEDERAL INCOME TAX CONSIDERATIONS

The Company encourages each security holder to consult with its own tax or professional advisor to understand the tax considerations generally applicable with purchasing or owning the Qualified Shares.

LEGAL PROCEEDINGS

Legal Proceedings

The Company is not currently a party to any legal proceedings, nor is the Company currently contemplating any legal proceedings, which are material to its business. Management of the Company is not currently aware of any legal proceedings contemplated against the Company.

Regulatory Actions

From incorporation to the date of this Prospectus, management knows of no:

(i) penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority;

(ii) other penalties or sanctions imposed by a court or regulatory body against the Company necessary for the Prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed; and

(iii) settlement agreements the Company entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as noted in this Prospectus, from incorporation on October 30, 2014 to the date of this Prospectus, none of the following persons or companies has had any material interest, direct or indirect, in any transaction which has materially affected or is reasonably expected to materially affect the Company:

(a) any director or executive officer of the Company;

(b) any person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of any class or series of the Company's outstanding voting securities; and

(c) any associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

As noted in the section entitled "Directors and Executive Officers", the directors and executive officers have entered into subscription agreements and certain acquisition agreements (specifically in regards to the acquisition of Reward Drop) with respect to the issuance of Common Shares.

AUDITOR

The auditor of the Company is Saturna Group Chartered Professional Accountants LLP at Suite 1250, 1066 West Hastings Street, Vancouver, British Columbia V6E 3X1.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent of the Company is TSX Trust Company (Canada) at 650 West Georgia Street, Suite 2700, Vancouver, British Columbia V6B 4N9.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company from incorporation to the date of this Prospectus which are currently in effect and considered to be currently material:

1. The Service Agreement dated September 8, 2017 with TSX Trust Company: Pursuant to the agreement, the Company shall pay a based rate of $18,000 per annum for registrar and transfer agent services, inclusive of taxes, plus expenses, and subject to additional charges and rate increases for increased scope of service, the whole subject to reasonable negotiation between the parties from time to time. The agreement may be terminated at any time subject to a termination fee equal to 20% of the most recent annual remuneration amount.

2. The Escrow Agreement dated September 26, 2018, 2018 with TSX Trust Company, and certain shareholders of the Company (see "*Escrowed Securities and Securities Subject to Contractual Restriction on Transfer*").

3. Agency Agreement with Mackie Research Capital Corporation dated March 13, 2018 (see "*General Development of the Business*" for a descriptions of particulars of this agreement).

4. Independent Contractor Agreement dated March 9, 2018 with 1002349 BC Ltd. for the services of Hanspaul Pannu (CFO) (see "*Executive Compensation*" for a descriptions of particulars of this agreement).

5. Independent Contractor Agreement dated March 9, 2018 with Nexium Financial Inc. for the services of Rahim Mohamed (CEO) (see "*Executive Compensation*" for a descriptions of particulars of this agreement).

6. Independent Contractor Agreement dated March 1, 2018 with Envivo Consulting International Inc. for the services of Jay Ruckenstein (President) (see "*Executive Compensation*" for a descriptions of particulars of this agreement).

7. Employment Agreement dated March 9, 2018 with Jason Collins (CTO) (see "*Executive Compensation*" for a descriptions of particulars of this agreement).

8. Independent Contractor Agreement with 10371084 Canada Inc. for the services of Rui Santos (Inside Sales Manager) see "*Executive Compensation*" for a descriptions of particulars of this agreement).

9. Independent Contractor Agreement dated March 9, 2018 with Summum Marketing Inc. for the services of Alex Rinaldoni (see "Executive Compensation" for a descriptions of particulars of this agreement).

10. Consulting Agreement (Investor Relations) with Frontier Merchant Capital Group dated January 8, 2018 (see "*General Development of the Business*" for a descriptions of particulars of this agreement).

A copy of any material contract may be inspected during normal business hours at the Company's registered offices at Suite 409, 221 West Esplanade, North Vancouver, British Columbia V7M 3J3.

EXPERTS

Names of Experts

The following persons or companies whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company are named in this Prospectus as having prepared or certified a report, valuation, statement or opinion in this Prospectus:

Saturna Group Chartered Professional Accountants LLP, auditor of the Company, who prepared the independent auditor's report on the Company's audited financial statements included in and forming part of this Prospectus and have informed the Company that it is independent of the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia (CPABC).

Interests of Experts

Other than as disclosed herein, none of the persons set out under the heading "Experts – Names of Experts" have held, received or is to receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of its associates or affiliates when such person prepared the report, valuation, statement or opinion aforementioned or thereafter.

OTHER MATERIAL FACTS

Other than as disclosed in this Prospectus, there are no other material facts about the securities being distributed pursuant to this Offering that are not disclosed under any other items and are necessary in order for this Prospectus to contain full, true and plain disclosure of all material facts relating to the Common Shares to be distributed.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In some provinces, the securities legislation further provides a purchaser with remedies for rescission, revisions of the price, or damages if this Prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

CONTRACTUAL RIGHT OF RESCISSION

The Company has granted to each holder of a Special Warrant a contractual right of rescission of the prospectus-exempt transaction under which the Special Warrants were initially acquired. The contractual right of rescission provides that if a holder of a Special Warrant who acquires Qualified Shares on the exercise or deemed exercise of the Special Warrants as provided for in this Prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of this Prospectus or an amendment to this Prospectus containing a misrepresentation,

(a) the holder is entitled to rescission of both the holder's exercise or deemed exercise of its Special Warrant and the private placement transaction under which the Special Warrant was initially acquired,

(b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Company on the acquisition of the Special Warrants, and

(c) if the holder is a permitted assignee of the interest of the original Special Warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

FINANCIAL STATEMENTS

The following financial statements of the Company are included in this Prospectus:

- Unaudited consolidated financial statements of the Company for the three and six months ended June 30, 2018;
- Audited consolidated financial statements of the Company for the fiscal years ended December 31, 2017 and 2016;
- Audited consolidated financial statements of Appature Technologies Inc. (formerly Paraguay Minerals Corp.) for the fiscal years ended December 31, 2016 and 2015;
- Audited financial statement of RewardDrop Software Inc. for the fiscal period ended December 31, 2017; and
- Unaudited Pro Forma Consolidated Financial Statements of the Company as at December 31, 2017.

APPX CRYPTO TECHNOLOGIES INC.

Condensed consolidated interim financial statements

Six Month Period Ended June 30, 2018

(Expressed in Canadian dollars)

(unaudited)

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

	(Restated – Note 15) June 30, 2018 $	December 31, 2017 $
	(unaudited)	
ASSETS		
CURRENT ASSETS		
Cash	1,466,744	—
Amounts receivable	84,686	—
Prepaid expenses and deposits	144,010	15,000
TOTAL CURRENT ASSETS	1,695,440	15,000
NON-CURRENT ASSETS		
Equipment (Note 6)	317,438	—
Assets held for sale (Note 5)	375,000	—
TOTAL ASSETS	2,387,878	15,000
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 11)	132,468	225,091
Due to related parties (Note 11)	—	61,799
TOTAL LIABILITIES	132,468	286,890
SHAREHOLDERS' EQUITY		
Share capital	2,439,317	150
Special warrants	1,580,059	—
Warrant reserve	132,583	—
Deficit	(1,897,515)	(272,040)
TOTAL APPX CRYPTO TECHNOLOGIES INC. SHAREHOLDERS' EQUITY	2,254,444	(271,890)
Non-controlling interest	966	—
TOTAL SHAREHOLDERS' EQUITY	2,255,410	—
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,387,878	15,000

Nature of operations (Note 1)
Commitments (Note 11)
Subsequent events (Note 16)

Approved and authorized for issuance on behalf of the Board of Directors on September 21, 2018:

/s/ "Rahim Mohamed"
Rahim Mohamed, Director

/s/ "Jay Ruckenstein"
Jay Ruckenstein, Director

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

	(Restated – Note 15) Three months ended June 30, 2018 $	Three months ended June 30, 2017 $	(Restated – Note 15 Six months ended June 30, 2018 $	Six months ended June 30, 2017 $
REVENUE	11	—	11	—
EXPENSES				
Advertising and marketing fees (Note 11)	52,582	—	76,961	—
Amortization (Note 5 and 6)	1,362	—	4,260	—
Consulting and management fees (Note 11)	76,817	—	94,688	—
General and administrative (Note 11)	74,560	—	83,769	—
Professional fees	83,109	—	121,826	—
Research and development costs (Note 11)	115,153	—	186,495	—
Transfer agent and filing fees	27,673	—	28,863	—
Travel	6,822	—	19,549	—
TOTAL EXPENSES	438,078	—	616,411	—
LOSS BEFORE OTHER INCOME	(438,067)	—	(616,400)	—
OTHER INCOME (LOSS)				
Forgiveness of related party debt (Note 11)	—	—	275,180	—
Write-down of assets held for sale	(33,589)	—	(33,589)	—
Impairment of goodwill	(1,260,962)	—	(1,260,962)	—
NET LOSS AND COMPREHENSIVE LOSS	(1,732,618)	—	(1,635,711)	—
Less: net loss attributable to the non-controlling interest	5,699	—	10,296	—
NET LOSS ATTRIBUTABLE TO APPX CRYPTO TECHNOLOGIES INC.	(1,726,919)	—	(1,625,475)	—
Loss per share attributed to APPx Crypto Technologies Inc., basic and diluted	(0.02)	—	(0.03)	—
Weighted average number of common shares outstanding	76,307,367	—	50,865,517	—

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

APPx Crypto Technologies Inc.
Condensed Consolidated Interim Statements of Changes in Equity
(Expressed in Canadian dollars)
(unaudited)

	Number of common shares	Share capital $	Special warrants $	Warrant reserve $	Deficit $	Non-controlling interest $	Total $
Balance, August 22, 2017 (date of incorporation)	–	–	–	–	–	–	–
Issuance of founders' shares	150	150	–	–	–	–	150
Net loss for the period	–	–	–	–	(272,040)	–	(272,040)
Balance, December 31, 2017	150	150	–	–	(272,040)	–	(271,890)
Shares issued for share exchange agreement	73,382,217	2,146,667	–	–	–	11,262	2,157,929
Shares issued as finder's fees for acquisition	2,825,000	282,500	–	–	–	–	282,500
Special warrants issued for cash	–	–	1,930,000	–	–	–	1,930,000
Special warrants issuance costs	100,000	10,000	(217,358)	–	–	–	(207,358)
Finder's warrants issued	–	–	(132,583)	132,583	–	–	–
Net loss for the period	–	–	–	–	(1,625,475)	(10,296)	(1,635,771)
Balance, June 30, 2018 (Restated – Note 15)	76,307,367	2,439,317	1,580,059	132,583	(1,897,515)	966	2,255,410

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

APPx Crypto Technologies Inc.
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian dollars)
(unaudited)

	(Restated – Note 15) Six months ended June 30, 2018 $	Six months ended June 30, 2017 $
OPERATING ACTIVITIES		
Net loss for the period	(1,635,771)	—
Items not involving cash:		
Amortization	4,260	—
Forgiveness of related party debt	(275,180)	—
Impairment of goodwill	1,260,962	—
Write-down of assets held for sale	33,589	—
Change in non-cash working capital items:		
Amounts receivable	(51,183)	—
Prepaid expenses	(40,810)	—
Accounts payable and accrued liabilities	(24,284)	—
Net cash used in operating activities	(728,417)	—
INVESTING ACTIVITIES		
Cash acquired on acquisition	806,319	—
Purchase of equipment	(318,800)	
Net cash provided by investing activities	487,519	—
FINANCING ACTIVITIES		
Proceeds from issuance of special warrants	1,930,000	—
Special warrants issuance costs	(207,358)	—
Repayment of loan payable	(15,000)	—
Net cash provided by financing activities	1,707,642	—
Change in cash	1,466,744	—
Cash, beginning of period	—	—
Cash, end of period	1,466,744	—
Non-cash investing and financing activities:		
Reclassification of intangible assets to assets held for sale	408,589	—
Shares issued pursuant to reverse takeover transaction	2,146,667	—
Shares issued for finder's fee	10,000	—
Share purchase warrants issued as finder's fees	132,583	—

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

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 October 26, 2017, the Company completed a share exchange agreement (the "Transaction") with Appature Technologies Inc. (formerly Paraguay Minerals Corp.) ("ATI"). ATI was incorporated on December 31, 2007 under the laws of the province of British Columbia, Canada.

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 Suite 310, 221 West Esplanade, North Vancouver, BC V7M 3J3.

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 condensed consolidated interim financial statements have been prepared on the assumption the the Company will continue as a going concern. As at June 30, 2018, the Company has minimal revenue, negative cash flows from operations, and an accumulated deficit of $1,897,515. 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 issuances. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. These factors indicate existence of a material uncertainty that may cast doubt on the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. BASIS OF PRESENTATION

(a) Statement of Compliance

These 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 period ended December 31, 2017.

2. BASIS OF PRESENTATION (continued)

(b) Basis of Presentation

These 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.

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:

<u>Categories of Financial Instruments</u>
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.

<u>Going Concern Assumption</u>
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.

Critical Accounting Estimates:

<u>Unrecognized Deferred Income Tax Assets</u>
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.

<u>Fair Values of Assets and Liabilities Acquired in Business Combinations</u>
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.

2. BASIS OF PRESENTATION (continued)

(c) Significant Accounting Judgments and Estimates (continued)

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 period ended December 31, 2017 except for the following policy adopted in the current fiscal year:

Property and equipment is recorded at cost. The Company depreciates the cost of property and equipment over their estimated useful lives at the following rates:

Computer equipment	2 years straight-line
Furniture and fixtures	5 years straight-line
Leasehold improvements	5 years straight-line

Residual values and useful economic lives are reviewed at least annually, and adjusted if appropriate, at each reporting date. Subsequent expenditure relating to an item of property and equipment is capitalized when it is probable that future economic benefits from the use of the assets will be increased. All other subsequent expenditures are recognized as repairs and maintenance expenses during the period in which they are incurred. Gains and losses on disposal of equipment are determined by comparing the proceeds from disposal with the carrying amount of the asset and are recognized net within other income in the statement of operations.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(Expressed in Canadian dollars)

New Accounting Standards

The Company has adopted the following new standards, along with any consequential amendments, prior to or effective January 1, 2018. These changes were made in accordance with the applicable transitional provisions and did not impact the Company's condensed interim consolidated financial statements.

- IFRS 9, "Financial Instruments: Classification and Measurement" is effective for annual periods beginning on or after January 1, 2018. The Company adopted IFRS 9 retrospectively, without restatement of prior year financial statements. IFRS 9 replaces the provisions of IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39") that relate to the recognition, classification, and measurements of financial assets and financial liabilities, derecognition of financial instruments, and impairment of financial assets. IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The approach in IFRS 9 is based on how the Company manages its financial instruments and the contractual cash flow characteristics of the financial asset. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9. The application of IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities, and there was also no impact to the carrying value of any of the Company's financial assets or liabilities on the date of transition.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

4. ACQUISITION OF REWARDDROP SOFTWARE INC.

On March 2, 2018, the Company completed the Transaction with RSI. 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

(Expressed in Canadian dollars)

4. ACQUISITION OF REWARDDROP SOFTWARE INC. (continued)

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	411,487
Loan receivable	23,396
Accounts payable and accrued liabilities	(145,042)
Loan payable	(15,000)
Net assets acquired	1,179,467
Goodwill on acquisition	1,260,962

During the six months ended June 30, 2018, the Company recognized a $1,260,962 impairment of goodwill due to the uncertainty of recoverability.

5. INTANGIBLE ASSETS

A continuity of the intangible assets is as follows:

	SweetrLife Application $	Tinderama Application $	SWIIPE Application $	PRIDE Application $	Total $
Balance, December 31, 2017	–	–	–	–	–
Additions	183,707	100,000	77,780	50,000	411,487
Amortization	(2,898)	–	–	–	(2,898)
Reclassification to assets held for sale	(180,809)	(100,000)	(77,780)	(50,000)	(408,589)
Balance, June 30, 2018	—	—	—	—	—

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 SWIIPE 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.

During the six months ended June 30, 2018, the Company has reclassified these intangible assets to assets held for sale as the Company intends to sell these applications. The Company has recorded a write-down of assets held for sale of $33,589, reducing the carrying value of the assets to $375,000, or management's estimation of fair value.

(Expressed in Canadian dollars)

6. EQUIPMENT

	Computer equipment $	Office furniture and equipment $	Leasehold improvements $	Total $
Balance, December 31, 2017	–	–	–	–
Additions	269,243	33,171	16,386	318,800
Amortization	–	(912)	(450)	(1,362)
Balance, June 30, 2018	269,243	32,259	15,936	317,438

As at June 30, 2018, equipment included computer equipment that has not yet been placed in use. As a result, no amortization of these assets has been recorded.

7. SHARE CAPITAL

(a) On March 2, 2018, RSI was deemed to have issued 73,382,217 common shares pursuant to the merger with the Company. The Company issued 2,825,000 common shares with a fair value of $282,500 as a finder's fee on the transaction. Refer to Note 4.

(b) On March 13, 2018, the Company issued 100,000 common shares with a fair value of $10,000 pursuant to an agency agreement.

Shares issued by the Company prior to the reverse takeover acquisition:

(c) On January 10, 2018, the Company issued 900,391 common shares to settle accounts payable of $90,039.

Shares issued by the Company prior to the reverse takeover acquisition:

(d) 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 share purchase warrants with each warrant entitling the holder to purchase one additional common share exercisable at $0.25 per share until February 28, 2019.

(e) On February 27, 2018, the Company issued 616,612 common shares to settle debt of $61,661.

(Expressed in Canadian dollars)

8. SPECIAL WARRANTS

Special warrants transactions after the reverse asset acquisition:

(a) On March 13, 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. Refer to Note 15.

Pursuant to an agency agreement entered into between the Company and the Agent, an aggregate of 1,351,000 share purchase warrants were issued to the Agent, representing 7% of the special warrants sold. An additional 500,000 share purchase 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 share purchase warrants issued were fair valued at $132,583 using the Black-Scholes option pricing model assuming no expected dividends, no forfeitures, a risk-free rate of 1.79%, expected volatility of 150%, and expected life of two years The Company paid the Agent $135,100 and incurred share issuance costs of $72,258. In addition, the Company issued 100,000 common shares with a fair value of $10,000 pursuant to the agency agreement.

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 share purchase warrants with each warrant entitling the holder to purchase one additional common share exercisable at $0.25 per share until February 28, 2019.

9. 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, June 30, 2018	2,051,000	0.11

9. SHARE PURCHASE WARRANTS (continued)

(Expressed in Canadian dollars)

As at June 30, 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
2,051,000		

10. RELATED PARTY TRANSACTIONS

(a) During the three and six months ended June 30, 2018, the Company incurred $30,000 and $40,000, respectively, in consulting and management fees to a company controlled by the Chief Executive Officer of the Company (“CEO”). As at June 30, 2018, the Company owed $799 (December 31, 2017 - $nil) to a company controlled by the CEO which is included in accounts payable and accrued liabilities.

(b) During the three and six months ended June 30, 2018, the Company incurred $16,706 and $21,706, respectively, in consulting and management fees and $16,706 and $21,706, respectively, in research and development fees to a company controlled by the President. As at June 30, 2018, the Company owed $7,645 (December 31, 2017 - $50,032) to the company controlled by the President included in accounts payable and accrued liabilities. The amounts owed are unsecured, non-interest bearing, and due on demand. During six months ended June 30, 2018, the total amount of $50,032 owed to this company was forgiven.

(c) As at June 30, 2018, the Company owed $Nil (December 31, 2017 - $79,349) to the President of the Company, of which $Nil (December 31, 2017 - $54,600) is included in accounts payable and accrued liabilities. The amounts owed are unsecured, non-interest bearing, and due on demand. During six months ended June 30, 2018, the total amount of $79,349 owed to the President of the Company was forgiven.

(d) During the three and six months ended June 30, 2018, the Company incurred $10,000 and $20,000, respectively, in research and development fees and $20,000 and $20,000, respectively, in general and administrative costs to the Chief Technology Officer (“CTO”) of the Company. As at June 30, 2018, the Company owed $Nil (December 31, 2017 - $54,150) to the CTO of the Company, of which $Nil (December 31, 2017 - $54,600) is included in accounts payable and accrued liabilities. The amounts owed are unsecured, non-interest bearing, and due on demand. During six months ended June 30, 2018, the total amount of $54,150 owed to the CTO of the Company was forgiven.

(e) During the three and six months ended June 30, 2018, the Company incurred $20,000 and $25,000, respectively, in research and development fees and $Nil and $5,000, respectively, in advertising and marketing fees to the former Chief Information Officer (“CIO”) of the Company. As at June 30, 2018, the Company owed $Nil (December 31, 2017 - $91,650) to the CIO of the Company, of which $nil (December 31, 2017 -$54,600) is included in accounts payable and accrued liabilities. The amounts owed are unsecured, non-interest bearing, and due on demand. During the six months ended June 30, 2018, the amount of $91,650 owed to the CIO was forgiven.

(f) During the three and six months ended June 30, 2018, the Company incurred $12,000 and $16,000, respectively, in consulting and management fees to a company controlled by the Chief Financial Officer of the Company (“CFO”). As at June 30, 2018, the Company owed $Nil (December 31, 2017 - $Nil) to the CFO.

11. COMMITMENTS

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

(Expressed in Canadian dollars)

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 is 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 June 30, 2018, as follows:

	Fair value measurements using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, June 30, 2018 $
Cash	1,466,744	–	–	1,466,744

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 June 30, 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 and QST receivable due from the Government of Canada and Revenue Quebec. The carrying amount of financial assets represents the maximum credit exposure.

14. FINANCIAL INSTRUMENTS (continued)

(c) Liquidity Risk

(Expressed in Canadian dollars)

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 June 30, 2018, the Company had cash of $1,466,744 and accounts payable and accrued liabilities of $132,468. All accounts payable and accrued liabilities are due within 90 days.

(d) Foreign Exchange Rate Risk

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

(e) Interest Rate Risk

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

15. RESTATEMENT

The Company restated its consolidated financial statements as at June 30, 2018 and for the three and six months then ended to reflect the impairment of goodwill during the period. This restatement resulted in an increase of $1,260,962 to the net losses and an increase in the loss per share to $0.02 and $0.03 for the three months and six months ended June 30, 2018, respectively.

The impact of the restatement as at June 30, 2018 and for the three and six months then ended is summarized below:

Consolidated Statement of Financial Position

	As at June 30, 2018		
	As Reported $	Adjustment $	As Restated $
Non-current Assets			
Goodwill	1,260,962	(1,260,962)	–
Total Assets	3,648,840	(1,260,962)	2,387,878
Shareholders' Equity			
Deficit	(636,553)	(1,260,962)	(1,897,515)
Total Shareholders' Equity	3,516,372	(1,260,962)	2,255,410
Total Liabilities and Shareholders' Equity	3,648,840	(1,260,962)	2,387,878

15. RESTATEMENT (continued)

Consolidated Statements of Operations and Comprehensive Loss

	Three Months Ended June 30, 2018		
	As Reported	Adjustment	As Restated

	$	$	$
Other Income (Expense)			
Impairment of goodwill	–	(1,260,962)	(1,260,962)
Net loss and comprehensive loss	(471,656)	(1,260,962)	(1,732,618)
Net loss attributable to APPx Crypto Technologies Inc.	(465,957)	(1,260,962)	(1,726,919)

	Six Months Ended June 30, 2018		
	As Reported $	Adjustment $	As Restated $
Other Income (Expense)			
Impairment of goodwill	–	(1,260,962)	(1,260,962)
Net loss and comprehensive loss	(374,809)	(1,260,962)	(1,635,711)
Net loss attributable to APPx Crypto Technologies Inc.	(364,513)	(1,260,962)	(1,625,475)

Consolidated Statement of Equity

	Six Months Ended June 30, 2018		
	As Reported $	Adjustment $	As Restated $
Deficit	(636,553)	(1,260,962)	(1,897,515)
Total Shareholders' Equity	3,516,372	(1,260,962)	2,255,410

Consolidated Statement of Cash Flows

	Six Months Ended June 30, 2018		
	As Reported $	Adjustment $	As Restated $
Operating Activities			
Net loss for the period	(2,728,675)	(1,260,962)	(1,635,771)
Items not involving cash:			
Impairment of goodwill	–	1,260,962	1,260,962

16. SUBSEQUENT EVENTS

(a) On July 5, 2018, the Company issued 7,511,000 shares pursuant to the exercise of 7,511,000 special warrants.

(b) On July 30, 2018, the Company issued 19,300,000 shares pursuant to the exercise of 19,300,000 special warrants.

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

Consolidated Financial Statements
Years Ended December 31, 2017 and 2016
(Expressed in Canadian dollars)

SATURNA GROUP
CHARTERED PROFESSIONAL ACCOUNTANTS LLP

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of APPx Crypto Technologies Inc. (formerly Appature Technologies Inc.)

We have audited the accompanying consolidated financial statements of APPx Crypto Technologies Inc. (formerly Appature Technologies Inc.) (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2017 and 2016, and the consolidated statements of operations and comprehensive loss, changes in equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also involves evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2017 and 2016 and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 of the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern.

Saturna Group LLP

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

April 25, 2018

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

	December 31, 2017 $	December 31, 2016 $
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	101,867	19,314
Amounts receivable	5,726	2,569
Prepaid expenses	–	13,750
TOTAL CURRENT ASSETS	107,593	35,633
NON-CURRENT ASSETS		
Intangible assets (Notes 5 and 8)	442,368	507,409
TOTAL ASSETS	549,961	543,042
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 8)	237,638	184,464
Loan payable (Note 6)	15,000	15,000
TOTAL LIABILITIES	252,638	199,464
SHAREHOLDERS' EQUITY		
Share capital	1,159,269	712,455
Share subscriptions receivable (Note 7)	(180,000)	–
Special warrants subscriptions received (Note 7)	64,045	–
Deficit	(769,372)	(368,877)
TOTAL APPX CRYPTO TECHNOLOGIES INC. SHAREHOLDERS’ EQUITY	273,942	343,578
Non-controlling interest	23,381	–
TOTAL SHAREHOLDERS' EQUITY	297,323	343,578
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	549,961	543,042

Nature of operations and going concern (Note 1)
Subsequent events (Note 13)

Approved and authorized for issuance on behalf of the Board of Directors on April 25, 2018:

/s/ “Rahim Mohamed”

Rahim Mohamed, Director

/s/ “Jay Ruckenstein”

Jay Ruckenstein, Director

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

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

	Year ended December 31, 2017 $	Year ended December 31, 2016 $
REVENUE	3,556	–
EXPENSES		
Advertising and promotion	2,116	3,770
Amortization (Note 4)	140,466	72,690
Consulting and management fees (Note 8)	169,017	127,500
General and administrative	8,808	17,297
Professional fees	53,549	18,574
Transfer agent and filing fees	437	–
TOTAL EXPENSES	374,393	239,831
LOSS BEFORE OTHER EXPENSES	(370,837)	(239,831)
OTHER EXPENSES		
Restructuring costs (Note 4)	(38,899)	–
Write-down of intangible assets (Note 5)	–	(11,167)
TOTAL OTHER EXPENSES	(38,899)	(11,167)
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	(409,736)	(250,998)
Less: net loss attributable to the non-controlling interest	9,241	–
NET LOSS ATTRIBUTABLE TO APPX CRYPTO TECHNOLOGIES INC.	(400,495)	(250,998)
Loss per share attributed to APPx Crypto Technologies Inc., basic and diluted	(0.02)	(0.02)
Weighted average number of common shares outstanding	20,233,479	14,735,119

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

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

	Share capital		Share subscriptions receivable	Shares issuable	Special warrants subscriptions received	Deficit	Non-controlling interest	Total
	Number	$	$	$	$	$	$	$
Balance, December 31, 2015	12,204,993	500,364	–	89,515	–	(117,879)	–	472,000
Shares issued for private placement	1,520,000	76,000	–	–	–	–	–	76,000
Shares issued for intangible asset acquisition	1,000,000	50,000	–	–	–	–	–	50,000
Shares issued for share exchange agreement	2,564,800	89,515	–	(89,515)	–	–	–	–
Share issuance costs	–	(3,424)	–	–	–	–	–	(3,424)
Net loss for the year	–	–	–	–	–	(250,998)	–	(250,998)
Balance, December 31, 2016	17,289,793	712,455	–	–	–	(368,877)	–	343,578
Shares repurchased	(100,000)	(5,000)	–	–	–	–	–	(5,000)
Shares issued for private placement	3,170,000	317,000	(180,000)	–	–	–	–	137,000
Share issuance costs	257,000	–	–	–	–	–	–	–
Shares issued for settlement of debt	1,425,000	142,500	–	–	–	–	–	142,500
Special warrants subscriptions received	–	–	–	–	64,045	–	–	64,045
Shares issued for share exchange agreement	1,440,351	24,936	–	–	–	–	–	24,936
Non-controlling interest	(2,080,600)	(32,622)	–	–	–	–	32,622	–
Net loss for the year	–	–	–	–	–	(400,495)	(9,241)	(409,736)
Balance, December 31, 2017	21,401,544	1,159,269	(180,000)	–	64,045	(769,372)	23,381	297,323

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

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

	Year ended December 31, 2017	Year ended December 31, 2016
OPERATING ACTIVITIES		
Net loss for the year	(409,736)	(250,998)
Items not involving cash:		
Amortization	140,466	72,690
Shares issued for restructuring costs	24,936	–
Write-down of intangible assets	–	11,167
Change in non-cash working capital items:		
Amounts receivable	(3,157)	(779)
Prepaid expenses	13,750	(13,750)
Accounts payable and accrued liabilities	174,274	78,470
Net cash used in operating activities	(59,467)	(103,200)
INVESTING ACTIVITIES		
Intangible assets costs	(54,025)	(9,266)
Net cash used in investing activities	(54,025)	(9,266)
FINANCING ACTIVITIES		
Proceeds from issuance of common shares	137,000	76,000
Repurchase of common shares	(5,000)	–
Share issuance costs	–	(3,424)
Proceeds from special warrants subscriptions received	64,045	–
Net cash provided by financing activities	196,045	72,576
Change in cash and cash equivalents	82,553	(39,890)
Cash and cash equivalents, beginning of year	19,314	59,204
Cash and cash equivalents, end of year	101,867	19,314
Cash and cash equivalents consist of:		
Cash in bank	849	19,314
Cash held in lawyer's trust account	101,018	–
Total cash and cash equivalents	101,867	19,314
Non-cash investing and financing activities:		
Additions to intangible assets included in accounts payable	21,400	–
Common shares issued for settlement of accounts payable	142,500	–
Common shares issued for acquisition of intangible assets	–	50,000

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

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 October 26, 2017, the Company completed a share exchange agreement (the "Transaction") with Appature Technologies Inc. (formerly Paraguay Minerals Corp.) ("ATI"). ATI was incorporated on December 31, 2007 under the laws of the province of British Columbia, Canada. On January 12, 2016, the Company changed its name from Paraguay Minerals Corp. to Appature Technologies Inc. The Company's head office is located at Suite 200, 7355 Route Transcanadienne, Saint-Laurent, QC, H4T 1T3.

Under the terms of the Transaction, the Company issued 19,961,193 common shares in exchange for the equivalent number of issued and outstanding shares of ATI, which represents 90.56% ownership of ATI. As a result of the Transaction, the shareholders of ATI own 93.3% of APPX. Refer to Note 4.

These consolidated 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 consolidated 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 year ended December 31, 2017, the Company has incurred a net loss of $409,736 (2016 - $250,998), has limited resources, no sources of operating cash flow, and no assurances that sufficient funding will be available to continue operations for an extended amount of time. As at December 31, 2017, the Company has working capital deficit of $145,045 (2016 – $163,831) and an accumulated deficit of $769,372 (2016 - $368,877). 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.

If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the consolidated statement of financial position classifications used. Such adjustments could be material.

2. BASIS OF PRESENTATION

(a) Statement of Compliance

These consolidated 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.

These consolidated 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"). All significant inter-company balances and transactions have been eliminated on consolidation.

(b) Basis of Presentation

These consolidated 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 consolidated 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 consolidated financial statements in accordance with IFRS requires management to make certain critical accounting estimates and assumptions that effect the amounts reported in the consolidated 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.

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 consolidated 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.

2. BASIS OF PRESENTATION (CONTINUED)

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

(a) Financial Instruments

Financial assets and financial liabilities are recognized on the consolidated statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

Financial Assets
The Company classifies its financial assets into one of the following categories, at initial recognition, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in the consolidated statement of operations. Cash and cash equivalents is included in this category of financial assets.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Gains and losses are recognized in the consolidated statement of operations when the loans and receivables are derecognized or impaired, as well as through the amortization process. Amounts receivable is included in this category of financial assets.

Held-to-maturity - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest rate method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the consolidated statement of operations. The Company has no financial assets classified as held-to-maturity.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial Instruments (continued)

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized in other comprehensive income. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the consolidated statement of operations. The Company has no financial assets classified as available-for-sale.

Financial Liabilities
The Company holds financial liabilities in the form of non-derivatives that are recognized initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost using the effective interest rate method. Any difference between the amounts original received, net of transaction costs, and the redemption value is recognized in the consolidated statement of operations over the period to maturity using the effective interest method. Other financial liabilities are classified as current or non-current based on their maturity date. Accounts payable, accrued liabilities, and loan payable are included in this category of financial liabilities.

Share Capital
Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

(b) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(c) Intangible Assets

Intangible assets of the Company include technology rights and patents acquired from third parties, and are recorded at cost less accumulated amortization and accumulated impairment losses. Initial acquisition costs are based on the fair value of the consideration paid or payable, and will be amortized on a straight-line basis over the estimated useful life of the underlying technologies with finite lives. Once the Company begins commercial use of its acquired technologies, the intangible assets will be amortized on a straight-line basis over three years. The Company reviews the estimated useful lives and carrying values of its technology rights and patents as part of its periodic assessment for impairment of non-financial assets.

The carrying amounts for technology rights and patents do not necessarily reflect present or future value and the ultimate amounts recoverable will be dependent upon the successful development and commercialization of products based on these underlying technologies.

(d) Impairment of Non-Financial Assets

Impairment tests in non-financial assets are undertaken annually at the financial year-end and whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash flows from other assets.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

An impairment loss is charged to the consolidated statement of operations, except to the extent they reverse gains previously recognized in other comprehensive income (loss).

(e) Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made. Where the effect of the time value of money is material, provisions will be measured at the present value of the expenditures expected to be required to settle the obligation. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. The increase in any provision due to the passage of time is recognized as accretion expense. Each provision will be reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

(f) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled, share-based payment transactions, regardless of how the equity instruments are obtained by the Company.

The fair value of the options is measured at the grant date using the Black-Scholes option pricing model. The fair value is recognized as an expense over the vesting period, which is the period over which all of the specified vesting conditions are satisfied with a corresponding increase in equity. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period. Non-market vesting conditions are considered in making assumptions about the number of awards that are expected to vest. When the options are exercised, any proceeds received are credited to share capital along with the amount reflected in share-based payment reserve.

(g) Research and Development Costs

Research costs, including costs for new patents and patent applications, are expensed in the period in which they are incurred. Development costs are expensed in the period in which they are incurred unless certain criteria, including technical feasibility, commercial feasibility, and intent and ability to develop and use the technology, are met for deferral and amortization.

(h) Business Combinations and Goodwill

An acquisition of a business, (an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return directly to investors), is a business combination. Determining whether the acquisition meets the definition of a business combination requires judgement to be applied on a case by case basis. Acquisitions are assessed under the relevant criteria to establish whether the transaction represents a business combination or an asset purchase. Depending on the specific facts, acquisitions of exploration and evaluation licences for which a development decision has not yet been made, have largely been concluded to represent asset purchases.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations, except for transactions between entities under common control, are accounted for using the acquisition method of accounting. The acquired identifiable tangible and intangible assets, liabilities and contingent liabilities are measured at their fair values at the date of the acquisition. Acquisition costs incurred are expensed in the consolidated statement of operations.

Goodwill (if any) is initially measured at the excess of the aggregate of the consideration transferred and the amount recognised for any non-controlling interest over the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date. The non-controlling interest is measured at fair value or at the proportion of the acquired entity's identifiable net assets as elected for each business combination. Goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies.

(i) Loss per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the earnings attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive. Basic and diluted loss per share is the same for the periods presented.

(j) Comprehensive Loss

Comprehensive income (loss) is the change in the Company’s net assets that results from transactions, events and circumstances from sources other than the Company’s shareholders and includes items that are not included in the consolidated statement of operations.

(k) Income Taxes

Income tax on net income for the period presented comprises current and deferred tax. Income tax is recognized in the consolidated statement of operations, except to the extent that it relates to items recognized directly in equity, in which case it is recognized as equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to prior years.

Deferred tax is provided using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable net income, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the consolidated statement of financial position.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Foreign Currency Translation

The accounts of foreign balances and transactions are translated into Canadian currency as follows:

- Monetary assets and liabilities, at the rate of exchange in effect at the consolidated statement of financial position date;
- Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities; and
- Revenue and expense items, at the rate of exchange prevailing at the transaction date. Gains and losses arising from translation of foreign currency are included in the determination of net income (loss).

(m) Revenue Recognition

The Company recognizes revenue from mobile application in-application purchases in accordance with IAS 18, Revenue. Revenue is recognized only when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity, the stage of completion of the transaction at the end of the reporting period can be measured reliably, and the cost incurred for the transaction and the cost to complete the transaction can be measured reliably.

(n) Future Changes to Accounting Standards

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2017, and have not been applied in preparing these consolidated financial statements.

- IFRS 9, “Financial Instruments”
- IFRS 15, “Revenue from Contracts with Customers”

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the Company’s consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s consolidated financial statements.

4. ACQUISITION OF APPATURE TECHNOLOGIES INC.

On October 26, 2017, the Company completed the Transaction with ATI and owns approximately 90.56% of ATI. Upon closing of the Transaction, the former shareholders of ATI owned 93.3% of the combined entity, APPX. APPX’s board of directors and senior management were reconstituted and consist of the directors and senior management of ATI. Given the majority ownership of the common shares of the Company and the majority representation on the Company’s Board of Directors are held by the former shareholders of ATI, ATI 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 ATI is considered the accounting acquirer of APPX.

Given the limited operations and inactive status of the Company at the date of the Transaction, the Company did not meet the definition of a business under IFRS 3, Business Combinations. The acquisition is therefore considered an issuance of shares by ATI for the net assets of the Company, accompanied by recapitalization, and therefore falls under the scope of IFRS 2, Share-based Payments. As a result of reverse acquisition accounting, these consolidated financial statements represent a continuation of ATI’s consolidated financial statements and the acquisition of the Company.

(Expressed in Canadian dollars)

4. ACQUISITION OF APPATURE TECHNOLOGIES INC. (CONTINUED)

The fair value of the 1,440,351 common shares of the Company that were deemed to have been issued and retained by the former shareholders of the Company was $24,936, which was determined based on the fair value of net assets and liabilities of the ATI on the date of the Transaction as follows:

	$
Cash	113,243
Amounts receivable	4,912
Intangible assets	464,642
Accounts payable and accrued liabilities	(222,222)
Loan payable	(15,000)
Net assets of ATI, at date of acquisition	345,575
Number of shares issued and outstanding of ATI, at date of acquisition	19,961,193
Per share value of ATI, at date of acquisition	0.0173
Number of ATI shares issued to former shareholders of APPX	1,440,351
Fair value of ATI shares issued to former shareholders of APPX	24,936

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

	$
Less fair value of identifiable assets and liabilities of APPX acquired:	
Accounts payable and accrued liabilities	13,963
Net liabilities acquired	13,963
Fair value of ATI shares issued to former shareholders of APPX	24,936
Restructuring cost	38,899

5. INTANGIBLE ASSETS

A continuity of the intangible assets is as follows:

	SweetrLife Application $	SWIIPE Application $	Pride Application $	Total $
Balance, December 31, 2015	380,000	152,000	–	532,000
Additions	9,266	–	50,000	59,266
Amortization	(72,690)	–	–	(72,690)
Write-down	(11,167)	–	–	(11,167)
Balance, December 31, 2016	305,409	152,000	50,000	507,409
Additions	49,645	25,780	–	75,425
Amortization	(140,466)	–	–	(140,466)
Balance, December 31, 2017	214,588	177,780	50,000	442,368

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 SWIIPE 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.

5. INTANGIBLE ASSETS (CONTINUED)

As at December 31, 2017, intangible assets include application technologies still being developed with a carrying value of $227,780 (2016 – $202,000), which have not been placed in use. As a result, no amortization of these intangible assets has been recorded.

During the year ended December 31, 2016, management determined that indicators of impairment existed and carrying value of the intangible assets could not be supported. Accordingly, a write-down of intangible assets of $11,167 was recognized based on a financial projection of cash flows.

6. LOAN PAYABLE

As at December 31, 2017, the amount of $15,000 (2016 - $15,000) is owed to an unrelated party, which is unsecured, non-interest bearing, and due on demand.

7. SHARE CAPITAL

Authorized: unlimited number of common shares without par value

Equity transactions after the reverse asset acquisition on October 26, 2017:

(a) During the year ended December 31, 2017, the Company received proceeds of $64,045 for special warrants subscriptions. Refer to Note 13(c).

Shares issued by Appature Technologies Inc. before the reverse asset acquisition on October 26, 2017:

(b) On February 6, 2017, ATI entered into a share purchase agreement with a shareholder of the Company to repurchase 100,000 common shares of the Company for $5,000.

(c) On April 21, 2017, ATI issued 3,170,000 common shares at $0.10 per share for proceeds of $317,000 pursuant to a private placement. In connection with this private placement, the Company issued 257,000 common shares with a fair value of $25,700 as finder's fees. Of the proceeds, $117,000 was held in trust by the Company's lawyer, $180,000 is owing, and the Company had received $20,000. The receipt of the funds in trust and owing will be received upon the Company's common shares being listed with a securities exchange.

(d) On May 3, 2017, ATI issued 1,425,000 common shares with a fair value of $142,500 to settle $142,500 of accounts payable, which included 1,350,000 common shares with a fair value of $135,000 to settle $135,000 of accounts payable owing to the Chief Executive Officer and the Chief Operating Officer of the Company.

(e) On October 26, 2017, ATI was deemed to have issued 1,440,351 common shares pursuant to the merger with APPX. Refer to Note 4.

Share transactions during the year ended December 31, 2016:

(f) On December 17, 2015, Appature AB was deemed to have issued 2,564,800 common shares with a fair value of $89,515 pursuant to the reverse asset acquisition of Appature. The common shares were issued on March 11, 2016.

(g) On August 15, 2016, ATI issued 1,000,000 common shares with a fair value of $50,000 in exchange for intellectual property and intellectual property rights. Refer to Note 8. The fair value of the common shares was determined based on the share price of the most recent private placement.

7. SHARE CAPITAL (CONTINUED)

(h) On December 12, 2016, ATI issued 1,520,000 common shares at $0.05 per share for gross proceeds of $76,000 pursuant to a private placement. In connection with this private placement, ATI paid share issuance costs of $3,424.

8. RELATED PARTY TRANSACTIONS

(a) During the year ended December 31, 2017, the Company incurred $60,000 (2016 – $60,000) in consulting and management fees provided by the Chief Executive Officer of the Company. As at December 31, 2017, the Company owed $51,296 (2016 - $52,500) to the Chief Executive Officer of the Company, which is included in accounts payable and accrued liabilities. The amount due is unsecured, non-interest bearing, and due on demand.

(b) During the year ended December 31, 2017, the Company incurred $37,500 in consulting and management fees (2016 – $60,000) provided by the Chief Operating Officer of the Company. As at December 31, 2017, the Company owed $11,903 (2016 - $52,118) to the Chief Operating Officer of the Company, which is included in accounts payable and accrued liabilities. The amount due is unsecured, non-interest bearing, and due on demand.

(c) During the year ended December 31, 2017, the Company incurred $45,000 in research and development costs capitalized as intangible assets (2016 – $2,500) provided by the Vice President of Technology of the Company. As at December 31, 2017, the Company owed $21,400 (2016 - $nil) to the Vice President of Technology of the Company, which is included in accounts payable and accrued liabilities. The amount due is unsecured, non-interest bearing, and due on demand

9. SEGMENTED REPORTING

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

10. 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 is 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.

(Expressed in Canadian dollars)

11. 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 December 31, 2017, as follows:

	Fair value measurements using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, December 31, 2017 $
Cash and cash equivalents	101,867	–	–	101,867

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 December 31, 2017 and 2016, 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. The carrying amount of financial assets represents the maximum credit exposure.

(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 December 31, 2017, the Company had cash and cash equivalents of $101,867 and accounts payable and accrued liabilities of $237,638. All accounts payable and accrued liabilities are due within 90 days.

(d) Foreign Exchange Rate Risk

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

(e) Interest Rate Risk

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

(Expressed in Canadian dollars)

12. INCOME TAXES

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2017 $	2016 $
Canadian statutory income tax rate	26%	26%
Income tax recovery at statutory rate	(106,531)	(65,259)
Tax effect of:		
Permanent differences and other	6,458	(939)
Provincial tax rate difference	–	1,543
Change in enacted tax rates	(3,432)	–
Change in unrecognized deferred income tax assets	103,505	64,655
Income tax provision	–	–

The significant components of deferred income tax assets and liabilities are as follows:

	2017 $	2016 $
Deferred income tax assets (liabilities)		
Non-capital losses carried forward	262,961	196,706
Intangible assets	20,274	(17,144)
Share issuance costs	544	712
Total gross deferred income tax assets	283,779	180,274
Unrecognized deferred income tax assets	(283,779)	(180,274)
Net deferred income tax asset	–	–

As at December 31, 2017, the Company has non-capital losses carried forward of $992,307, which are available to offset future years' taxable income. These losses expire as follows:

	$
2033	497,347
2034	9,139
2035	72,876
2036	181,890
2037	231,055
	992,307

13. SUBSEQUENT EVENTS

(a) On January 10, 2018, the Company issued 900,391 common shares to settle accounts payable of $90,039.

(b) On January 12, 2018, the Company entered into an agreement with a consultant who is to provide investor relations services for a period of one year in exchange for $84,000 and the grant of 300,000 stock options upon the Company obtaining a CSE listing.

13. SUBSEQUENT EVENTS (CONTINUED)

(c) 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.

(d) On February 27, 2018, the Company issued 616,612 common shares to settle debt of $61,661.

(e) On March 2, 2018, the Company completed a share exchange agreement with RewardDrop Software Inc. (“RSI”). Pursuant to the agreement, the Company issued 50,000,000 common shares of the Company in exchange for all of the issued and outstanding securities of RSI. The Company also issued 2,825,000 common shares as a finder’s fee.

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

(g) 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. In addition, the Company paid the Agent a cash commission representing 7% of the gross proceeds of the private placement.

(i) 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.

APPATURE TECHNOLOGIES INC.
(formerly Paraguay Minerals Corp.)

Consolidated Financial Statements
For the Years Ended December 31, 2016 and 2015

(Expressed in Canadian dollars)

SATURNA GROUP
CHARTERED PROFESSIONAL ACCOUNTANTS LLP

1066 West Hastings Street, Suite 1250
Vancouver, BC Canada V6E 3X1

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Appature Technologies Inc. (formerly Paraguay Minerals Corp.)

We have audited the accompanying consolidated financial statements of Appature Technologies Inc. (formerly Paraguay Minerals Corp.) (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2016 and 2015, and the consolidated statements of operations and comprehensive income (loss), changes in equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also involves evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2016 and 2015 and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 of the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern.

Saturna Group LLP

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

April 10, 2017

Appature Technologies Inc.
(formerly Paraguay Minerals Corp.)
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	December 31, 2016 $	December 31, 2015 $
ASSETS		
CURRENT ASSETS		
Cash	19,314	59,204
Amounts receivable	2,569	1,790
Prepaid expenses	13,750	–
TOTAL CURRENT ASSETS	35,633	60,994
NON-CURRENT ASSETS		
Intangible assets (Note 8)	507,409	532,000
TOTAL ASSETS	543,042	592,994
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 11)	184,464	105,994
Loan payable (Note 9)	15,000	15,000
TOTAL LIABILITIES	199,464	120,994
SHAREHOLDERS' EQUITY		
Share capital	712,455	500,364
Shares issuable (Note 10)	–	89,515
Deficit	(368,877)	(117,879)
TOTAL SHAREHOLDERS' EQUITY	343,578	472,000
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	543,042	592,994

Nature of operations and going concern (Note 1)
Commitments (Note 13)
Subsequent events (Note 17)

Approved and authorized for issuance on behalf of the Board of Directors on April 10, 2017:

/s/ "Rahim Mohamed"
Rahim Mohamed, Director

/s/ "Derrick Lewis"
Derrick Lewis, Director

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

Appature Technologies Inc.
(formerly Paraguay Minerals Corp.)
Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian dollars)

	Year ended December 31, 2016 $	Year ended December 31, 2015 $
EXPENSES		
Administrative	17,297	13,858
Advertising	3,770	–
Amortization (Note 8)	72,690	–
Consulting and management fees (Note 11)	127,500	30,000
Professional fees	18,574	14,728
TOTAL EXPENSES	239,831	58,586
LOSS FROM OPERATIONS	(239,831)	(58,586)
OTHER INCOME (EXPENSE)		
Gain on settlement of accounts payable (Note 10)	–	5,000
Restructuring costs (Note 4)	–	(28,292)
Write-down of intangible assets (Note 8)	(11,167)	–
TOTAL OTHER INCOME (EXPENSE)	(11,167)	(23,292)
NET LOSS AND COMPREHENSIVE LOSS	(250,998)	(81,878)
Loss per share - basic and diluted	(0.02)	(0.01)
Weighted average number of common shares outstanding	14,735,119	6,728,337

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

Appature Technologies Inc.
(formerly Paraguay Minerals Corp.)
Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

	Share capital		Shares		Total shareholders'
	Number of shares	Amount $	issuable $	Deficit $	equity $
Balance, December 31, 2014	3,600,100	36,001	–	(36,001)	–
Shares issued pursuant to:					
Private placement	440,000	22,000	–	–	22,000
Intangible asset acquisitions	8,064,893	437,363	–	–	437,363
Settlement of accounts payable	100,000	5,000	–	–	5,000
Share exchange agreement	–	–	89,515	–	89,515
Net loss	–	–	–	(81,878)	(81,878)
Balance, December 31, 2015	12,204,993	500,364	89,515	(117,879)	472,000
Shares issued pursuant to:					
Private placement	1,520,000	76,000	–	–	76,000
Intangible asset acquisition	1,000,000	50,000	–	–	50,000
Share exchange agreement	2,564,800	89,515	(89,515)	–	–
Share issuance costs	–	(3,424)	–	–	(3,424)
Net loss	–	–	–	(250,998)	(250,998)
Balance, December 31, 2016	17,289,793	712,455	–	(368,877)	343,578

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

Appature Technologies Inc.
(formerly Paraguay Minerals Corp.)
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Year ended December 31, 2016 $	Year ended December 31, 2015 $
OPERATING ACTIVITIES		
Net loss for the year	(250,998)	(81,878)
Items not involving cash:		
Amortization of intangible assets	72,690	–
Gain on settlement of accounts payable	–	(5,000)
Restructuring costs	–	28,292
Write-down of intangible assets	11,167	–
Net changes in non-cash working capital items:		
Amounts receivable	(779)	–
Prepaid expenses	(13,750)	–
Accounts payable and accrued liabilities	78,470	31,452
Net cash used in operating activities:	(103,200)	(27,134)
INVESTING ACTIVITIES		
Cash acquired upon recapitalization	–	64,338
Intangible assets costs	(9,266)	–
Net cash provided by (used in) investing activities:	(9,266)	64,338
FINANCING ACTIVITIES		
Proceeds from issuance of common shares	76,000	22,000
Share issuance costs	(3,424)	–
Net cash provided by financing activities:	72,576	22,000
Change in cash	(39,890)	59,204
Cash, beginning of the year	59,204	–
Cash, end of the year	19,314	59,204
Non-cash investing and financing activities:		
Common shares issued for acquisition of intangible assets	50,000	–
Common shares issued pursuant to business combinations	–	437,363
Common shares issued pursuant to share exchange agreement	–	89,515
Supplemental disclosures:		
Interest paid	–	–
Income taxes paid	–	–

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Appature Technologies Inc. (formerly Paraguay Minerals Corp.) ("Appature BC" or the “Company”) was incorporated under the British Columbia Corporations Act as a private company on December 31, 2007. The Company 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. On January 12, 2016, the Company changed its name from Paraguay Minerals Corp. to Appature Technologies Inc. The Company’s head office is located at Suite 100, 2419 Centre Street NW, Calgary, Alberta, T2E 2T8.

These consolidated 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 consolidated 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 no operating income. During the year ended December 31, 2016, the Company has incurred net loss of $250,998 (2015 - $81,878), has limited resources, no sources of operating cash flow, and no assurances that sufficient funding will be available to continue operations for an extended amount of time. As at December 31, 2016, the Company has a net working capital deficiency of $163,831 (2015 - $60,000) and deficit of $368,877 (2015 - $117,879). 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.

If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the consolidated statement of financial position classifications used. Such adjustments could be material.

2. BASIS OF PRESENTATION

(a) Statement of Compliance

These consolidated 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 (“IFRIC”).

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Appature Technologies Inc. (“Appature AB”). All significant inter-company balances and transactions have been eliminated on consolidation.

(b) Basis of Presentation

These consolidated 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 consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These consolidated financial statements are presented in Canadian dollars, which is the Company’s functional and reporting currency.

2. BASIS OF PRESENTATION (CONTINUED)

(c) Significant Accounting Judgments and Estimates

The preparation of consolidated financial statements in accordance with IFRS requires management to make certain critical accounting estimates and assumptions that effect the amounts reported in the consolidated 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.

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 consolidated 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

The following is a summary of the significant accounting policies:

(a) Financial Instruments

Financial assets and financial liabilities are recognized on the consolidated statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

Financial Assets

The Company classifies its financial assets into one of the following categories, at initial recognition, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in the consolidated statement of operations. Cash is included in this category of financial assets.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Gains and losses are recognized in the consolidated statement of operations when the loans and receivables are derecognized or impaired, as well as through the amortization process. Amounts receivable is included in this category of financial assets.

Held-to-maturity - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest rate method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the consolidated statement of operations.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized in other comprehensive income. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the consolidated statement of operations.

Financial Liabilities

The Company holds financial liabilities in the form of non-derivatives that are recognized initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost using the effective interest rate method. Any difference between the amounts original received, net of transaction costs, and the redemption value is recognized in the consolidated statement of operations over the period to maturity using the effective interest method. Other financial liabilities are classified as current or non-current based on their maturity date. Accounts payable and accrued liabilities are included in this category of financial liabilities.

Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial Instruments (continued)

Fair Value Hierarchy
Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements.

The levels of the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 - Inputs for assets or liabilities that are not based on observable market data.

(b) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(c) Intangible Assets

Intangible assets of the Company include technology rights and patents acquired from third parties, and are recorded at cost less accumulated amortization and accumulated impairment losses. Initial acquisition costs are based on the fair value of the consideration paid or payable, and will be amortized on a straight-line basis over the estimated useful life of the underlying technologies with finite lives. Once the Company begins commercial use of its acquired technologies, the intangible assets will be amortized on a straight-line basis over three years. The Company reviews the estimated useful lives and carrying values of its technology rights and patents as part of its periodic assessment for impairment of non-financial assets.

The carrying amounts for technology rights and patents do not necessarily reflect present or future value and the ultimate amounts recoverable will be dependent upon the successful development and commercialization of products based on these underlying technologies.

(d) Impairment of Non-Financial Assets

Impairment tests in non-financial assets are undertaken annually at the financial year-end and whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash flows from other assets.

An impairment loss is charged to the consolidated statement of operations, except to the extent they reverse gains previously recognized in other comprehensive income (loss).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made. Where the effect of the time value of money is material, provisions will be measured at the present value of the expenditures expected to be required to settle the obligation. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. The increase in any provision due to the passage of time is recognized as accretion expense. Each provision will be reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

(f) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled, share-based payment transactions, regardless of how the equity instruments are obtained by the Company.

The fair value of the options is measured at the grant date using the Black-Scholes option pricing model. The fair value is recognized as an expense over the vesting period, which is the period over which all of the specified vesting conditions are satisfied with a corresponding increase in equity. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period. Non-market vesting conditions are considered in making assumptions about the number of awards that are expected to vest. When the options are exercised, any proceeds received are credited to share capital along with the amount reflected in share-based payment reserve.

(g) Research and Development Costs

Research costs, including costs for new patents and patent applications, are expensed in the period in which they are incurred. Development costs are expensed in the period in which they are incurred unless certain criteria, including technical feasibility, commercial feasibility, and intent and ability to develop and use the technology, are met for deferral and amortization.

(h) Business Combinations and Goodwill

An acquisition of a business, (an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return directly to investors), is a business combination. Determining whether the acquisition meets the definition of a business combination requires judgement to be applied on a case by case basis. Acquisitions are assessed under the relevant criteria to establish whether the transaction represents a business combination or an asset purchase. Depending on the specific facts, acquisitions of exploration and evaluation licences for which a development decision has not yet been made, have largely been concluded to represent asset purchases.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Business Combinations and Goodwill (continued)

Business combinations, except for transactions between entities under common control, are accounted for using the acquisition method of accounting. The acquired identifiable tangible and intangible assets, liabilities and contingent liabilities are measured at their fair values at the date of the acquisition. Acquisition costs incurred are expensed in the consolidated statement of operations.

Goodwill (if any) is initially measured at the excess of the aggregate of the consideration transferred and the amount recognised for any non-controlling interest over the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date. The non-controlling interest is measured at fair value or at the proportion of the acquired entity's identifiable net assets as elected for each business combination. Goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies.

(i) Loss per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the earnings attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive. Basic and diluted loss per share is the same for the periods presented.

(j) Comprehensive Loss

Comprehensive income (loss) is the change in the Company’s net assets that results from transactions, events and circumstances from sources other than the Company’s shareholders and includes items that are not included in the consolidated statement of operations.

(k) Income Taxes

Income tax on net income for the period presented comprises current and deferred tax. Income tax is recognized in the consolidated statement of operations, except to the extent that it relates to items recognized directly in equity, in which case it is recognized as equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to prior years.

Deferred tax is provided using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable net income, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the consolidated statement of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Income Taxes (continued)

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(l) Foreign Currency Translation

The accounts of foreign balances and transactions are translated into Canadian currency as follows:

- Monetary assets and liabilities, at the rate of exchange in effect at the consolidated statement of financial position date;
- Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities; and
- Revenue and expense items, at the rate of exchange prevailing at the transaction date. Gains and losses arising from translation of foreign currency are included in the determination of net income (loss).

(m) Future Changes to Accounting Standards

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2016, and have not been applied in preparing these financial statements.

- IFRS 9, *Financial Instruments* (New)
- IFRS 2, *Share-based Payment* (Amended)
- IFRS 15, *Revenue from Contracts with Customers* (New)

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s consolidated financial statements.

4. ACQUISITION OF APPATURE TECHNOLOGIES INC.

On December 17, 2015, Appature BC entered into a share exchange arrangement with Appature AB, whereby the shareholders of Appature AB would receive a post-consolidation common share of the Appature BC in exchange for their holdings in Appature AB on a one-to-one basis. Pursuant to the share exchange arrangement, Appature BC issued 12,204,993 post-consolidation common shares in consideration for a 100% interest in Appature AB.

The transaction resulted in the shareholders of Appature AB acquiring control over the Company and therefore, the transaction was accounted for as a capital restructuring where Appature AB was considered the accounting acquirer of Appature BC. As Appature BC did not meet the definition of a business in accordance with IFRS 3, *Business Combinations*, this transaction was accounted for under IFRS 2, *Share-Based Payment*. As a result of reverse asset acquisition accounting, the consolidated financial statements of the Company represent a continuation of Appature AB's financial statements and the acquisition of Appature BC on the date of acquisition.

(Expressed in Canadian dollars)

4. ACQUISITION APPATURE TECHNOLOGIES INC. (CONTINUED)

The fair value of the 2,564,800 common shares of the Company that were deemed to have been issued and retained by the former shareholders of Appature BC was $89,515, which was determined based on the fair value of net assets and liabilities of Appature AB on the date of the transaction as follows:

	$
Cash	62
Intangible assets	532,000
Accounts payable and accrued liabilities	(91,090)
Loan payable	(15,000)
Net assets of Appature AB, at date of acquisition	425,972
Number of shares issued and outstanding of Appature AB, at date of acquisition	12,204,993
Per share value of Appature AB, at date of acquisition	0.0349
Number of Appature AB shares issued to former shareholders of Appature BC	2,564,800
Fair value of Appature AB shares issued to former shareholders of Appature BC	89,515

	$
Fair value of identifiable assets and liabilities of Appature BC acquired:	
Cash	64,338
Amounts receivable	1,790
Accounts payable and accrued liabilities	(4,905)
Net assets acquired	61,223
Fair value of Appature AB shares issued to former shareholders of Appature BC	(89,515)
Restructuring costs	(28,292)

The restructuring costs of $28,292 were recognized in the consolidated statement of operations during the year ended December 31, 2015.

5. ACQUISITION OF BUSINESS OPERATIONS OF FUTURITY ONE CORPORATION

On June 15, 2015, Appature AB entered into an asset purchase agreement with Futurity One Corporation (“FOC”) and its controlling shareholder. Pursuant to the agreement, Appature AB agreed to purchase intellectual property and intellectual property rights relating to application technologies at a purchase price of $100,000, payable in common shares. On June 15, 2015, Appature AB issued 1,000,000 common shares pursuant to this agreement.

In accordance with IFRS 3, *Business Combinations*, the asset purchase agreement was deemed a business combination for accounting purposes. Assets acquired and liabilities assumed are reported at their fair values as at the acquisition date. The intangible assets acquired were measured and recorded at fair value of $52,000 as determined by a third party valuator at the date of acquisition. The fair value of the common shares issued as purchase price was determined to be $52,000, based on the fair value of the net assets acquired, which was the most reliable measurement of fair value. Refer to Note 8.

6. ACQUISITION OF BUSINESS OPERATIONS OF TINYBET TECHNOLOGIES CORP.

On June 22, 2015, Appature AB entered into an asset purchase agreement with Tinybet Technologies Corp. (“TTC”). Pursuant to the agreement, Appature AB agreed to purchase intellectual property and intellectual property rights relating to application technologies at a purchase price of $300,000, payable in common shares. On June 22, 2015, Appature AB issued 3,000,000 common shares pursuant to this agreement.

(Expressed in Canadian dollars)

6. ACQUISITION OF BUSINESS OPERATIONS OF TINYBET TECHNOLOGIES CORP. (CONTINUED)

In accordance with IFRS 3, *Business Combinations*, the asset purchase agreement was deemed a business combination for accounting purposes. Assets acquired and liabilities assumed are reported at their fair values as at the acquisition date. The intangible assets acquired were measured and recorded at fair value of $100,000 as determined by a third party valuator at the date of acquisition. The fair value of the common shares issued as purchase price was determined to be $100,000, based on the fair value of the net assets acquired, which was the most reliable measurement of fair value. Refer to Note 8.

7. ACQUISITION OF BUSINESS OPERATIONS OF SWEETRLIFE TECHNOLOGIES INC.

On October 13, 2015, Appature AB entered into an asset purchase agreement with Sweetrlife Technologies Inc. (“STI”). Pursuant to the agreement, Appature AB agreed to purchase intellectual property and intellectual property rights relating to application technologies.

The purchase price in consideration of the sale is as follows:
i) $406,489, payable in common shares; and
ii) STI's liabilities relating to the intangible assets purchased totalling $94,637.

On October 13, 2015, Appature AB issued 4,064,893 common shares pursuant to this agreement.

In accordance with IFRS 3 *Business Combinations*, the asset purchase agreement was deemed a business combination for accounting purposes. Assets acquired and liabilities assumed are reported at their fair values as at the acquisition date. The intangible assets acquired were measured and recorded at fair value of $380,000 as determined by a third party valuator at the date of acquisition.

The fair value of the common shares issued as purchase price was determined as follows:

	$
Intangible assets (Note 8)	380,000
Accounts payable and accrued liabilities assumed	(94,637)
Fair value of common shares issued	285,363

8. INTANGIBLE ASSETS

On June 15, 2015, Appature AB acquired intellectual property and intellectual property rights relating to application technologies with a fair value of $52,000 in exchange for 1,000,000 common shares of Appature AB. Refer to Note 5.

On June 22, 2015, Appature AB acquired intellectual property and intellectual property rights relating to application technologies with a fair value of $100,000 in exchange for 3,000,000 common shares of Appature AB. Refer to Note 6.

On October 13, 2015, Appature AB acquired intellectual property and intellectual property rights relating to the application technologies with a fair value of $380,000 in exchange for 4,064,893 common shares of Appature AB and assumed liabilities totalling $94,637. Refer to Note 7.

On August 15, 2016, the Company entered into an agreement with an individual to acquire intellectual property and intellectual property rights relating to application technologies in consideration of $1,000,000, payable in common shares of the Company. On August 15, 2016, the Company issued 1,000,000 common shares with a fair value of $50,000, as determined using the share price of the most recent private placement, pursuant to this agreement. The intangible assets were measured and recorded at the fair value of consideration given up of $50,000.

(Expressed in Canadian dollars)

8. INTANGIBLE ASSETS (CONTINUED)

A continuity of the intangible assets is as follows:

	SweetrLife Application $	SWIIPE Application $	Pride Application $	Total $
Balance, December 31, 2014	–	–	–	–
Additions	380,000	152,000	–	532,000
Balance, December 31, 2015	380,000	152,000	–	532,000
Additions	9,266	–	50,000	59,266
Amortization	(72,690)	–	–	(72,690)
Write-down	(11,167)	–	–	(11,167)
Balance, December 31, 2016	305,409	152,000	50,000	507,409

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 SWIIPE 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 December 31, 2016, intangible assets include application technologies still being developed with a carrying value of $202,000, which have not been placed in use. As a result, no amortization of these intangible assets has been recorded.

During the year ended December 31, 2016, management determined that indicators of impairment existed and carrying value of the intangible assets could not be supported. Accordingly, the assets have been written down to an estimated fair value of $507,409 based on a financial projection of cash flows.

9. LOAN PAYABLE

As at December 31, 2016, the amount of $15,000 (2015 - $15,000) is owed to an unrelated party, which is unsecured, non-interest bearing, and due on demand.

10. SHARE CAPITAL

Authorized: unlimited number of common shares without par value

<u>Issued share capital of Appature AB before the reverse asset acquisition on December 17, 2015:</u>

(a) On June 15, 2015, Appature AB issued 1,000,000 common shares with a fair value of $52,000 pursuant to the asset purchase agreement with FOC as payment towards the purchase price. Refer to Note 5. The fair value of the common shares was determined based on the fair value of the net assets acquired.

(b) On June 22, 2015, Appature AB issued 3,000,000 common shares with a fair value of $100,000 pursuant to the asset purchase agreement with TTI as payment towards the purchase price. Refer to Note 6. The fair value of the common shares was determined based on the fair value of the net assets acquired.

(c) On September 25, 2015, Appature AB issued 440,000 common shares at $0.05 per share for proceeds of $22,000 pursuant to a private placement.

10. SHARE CAPITAL (CONTINUED)

Issued share capital of Appature AB before the reverse asset acquisition on December 17, 2015 (continued):

(d) On October 13, 2015, Appature AB issued 4,064,893 common shares with a fair value of $285,363 pursuant to the asset purchase agreement with STI as payment towards the purchase price. Refer to Note 7. The fair value of the common shares was determined based on the fair value of the net assets acquired.

(e) On December 1, 2015, Appature AB issued 100,000 common shares with a fair value of $5,000 to settle $10,000 in accounts payable. The Company recorded a gain on settlement of accounts payable of $5,000. The fair value of the common shares was determined based on the share price of the most recent private placement.

(f) On December 17, 2015, Appature AB was deemed to have issued 2,564,800 common shares with a fair value of $89,515 pursuant to the reverse asset acquisition of Appature AB. Refer to Note 4. The common shares were not issued until March 11, 2016.

Issued share capital during the year ended December 31, 2016:

(g) Pursuant to the RTO with Appature AB on December 17, 2015, the Company completed a 5:1 share consolidation. The consolidation has been applied retroactively to the consolidated financial statements.

(h) On August 15, 2016, the Company issued 1,000,000 common shares with a fair value of $50,000 in exchange for intellectual property and intellectual property rights. Refer to Note 8. The fair value of the common shares was determined based on the share price of the most recent private placement.

(i) On December 12, 2016, the Company issued 1,520,000 common shares at $0.05 per share for total proceeds of $76,000 pursuant to a private placement. In connection with this financing, the Company paid share issuance costs of $3,424.

11. RELATED PARTY TRANSACTIONS

(a) During the year ended December 31, 2016, the Company incurred $60,000 in consulting and management fees (2015 – $15,000) provided by the Chief Executive Officer of the Company. As at December 31, 2016, the Company owed $52,500 (2015 - $15,000) to the Chief Executive Officer of the Company, which is included in accounts payable and accrued liabilities. The amount due is unsecured, non-interest bearing, and due on demand.

(b) During the year ended December 31, 2016, the Company incurred $60,000 in consulting and management fees (2015 – $15,000) provided by the Chief Operating Officer of the Company. As at December 31, 2016, the Company owed $52,118 (2015 - $15,000) to the Chief Operating Officer of the Company, which is included in accounts payable and accrued liabilities. The amount due is unsecured, non-interest bearing, and due on demand.

(c) During the year ended December 31, 2016, the Company incurred $2,500 in research and development costs capitalized as intangible assets (2015 – $nil) provided by the Vice President of Technology of the Company.

12. SEGMENTED REPORTING

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

(Expressed in Canadian dollars)

13. COMMITMENTS

(a) On November 20, 2016, the Company entered into an agreement with a non-related party for services related to the development of certain application technologies included in intangible assets. Consideration for the services is as follows:

i) $3,357 (US$2,500) upon the signing of the agreement (paid);
ii) $3,357 (US$2,500) after design approval (paid);
iii) $3,357 (US$2,500) upon sharing of the first built; and
iv) $3,357 (US$2,500) on delivery.

(b) On December 1, 2016, the Company entered into a three month consulting agreement with the VP of Technology of the Company. Pursuant to the agreement, the Company shall pay $2,500 per month, which would be prorated accordingly for services provided in less than a full month, to the VP of Technology. The Company will also grant 125,000 stock options with an exercise price of $0.10 per share to the VP of Technology upon successful completion of the three month probationary period and upon a new full-time consulting agreement to be negotiated between the Company and the VP of Technology.

14. 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 is 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 a TSX-V 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.

15. 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 December 31, 2016, as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, December 31, 2016 $
Cash	19,314	–	–	19,314

As at December 31, 2016, the fair value of financial instruments measured on a recurring basis includes cash based on level one inputs, consisting of quoted prices in active markets for identical assets.

(Expressed in Canadian dollars)

15. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Fair Values (continued)

The fair value of other financial instruments, which include amounts receivable and accounts payable and accrued liabilities, 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 December 31, 2016 and 2015, 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 consist of GST receivable due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

(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 December 31, 2016, the Company had cash of $19,314 and accounts payable and accrued liabilities of $184,464. All accounts payable and accrued liabilities are due within 90 days.

(d) Foreign Exchange Rate and Interest Rate Risk

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

(e) Price Risk

The Company is not exposed to any significant price risk.

16. INCOME TAXES

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2016 $	2015 $
Canadian statutory income tax rate	26%	26%
Income tax recovery at statutory rate	(65,259)	(21,288)
Tax effect of:		
Permanent differences and other	(939)	37,180
Provincial tax rate difference	1,543	535
Change in unrecognized deferred income tax assets	64,655	(16,427)
Income tax provision	–	–

(Expressed in Canadian dollars)

16. INCOME TAXES (CONTINUED)

The significant components of deferred income tax assets and liabilities are as follows:

	2016 $	2015 $
Deferred income tax assets (liabilities)		
Non-capital losses carried forward	196,706	151,529
Intangible assets	(17,144)	(35,910)
Share issuance costs	712	–
Total gross deferred income tax assets	180,274	115,619
Unrecognized deferred income tax assets	(180,274)	(115,619)
Net deferred income tax asset	–	–

As at December 31, 2016, the Company has non-capital losses carried forward of $747,189, which are available to offset future years' taxable income. These losses expire as follows:

	$
2033	497,347
2034	9,139
2035	72,876
2036	167,827
	747,189

17. SUBSEQUENT EVENTS

(a) Subsequent to December 31, 2016, the Company received share subscriptions of $132,000 for common shares at a price of $0.10 per share.

(b) On February 6, 2017, the Company entered into a share purchase agreement with a shareholder of the Company to repurchase 100,000 common shares of the Company at $0.05 per share from the shareholder.

REWARDDROP SOFTWARE INC.

Financial Statements

For the Period From August 22, 2017 (date of incorporation)

to December 31, 2017

(Expressed in Canadian dollars)

SATURNA GROUP
CHARTERED PROFESSIONAL ACCOUNTANTS LLP
1066 West Hastings Street, Suite 1250
Vancouver, BC Canada V6E 3X1

INDEPENDENT AUDITORS' REPORT

To the Shareholders of RewardDrop Software Inc.

We have audited the accompanying financial statements of RewardDrop Software Inc., which comprise the statement of financial position as at December 31, 2017 and the statements of operations and comprehensive loss, changes in equity, and cash flows for the period from August 22, 2017 (date of incorporation) to December 31, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also involves evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, these financial statements present fairly, in all material respects, the financial position of RewardDrop Software Inc. as at December 31, 2017, and its financial performance and its cash flows for the period from August 22, 2017 (date of incorporation) to December 31, 2017, in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 of the financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of RewardDrop Software Inc. to continue as a going concern.

Saturna Group LLP

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

February 19, 2018

REWARDDROP SOFTWARE INC.
Statement of Financial Position
(Expressed in Canadian Dollars)

	December 31, 2017 $
Assets	
Prepaid expenses	15,000
Total assets	15,000
Liabilities	
Current liabilities	
Accounts payable and accrued liabilities (Note 3)	225,091
Due to related parties (Note 3)	61,799
Total liabilities	286,890
Shareholders' deficit	
Share capital	150
Deficit	(272,040)
Total shareholders' deficit	(271,890)
Total liabilities and shareholders' deficit	15,000

Nature of operations and continuance of business (Note 1)
Subsequent event (Note 9)

Approved and authorized for issuance on behalf of the Board on February 19, 2018:

/s/ "Jay Ruckenstein"
Jay Ruckenstein, Director

/s/ "Maxime Rochon"
Maxime Rochon, Director

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

REWARDDROP SOFTWARE INC.
Statement of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

	Period from August 22, 2017 (date of incorporation) to December 31, 2017 $
Expenses	
General and administrative	6,656
Professional fees	4,010
Research and development costs (Note 3)	259,501
Travel	1,873
Total expenses	272,040
Net loss and comprehensive loss	(272,040)
Loss per share, basic and diluted	(1,813.60)
Weighted average shares outstanding	150

REWARDDROP SOFTWARE INC.
Statement of Changes in Equity
(Expressed in Canadian Dollars)

	Share capital			
	Number of shares	Amount $	Deficit $	Total shareholders' deficit
Balance, August 22, 2017 (date of incorporation)	–	–	–	–
Issuance of founders' shares	150	150	–	150
Net loss for the period	–	–	(272,040)	(272,040)
Balance, December 31, 2017	150	150	(272,040)	(271,890)

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

REWARDDROP SOFTWARE INC.
Statement of Cash Flows
(Expressed in Canadian Dollars)

	Period from August 22, 2017 (date of incorporation) to December 31, 2017 $
Operating activities	
Net loss for the period	(272,040)
Changes in non-cash operating working capital:	
Prepaid expenses	(15,000)
Accounts payable and accrued liabilities	225,091
Due to related parties	61,949
Net cash used in operating activities	–
Change in cash	–
Cash, beginning of period	–
Cash, end of period	–
Non-cash financing activities:	
Shares issued to offset against related party debt	150
Supplemental disclosures:	
Interest paid	–
Income taxes paid	–

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

1. Nature of Operations and Continuance of Business

RewardDrop Software Inc. (the "Company") was incorporated under the Canada Business Corporation Act as a private company on August 22, 2017. The Company is a private start-up technology company that has a patent pending mobile application for retailers and venues that utilizes augmented reality and reward program utilizing smart token enabled by blockchain technology to generate foot traffic to their location. Blockchain is an open, distributed ledger technology protocol that ensures trust, accuracy, and auditability of transactions while providing a system that is secure and decentralized. The Company's head office is located at 970 Montée de Liesse, Suite 300, Saint-Laurent, QC, H4T 1W7.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2017, the Company has not generated any revenues from operations, has a working capital deficit of $271,890, and has an accumulated deficit of $272,040. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors may cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Basis of Presentation

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, as issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Canadian dollars, which is the Company's functional currency.

(b) Use of Estimates and Judgments

The preparation of these financial statements in conformity with IFRS requires the Company's management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include unrecognized deferred income tax assets.

The application of the going concern assumption which requires management to take into account all available information about the future, which is at least but not limited to, 12 months from the year end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

(c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

2. Significant Accounting Policies (continued)

(d) Financial Instruments

(i) Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as fair value through profit or loss are stated at fair value with any gain or loss recognized in the statement of operations. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. The Company does not have any assets classified as fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as held-to-maturity investments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to the statement of operations. The Company does not have any assets classified as available-for-sale.

2. Significant Accounting Policies (continued)

(d) Financial Instruments (continued)

(i) Non-derivative financial assets (continued)

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. The Company does not have any assets classified as loans and receivables.

Impairment of financial assets

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to the statement of operations in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

• significant financial difficulty of the issuer or counterparty; or

• default or delinquency in interest or principal payments; or

• it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations.

With the exception of available-for-sale equity instruments, 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 through the statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of available-for-sale equity securities, impairment losses previously recognized through the statement of operations are not reversed through the statement of operations.

In respect of available-for-sale equity securities, impairment losses previously recognized through the statement of operations are not reversed through the statement of operations. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

2. Significant Accounting Policies (continued)

(d) Financial Instruments (continued)

(ii) Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. The Company has the following non-derivative financial liabilities: accounts payable and accrued liabilities, and amounts due to related parties.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

(iii) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

(e) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period 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, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

2. **Significant Accounting Policies** (continued)

(f) Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the statement of operations.

(g) Research and Development

Research and development costs are charged to the statement of operations as incurred.

(h) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive.

(i) Comprehensive Loss

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the statement of operations.

(j) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended December 31, 2017, and have not been applied in preparing these financial statements.

New standard IFRS 9, "Financial Instruments"

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the Company's financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's financial statements.

3. **Related Party Transactions**

(a) As at December 31, 2017, the Company owed $79,349 to the Chief Executive Officer of the Company ("CEO") (of which $54,600 is included in accounts payable and accrued liabilities) and $50,032 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. During the period ended December 31, 2017, the Company incurred $54,600 in research and development costs to the CEO.

(b) As at December 31, 2017, the Company owed $91,650 to the Chief Operating Officer of the Company ("COO)", of which $54,600 is included in accounts payable and accrued liabilities. The amounts owed are unsecured, non-interest bearing, and due on demand. During the period ended December 31, 2017, the Company incurred $54,600 in research and development costs to the COO.

3. Related Party Transactions (continued)

(c) As at December 31, 2017, the Company owed $54,150 to the Chief Information Officer of the Company ("CIO"), which is included in accounts payable and accrued liabilities. The amount owed is unsecured, non-interest bearing, and due on demand. During the period ended December 31, 2017, the Company incurred $54,600 in research and development costs to the CIO.

4. Share Capital

Authorized: Unlimited common shares without par value

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

5. Financial Instruments and Risks

(a) Fair Values

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

(b) Credit Risk

The Company is not exposed to any significant credit risk.

(c) Foreign Exchange Rate Risk

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

(d) Interest Rate Risk

The Company is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations through related party loans. The ability to do this relies on the Company raising debt financing in a timely manner.

7. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprised of issued share capital.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

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.

(Expressed in Canadian Dollars)

8. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2017 $
Canadian statutory income tax rate	18.5%
Income tax recovery at statutory rate	(50,327)
Tax effect of:	
Change in unrecognized deferred income tax asset	50,327
Income tax provision	–

The significant components of deferred income tax assets and liabilities are as follows:

	2017 $
Deferred income tax assets	
Non-capital losses carried forward	50,327
Unrecognized deferred income tax asset	(50,327)
Net deferred income tax asset	–

As at December 31, 2017, the Company has a non-capital loss carried forward of $272,040, which is available to offset future years' taxable income. This loss expires in 2037.

9. Subsequent Event

On January 3, 2018, the Company entered into a Letter of Intent with Appature Mobile Applications Inc. ("AMAI") for the 100% purchase of all the common shares in the Company in exchange for a number of AMAI common shares not to exceed 30,000,000 based on an exchange ratio negotiated between the parties on a pro-rata basis to the shareholders of the Company.

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

Pro Forma Consolidated Financial Statements

(Unaudited - Expressed in Canadian dollars)

	Appx Crypto Technologies Inc. December 31, 2017	RewardDrop Software Inc. December 31, 2017	Pro forma Adjustments	Note	Pro Forma Consolidated
ASSETS					
CURRENT ASSETS					
Cash	$ 101,867	$ -	$ 751,100	4(ii)	$ 2,478,327
			1,930,000	4(v)	
			(304,638)	4(v)	
Amounts receivable	5,726	-			5,728
Prepaid expenses	-	15,000			15,000
TOTAL CURRENT ASSETS	107,593	15,000	2,376,462		2,499,055
Intangible assets	442,368	-	-		442,368
Goodwill	-	-	2,231,844	4(iii)	2,231,844
TOTAL ASSETS	**$ 549,961**	**$ 15,000**	**$ 4,608,306**		**$ 5,173,267**
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	$ 237,638	$225,091	$ 100,000	4(iii)	$ 247,679
			(90,039)	4(i)	
			(61,661)	4(i)	
			(163,350)	4(iv)	
Due to related parties	-	61,799	(61,799)	4(iv)	-
Loan payable	15,000	-			15,000
TOTAL LIABILITIES	**252,638**	**286,890**	**(276,849)**		**262,679**
SHAREHOLDERS' EQUITY					
Share capital	1,159,269	150	(1,159,269)	4(iii)	2,637,399
			2,146,667	4(iii)	
			282,500	4(iii)	
			90,039	4(i)	
			61,661	4(i)	
			46,382	4(ii)	
			10,000	4(v)	
Share subscriptions receivable	(180,000)	-	180,000	4(iii)	-
Special warrants	-	-	751,100	4(ii)	2,180,658
			(46,382)	4(ii)	
			(6,839)	4(ii)	
			(132,583)	4(v)	
			(10,000)	4(v)	
			1,930,000	4(v)	
			(304,638)	4(v)	
Warrants reserve	-	-	6,839	4(ii)	139,422
			132,583	4(v)	
Special warrants subscriptions received	64,045	-	(64,045)	4(iii)	-
Deficit	(769,372)	(272,040)	769,372	4(iii)	(46,891)
			225,149	4(iv)	
TOTAL APPX SHAREHOLDERS' EQUITY	**273,942**	**(271,890)**	**4,908,536**		**4,910,588**
Non-controlling interest	23,381	-	(23,381)	4(iii)	-
TOTAL SHAREHOLDERS' EQUITY	**297,323**	**(271,890)**	**4,885,155**		**4,910,588**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**$ 549,961**	**$ 15,000**	**$ 4,608,306**		**$ 5,173,267**

	APPx Crypto Technologies Inc. For the year ended December 31, 2017	RewardDrop Software Inc. For the period from incorporation August 23, 2017 to December 31, 2017	Pro forma Adjustment	Note	Pro Forma Consolidated
REVENUE	$ 3,556	$ -	$ -		$ 3,556
EXPENSES					
Advertising	2,116	-	-		2,116
Amortization	140,466	-	-		140,466
Consulting and management fees	169,017	-	-		169,017
Office and general administrative expenses	8,808	6,656	-		15,464
Professional fees	53,549	4,010	-		57,559
Research and development costs	-	259,501	-		259,501
Transfer agent and regulatory fees	437	-	-		437
Travel	-	1,873	-		1,873
TOTAL EXPENSES	374,393	272,040	-		646,433
NET LOSS BEFORE OTHER INCOME (EXPENSE)	(370,837)	(272,040)	-		(642,877)
OTHER INCOME (EXPENSE)					
Restructuring costs	(38,899)	-	-		(38,899)
Forgiveness of debt	-	-	225,149	4(iv)	225,149
TOTAL OTHER INCOME (EXPENSE)	(38,899)	-	225,149		186,250
NET LOSS	(409,736)	(272,040)	225,149		(456,627)
Less: net loss attributable to non-controlling interest	9,241	-	-		9,241
NET LOSS AND COMPREHENSIVE LOSS	**$ (400,495)**	**$ (272,040)**	**$ 225,149**		**$ (447,386)**

1. BASIS OF PRESENTATION

These unaudited pro forma consolidated financial statements of APPx Crypto Technologies Inc. (the "Company" or the "Resulting Issuer") as at December 31, 2017, have been prepared by management after giving effect to a share exchange agreement (the 'Exchange") between the Company and RewardDrop Software Inc. ("RSI"). The Company and RSI entered into the Exchange on March 2, 2018. Pursuant to the Exchange, RSI will become a subsidiary of the Company (see Note 3). The Company is a reporting issuer and has submitted an application for listing on the Canadian Securities Exchange ("CSE").

The unaudited pro forma consolidated statement of financial position is the result of combining the audited statement of financial position for RSI and the Company as at December 31, 2017. The unaudited pro forma consolidated statement of comprehensive loss for the year ended December 31, 2017 is the result of combining the statement of operations and comprehensive loss for the Company for the year ended December 31, 2017 and the statement of operations and comprehensive loss of RSI for the period from August 23, 2017 (date of incorporation) to December 31, 2017.

It is management's opinion that the pro forma consolidated statements includes all adjustments necessary for the fair presentation, in all material respects, of the transactions and assumptions described in Notes 3 and 4 in accordance with International Financial Reporting Standards ("IFRS") applied on a basis consistent with RSI's accounting policies. The pro forma consolidated financial statements is intended to reflect the financial position had the transaction had occurred on December 31, 2017, and the consolidated statement operations and comprehensive loss had the proposed transactions occurred at the beginning of the periods presented. However, these pro forma consolidated financial statements are not necessarily indicative of the financial position or financial performance, which would have resulted if the transactions had actually occurred on December 31, 2017 or had been in effect for the periods presented.

The unaudited pro forma consolidated financial statements should be read in conjunction with the historical financial statements and the notes thereto of the Company and RSI. The pro forma consolidated financial statements and accompanying notes are presented in Canadian dollars.

2. SIGNIFICANT ACCOUNTING POLICIES

The unaudited pro forma consolidated statement of financial position has been compiled using the significant accounting policies as set out in the audited consolidated financial statements of the Company as at December 31, 2017 and for the year then ended and audited financial statements of RSI as at December 31, 2017 and for the year then ended, respectively. The significant accounting policies of the Company conform in all material respects to those of RSI.

3. ACQUISITION

The Company and RSI and the shareholders of RSI entered into the Exchange whereby the Company acquired all of the issued and outstanding shares of RSI, in exchange for the issuance of 50,000,000 common shares of the Company (the "Acquisition"). The Acquisition constituted a reverse takeover ("RTO") under IFRS 3, *Business Combinations*. RSI is considered to be the acquirer for accounting and financial reporting purposes. The consolidated financial statements are to include the accounts of the Company since the effective date of the RTO and historical accounts of RSI since inception.

4. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

These unaudited pro forma consolidated financial statements include the effects of the following pro forma assumptions and adjustments as if they had occurred on December 31, 2017:

i) On January 11, 2018, the Company issued 900,391 common shares to settle debt of $90,039 and on February 27, 2018, the Company issued 616,612 common shares to settle debt of $61,661.

ii) On February 27, 2018, the Company completed a non-brokered private placement of 7,511,000 special warrants at a price of $0.10 per special warrant for gross proceeds of $751,100. Each special warrant is exercisable by the holder to receive one common share of the Company 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 the private placement of special warrants, the Company has paid finder's fees to four arm's length parties, including an aggregate of 463,820 common shares with a fair value of $46,832 and warrants to purchase up to 200,000 common shares of the Company exercisable until February 28, 2019 at $0.25 per share. The fair value of the warrants was estimated to be $6,839 using the Black-Scholes option price model with the following assumptions: an expected volatility of 150%, an expected life of one year, a risk-free rate of 1.46% and a dividend yield of nil.

iii) As a result of the RTO, the consolidated shareholders' equity only reflects the new share structure of the Company together with the actual share capital of RSI. After completion of the Acquisition, the former shareholders of the Company and RSI owns 31.8% and 68.2%, respectively of the combined entity. As December 31, 2017, RSI had 150 common shares issued and outstanding. RSI is deemed to have issued 70 RSI common shares to acquire the Company.

The fair value of the consideration given up is comprised of:

Purchase price:		
Fair value of consideration transferred by RSI	$	2,146,667
Finder's fees		282,500
Estimated legal and professional fees related to the acquisition		100,000
Total		2,529,167
Fair value of APPx assets acquired and liabilities assumed:		
Cash and cash equivalents	$	101,867
Amounts receivable		5,726
Intangible assets		442,368
Goodwill		2,231,844
Accounts payable and accrued liabilities		(237,638)
Loan payable		(15,000)
Total	$	2,529,167

4. PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS (continued)

iv) Pursuant to the Exchange, management of RSI forgave debt of $225,149, consisting of $163,350 of accounts payable and accrued liabilities and $61,799 of related party payables

v) On March 19, 2018, the Company issued 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 and 100,000 common shares were issued to the Agent in consideration for advisory services rendered under the agreement. Each warrant issued to the Agent is exercisable for two years to purchase one additional common share at a price of $0.10 per share. In addition, the Company has paid to the Agent an advisory fee and a cash commission representing 7% of the gross proceeds. All of the securities issued pursuant to the Private Placement are subject to a four month hold period expiring on July 14, 2018.

Commission, legal, and finance expenses were $304,638. The fair value of the agent and advisory warrants is estimated to be $132,583 using the Black-Scholes option price model with the following assumptions: an expected volatility of 150%, an expected life of two years, a risk-free rate of 1.79%, and a dividend yield of nil. The fair value of the common shares issued was $10,000.

5.. PRO FORMA SHARE CAPITAL

	Number of shares	Amount
Pre-consolidation balance of APPx as at December 31, 2017	21,401,544	$ 1,159,269
Pre-consolidation balance of RSI as at December 31, 2017		150
Adjustment of APPx's share capital		(1,159,269)
Shares issued for debt	1,517,003	151,700
Share issued as finders' fees for special warrants private placement	463,820	46,382
Issued on RTO with APPx	50,000,000	2,146,667
Shares issued as finders' fees pursuant to RTO	2,825,000	282,500
Shares issued as finders' fee for post-RTO special warrants private placement	100,000	10,000
Pro forma balance, December 31, 2017	76,307,367	$2,637,399

Schedule "A"

Audit Committee Charter

The following Audit Committee Charter was adopted by the Audit Committee of the Board of Directors and the Board of Directors of APPx Crypto Technologies Inc. (the "Company")

Mandate

The primary function of the audit committee (the "Committee") is to assist the Company's Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements;
- review and appraise the performance of the Company's external auditors; and
- provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

Composition

The Committee shall be comprised of a minimum three directors as determined by the Board of Directors. If the Company ceases to be a "venture issuer" (as that term is defined in National Instrument 51-102), then all of the members of the Committee shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

If the Company ceases to be a "venture issuer" (as that term is defined in National Instrument 51-102), then all members of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Audit Committee Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet a least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- review and update this Audit Committee Charter annually; and
- review the Company's financial statements, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

- review annually, the performance of the external auditors who shall be ultimately accountable to the Company's Board of Directors and the Committee as representatives of the shareholders of the Company;
- obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1;
- review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
- take, or recommend that the Company's full Board of Directors take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- recommend to the Company's Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;
- recommend to the Company's Board of Directors the compensation to be paid to the external auditors;
- at each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;
- review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements; and
- review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
- the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided,
- such services were not recognized by the Company at the time of the engagement to be non-audit services, and
- such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- in consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external;
- consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;
- review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments;
- following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- review certification process;
- establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

- review any related-party transactions;
- engage independent counsel and other advisors as it determines necessary to carry out its duties; and
- to set and pay compensation for any independent counsel and other advisors employed by the Committee.

CERTIFICATE OF THE COMPANY AND PROMOTER

Date: October 10, 2018

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta, Ontario, and Manitoba.

(signed) Rahim Mohamed

Rahim Mohamed Chief
Executive Officer

(signed) Jay Ruckenstein

Jay Ruckenstein
President

(signed) Hanspaul Pannu

Hanspaul Pannu
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) Rahim Mohamed

Rahim Mohamed
Director

(signed) Jay Ruckenstein

Jay Ruckenstein
Director

(signed) Kelly Abbott

Kelly Abbott
Director

(signed) Derrick Lewis

Derrick Lewis
Director

PROMOTER

(signed) Rahim Mohamed

Rahim Mohamed

CERTIFICATE OF AGENT

Dated October 10, 2018

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta, Ontario and Manitoba.

MACKIE RESEARCH CAPITAL CORPORATION

(signed) Jovan Stupar

By: Jovan Stupar, Managing Director