MANAGEMENT DISCUSSION AND ANALYSIS FOR VICTORY SQUARE TECHNOLOGIES INC. (FORMERLY FANTASY 6 SPORTS INC.)

For the six months ended June 30, 2018

This management's discussion and analysis ("MD&A") of the performance, financial condition and results of operations of Victory Square Technologies Inc. ("Victory Square" or the "Company"), formerly Fantasy 6 Sports Inc., should be read in conjunction with the Company's condensed consolidated interim financial statements and the related notes thereto for the six months ended June 30, 2018 and 2017 (the "Financial Statements"), copies of which are available on SEDAR at www.sedar.com.

The Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB").

Unless otherwise indicated, the information contained in this MD&A is as of August 29, 2018.

Unless otherwise indicated, references to "$" or "dollars" are to Canadian dollars and references to "US$" are to United States dollars.

FORWARD LOOKING INFORMATION

This MD&A includes certain "forward-looking information" within the meaning of applicable Canadian securities legislation. All information, other than information regarding historical facts, included in this MD&A that addresses activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company's and its equity investees' businesses, operations, plans and other such matters is forward-looking information.

When used in this MD&A, the words "estimate", "plan", "anticipate", "expect", "intend", "believe", "will", "should", "could", "may" and similar expressions are intended to identify forward-looking information. This information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information.

The forward-looking information may include statements regarding:

- timelines;
- strategic plans;
- the business and operations of the Company;
- the business, operations, strategies and expectations of the entities comprising the Company's equity portfolio;
- the Company's business objectives and discussion of trends affecting the business of the Company;
- the funds available to the Company and the principal purposes of those funds;

- anticipated revenues and cash flows from operations and funding requirements of the Company;
- capital, operating and general expenditures;
- expectations regarding the ability to raise capital;
- anticipated revenues to be realized by the Company from future contracts;
- treatment under governmental regulatory regimes and expectations with respect to regulatory approvals; and
- other forward-looking information including, but not limited to, information concerning the intentions, plans and future actions of the Company.

Forward looking information is based on reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such information is made available. Forward looking information is inherently subject to known and unknown risks and uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended, including the factors and risks described or referred to elsewhere herein, as well as unanticipated and/or unusual events. Many of such factors are beyond the Company's ability to predict or control. Risks and uncertainties that may affect forward-looking information herein include, but are not limited to, those which relate to:

- the Company's limited operating history as an investment company;
- the Company's current lack of profitability;
- the need to obtain additional financing and uncertainty as to the availability and terms of future financing;
- the ability to acquire funds necessary for general working capital and continuing operations;
- reliance on sale of equity or investments to access funds required;
- the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain;
- uncertainties associated with business opportunities that may be presented to, or pursued by the Company;
- parameters and assumptions underlying future investments and acquisitions;
- risks relating to investments in equity securities;
- the possibility that the Company will be unable to dispose of illiquid securities;
- risks that the asset classes held in the Company's equity portfolio will underperform the market;
- risks associated with investments in blockchain technologies;
- risk the Company’s portfolio is too concentrated and not sufficiently diversified;
- risks associated with investments in the technology sector;

- risks associated with investments in small and mid-capitalization companies;

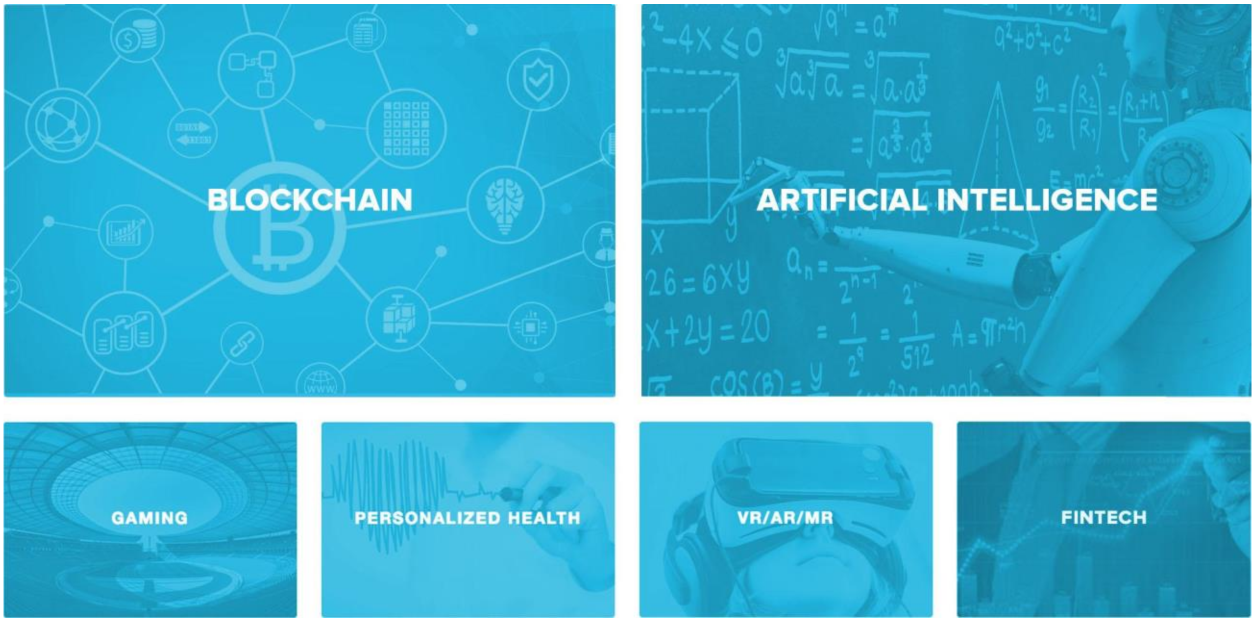
- the Company's operations, investment strategies and profitability may be adversely affected by competition from other similar entities;
- uncertainties related to early stage of technology and product development;
- uncertainties related to regulatory regimes and laws;
- dependence on key personnel;
- fluctuations in the currency markets and stock market volatility;
- going concern considerations;
- conflicts of interest;
- competition for, among other things, capital, acquisitions, equipment and skilled personnel;
- operating or technical difficulties in connection with business activities;
- the possibility of cost overruns or unanticipated expenses; and
- the other factors discussed under "*Risks and Uncertainties*".

Should one or more of these risks or uncertainties materialize, or should the assumptions set out in the section titled "*Risks and Uncertainties*" underlying those forward-looking statements prove incorrect, actual results may vary materially from those described herein. These forward-looking statements are made as of the date of this MD&A, and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by law.

DESCRIPTION OF BUSINESS

Victory Square Technologies (“Victory Square” or the “VST”) is an emerging technology accelerator with over 19 innovative portfolio companies. VST portfolio companies are disrupting every sector of the global economy including blockchain, artificial intelligence (“AI”), virtual reality (“VR”), augmented reality (“AR”), fintech, insurance, health and gaming. The VST team has a proven process for identifying, incubating, and investing in entrepreneurs who are working on innovative and disruptive projects and providing them with the partners, mentorship and support necessary to accelerate their growth and help them scale globally.

Victory Square gives its investors access to this curated portfolio, which includes some of top startups in those verticals. VST and its shareholders achieve a return on investment when these portfolio companies are monetized through a public listing, private sale, initial coin or security token offerings.



Equity Portfolio

Victory Square has a portfolio of equity investments in which it incubates and works with the management of such companies to implement a range of different financing and exit strategy options, including reverse takeovers (RTO's) and initial coin offerings (ICO's). The following table outlines Victory Square's equity portfolio, percentage of ownership as at August 29, 2018, and the Company's strategy relating to each portfolio company:

CURRENT PORTFOLIO	OWNERSHIP (Note 1)	INDUSTRY	STRATEGY
Fantasy 360 Technologies Inc. (dba Immersive Tech)	100%	VR/AR/Blockchain	ACCELERATE/ ICO
Limitless Blockchain Technology, LLC	100%	Blockchain/Crypto Mining/VPN	INCUBATE/ICO
V2 Games Inc.	100%	Mobile/Gaming/AR	INVESTMENT
Flo Digital Inc. (dba FloVR)	49%	Blockchain/VR	INCUBATE/ICO
FansUnite Entertainment Inc.	48.55%	Blockchain/Artificial Intelligence/Gaming	RTO/ICO

Unified Film Fund II, LLC	40%	Film	INVESTMENT
PayVida Solutions Inc.	42.05%	Fintech/Payments/Lending	ACCELERATE/ RTO
Howyl Ventures, Inc. (dba Capaciti)	28.5%	Blockchain/Marketplace	ICO
Next Decentrum Inc.	26.5%	Blockchain/Education	INCUBATE
Cassia Research Inc. (dba Co-Pilot)	25.92%	Artificial Intelligence/Fintech	ACCELERATE/ RTO
Aspen Technologies Inc.	20.33%	Blockchain/ICO/STO/Advisory	RTO/ICO
Cloud Solutions Inc. (dba Cloud Advisors)	12%	Artificial Intelligence/Insurance	ACCELERATE/ RTO
Personalized Biomarkers Inc.	15%	Blockchain/Health	INVESTMENT
Multapplied Networks Inc.	10%	Blockchain/SD WAN	RTO
Talo Flow Inc.	10%	Artificial Intelligence/Business Logic	INCUBATE/ICO

Note 1 – The ownership percentages are provided based on the information provided to management by the investee companies. If additional shares have been issued by the investees without the knowledge of management these percentages may not be accurate.

RECENT EQUITY PORTFOLIO INVESTMENTS

The following is a summary of recent developments in the Company's equity portfolio:

V2 Games Inc.

On May 29, 2018, the Company completed the purchase of 100% of all issued and outstanding common shares of V2 Games Inc. ("V2 Games") in exchange for $670,680 and 685,216 common shares of the Company with a fair value of $781,146, for total consideration of $1,451,826.

V2 Games started as a game development and publishing studio and was the first Canadian company to license the iconic PAC-MAN as a mobile game. The company has a rich operating history of licensing intellectual property, including with respect to Hello Kitty, the NFL and the NBA.

V2 Games has now grown into a video game venture firm focusing on seed investments in great teams and entrepreneurs. With investments spanning in both PC as well as Mobile gaming, and an executive team that has experience in both the corporate business of games as well as hands-on video game development and distribution, V2 Games acts as a bridge between professional investors and the vast, rapid-growing opportunities in the $130 Billion gaming market.

V2 Games currently has active investments in high-profile licensed gaming properties. Its latest project is Pacific Rim: Breach Wars, a Match-3 RPG featuring the Pacific Rim intellectual property that has scaled to over 2 million users since launch. The company earns a monthly royalty from the project and has invested in three other projects that are currently in development, and that feature world-renowned intellectual property.

Limitless Blockchain Technology, LLC

The Company purchased 100% of all issued and outstanding shares of Limitless Blockchain Technology, LLC for 3,703,703 common shares of the Company with a fair value of $5,518,517.

Limitless Blockchain is an established blockchain solution provider developing an ecosystem of hardware, software, and networking products to meet increased global consumer demand for new age technology. Limitless Blockchain has three anchor products that are currently in late stage development or deployed into the marketplace:

- L-Hash is a data center in Nevada, which currently runs over one thousand miners, mining Bitcoin, Ethereum and LiteCoin. L-Hash has spot orders in place for new mining equipment to double capacity over the next 12 months.

- Limitless VPN is a user-based desktop miner for household use with over 11,000 users. Limitless VPN is planning to expand their data centre by the end of the year to have enough capacity for over 100,000 users.

- Limitless Audio is an audio streaming application currently in late stage development. Limitless Audio takes a decentralized approach, much like Napster, where a great deal of money is saved and provided to hard working artists in exchange for using streaming capabilities to mine cryptocurrencies. Taking a community centric approach, the company can incentivize users to host and maintain the platform. Limitless Audio is expected to launch their initial platform during the year.

Limitless Blockchain will continue to expand its suite of products throughout 2018.

Flo Digital Inc. (dba FloVR)

The Company purchased a 49% interest in the issued and outstanding shares of Flo Digital Inc. (“Flo Digital”) and issued 446,428 common shares of the Company with a fair value of $656,249.

Flo Digital delivers and offers agencies, brands, and clients a new interactive and rewarding VR advertising solution that can be used on a global scale. Through platforms focusing on Premium VR / 360 streaming and content distribution, social networking and custom advertising technology, Flo Digital is creating a blockchain-based Virtual Reality Multi-Verse.

The Flo VR Multi-Verse will consist of 4 major platforms. The first layer is a Premium VR / 360 streaming and content distribution platform focusing on live VR sporting streams and live VR concerts streams. The second layer is our Flo VR social chat platform which enables viewers to interact, share and watch Live VR streams with other viewers simultaneously from around the globe. The third layer of the Flo VR Multi-Verse is to correct the currently flawed digital ad system, by offering Advertisers a much more transparent, secure and rewarding Blockchain VR / AR Advertising Technology platform that guards against digital ad fraud. Our Advertising Technology will offer advertisers the best and most transparent data via the FLO Smart AD Contract and will also be set to reward consumers and content producers with branded rewards and Flo tokens. The final layer is their Cause Related component, which is set up to automatically give back a percentage of revenue from every advertising campaign to important world causes. Essentially any person that watches a Flo VR ad will be doing so for a good cause. FLO has worked with many customers such as: Jeep, Ram, Dodge, Warner Bros, Starbucks, Audi, Rogers Wireless, Adidas and many others.

Talo Flow Inc. (formerly Loconoco Inc.)

On April 17, 2018, the Company announced that it would acquire 9.09% of the issued and outstanding shares in Talo Flow Inc. ("Talo Flow") for consideration of US$500,000. Talo Flow is a decision-making platform making it possible for developers to work collaboratively on robotic process automation, smart contracts and artificial intelligence. Talo Flow's no-code platform allows developers to build ad-hoc integrations with complex business logic and secure access to any endpoint or blockchain without coding. Talo Flow's platform is ten times cheaper and faster than current offerings, and only requires connection with one API.

Cloud Benefit Solutions Inc. (dba Cloud Advisors)

Cloud Advisors has built the future of digitally-delivered insurance supported by artificial intelligence. Cloud Advisors connects insurance advisors with marketplace data and the best tools in a secure digital platform for an enhanced client experience.

Next Decentrum Technologies Inc.

Next Decentrum empowers their customers to unlock the hidden potential of their organization with blockchain and decentralized innovation. Their team of tech entrepreneurs, educators, and marketers specialize in building tech, event, and education products that enable leaders to take full advantage of the power of blockchain technology and use it to propel their organizations into the future. They also provide an all-in-one learning platform that helps professionals learn and understand the emerging technologies powering the new economy with confidence and ease.

OTHER EQUITY PORTFOLIO INVESTMENTS

FansUnite Entertainment Inc. ("FansUnite")

FansUnite uses blockchain technology in the sports betting and sports data industries. The flagship FansUnite asset will be the first sports betting blockchain protocol, allowing any company to build their tokenized platform on top of the FansUnite infrastructure. The first application built atop this protocol will be the FansUnite Sportsbook, the first decentralized social sports betting platform in the world.

In May 2018, FansUnite issued 19,100,000 common shares from treasury for nominal consideration to management and market partners. It then completed a private placement financing, issuing a further 17,831,000 common shares for net proceeds of $4,378,625 after deduction of $79,125 in finders' fees. This financing was undertaken as part of their go-public strategy in the fourth quarter of 2018. FansUnite is also planning to launch their regulatory compliant token sale this summer to raise additional non-dilutive funding. As a result of these share transactions, the Company's interest in FansUnite was reduced from 100% to 48.55%.

Fantasy 360 Technologies Inc. (dba Immersive Tech)

Immersive Tech is a leader in creating interactive, real world experiences. It designs, engineers and builds custom technology-driven experiences to solve challenges, be it revenue creation, brand integration or making a real-life adventure. Launched in 2016, the team has gone on to create numerous immersive experiences for Fortune 50 clients and business owners, globally.

Upcoming highlight projects include a branded narrative experience within a double decker bus to be driven across the United States for the large Irish whisky brand Ardbeg, a branded escape room for Snickers chocolate bar product launch in New York, a team building experience for over 5000 Intel executives, which will be deployed 50 times across the world, and a host of custom escape room builds for business owners in North America. Concurrently, Immersive Tech has begun working on cutting-edge pilot projects in augmented reality to be demoed at a number of industry conferences this year, such as TED, Augmented World Expo, VRARA Global Summit, and Traction.

Aspen Technologies Inc. (formerly VS Blockchain Assembly Inc.)

Incubated by Victory Square in 2017, Aspen Technologies Inc. (“Aspen”) is a comprehensive blockchain and crypto investment financial platform. In the autumn of 2018, Aspen will launch its crypto-exchange, offering professional grade technology and security with best in class customer experience and success-enabling new investors to move into the crypto-markets. In addition, Aspen delivers high value Initial Coin Offerings (ICOs) bespoke advisory services, as well as peer-reviewed due diligence to ICOs with an integrated Ethereum-based crowdfunding platform.

Aspen recently completed a financing at $0.75 a share, valuing the company at approximately $33.2 million. Victory Square maintains a 20.33% equity stake in Aspen, which plans to list on the Canadian Securities Exchange later this year.

PayVida Solutions Inc.

In March 2018, the Company entered into an agreement to acquire 31.35% of the issued and outstanding shares of PayVida Solutions Inc. ("PayVida") for consideration of $1,250,000 (paid) and 365,168 (issued) common shares of the Company with a fair value of $967,695 to PayVida for this investment.   At August 29, 2018, the Company owns 42.05% of PayVida.

PayVida is a fintech company which connects merchants and consumers with e-commerce, mobile, in-store payment acceptance and disbursement technology. Unlike many payment processing companies, PayVida's platform enables cryptocurrency and cross-border currency services which integrate the largest payment methods in the world including WeChat, AliPay, China UnionPay, Interac and major card brand processing for small-to-medium and enterprise organizations.

PayVida's unique technology enables millions of existing merchants' POS terminals and POS systems to accept fiat and cryptocurrencies as a payment method. PayVida's proprietary technology platform and payment facilitation (PayFac) services will settle merchants' funds in their local currency of choice.

PayVida is currently raising a private placement round of $6 million (at a pre-money valuation of $17 million) towards their proposed go-public strategy in the fourth quarter of 2018.

Howyl Ventures, Inc. (dba Capaciti)

On April 19, 2018, the Company acquired a 28.5% interest in the issued and outstanding shares of Howyl Ventures Inc. (“Howyl Ventures”) for cash of $100,000 and 364,372 common shares of the Company with a fair value of $528,339 for total consideration of $628,339.

Howyl dba Capaciti is a digital consultancy company which leverages a distributed global talent network to create value for clients. Capaciti advises a portfolio of enterprise clients with a specific focus on digital strategy and transformational technologies, including blockchain.

They have recently built the world's first talent marketplace, built using smart contract blockchain technology. Their proprietary reputation, trust and identity verification protocol ensures that their client's project work is delivered on-time, on-budget, and to the highest quality standards.

Capaciti is planning a regulatory compliant token generation event in support of their efforts to bring the protocol to market later this year.

Cassia Research Inc. (dba CoPilot)

During the period ended March 31, 2018, Company entered into an agreement to acquire 23.1% of the issued and outstanding shares in Cassia Research Inc. ("Cassia") for consideration of $1,000,000 (paid) and 187,266 (issued) common shares of the Company at a fair value of $514,982 for total consideration of $1,514,982.

Cassia is a company AI-focused fintech company which offers its CoPilot Advisor platform to financial advisors from over 150 different firms to help them grow and nurture new business.

The CoPilot Advisor offers financial and sales professionals push button LinkedIn lead generation without spending a dime on ads. They use A.I. to turn your Linkedin into a lead-generating machine that connects you with prospects and line up opportunities for you.

The team is made up of a community of industry veterans from Broadridge, EA, SAP, and Hillcore to name a few.

Unified Film Fund II, LLC

In July 2017, the Company acquired a 40% equity stake in Unified Film Fund II, LLC ("Unified"). The original membership interest agreement was entered into between Unified and Interlock Capital Ltd. and the Company purchased the 40% membership interest owned by Interlock Capital Ltd. At the time of the acquisition, Unified had three major motion pictures planned in 2017 and 2018: ""What They Had" and "Ride". Consideration consisted of 5,000,000 common shares of the Company for a fair value of $4,500,000.

Personalized Biomarkers Inc.

In August 2017, VSH executed an agreement to provide it with an option to acquire up to 33% of the issued and outstanding shares of Personalized Biomarkers Inc. ("PBI") for consideration of $500,000. The Company subsequently decided to limit its investment in PBI to 15% for consideration of $227,081. PBI develops test kits that predict the expected response to a number of therapies prior to prescription, with an initial focus on diabetes. PBI aims to minimize potential adverse drug reactions, optimize treatment response and save customers money through the use of personalized biomarkers.

Multapplied Networks, Inc.

In December 2017, the Company acquired 10% of the issued and outstanding shares of Multapplied Networks, Inc. ("MNI") for $600,000.

Multapplied has developed a highly reliable and cost-effective SD-WAN software solution that is based on proprietary bonded internet technology to combine the bandwidth of multiple internet/access connections to achieve faster, more reliable and secure networks. Through aggregated load sharing of traffic across multiple WAN connections, Multapplied can detect a failed connection within 0.3 seconds and engage backup lines for instant failover. Multapplied's software also provides enterprises with the ability to deploy a secure, private WAN to branch locations using internet instead of costly and inflexible Multiprotocol Label Switching (MPLS) connections. This allows enterprises to manage the performance of their network by location, optimizing cost and improving return-on-investment.

Multapplied's customers include Managed Service Provider (MSP) and Internet Service Provider (ISP) resellers who white label the company's software solution and supply all necessary Tier 1 and Tier 2 services, support, and hardware directly to end customers. As a result, the company's business model supports a high degree of operating leverage and significant runway to expand operating income margins as the company continues to penetrate and expand sales through distribution partners and roll out new offerings.

Multapplied is in the process of evolving their offering to support additional SD-WAN functionality with added feature launches planned throughout the remainder of 2018. Multapplied is currently raising a private placement round of $5 million (at a pre-money valuation of $10 million) towards their go-public strategy in the fourth quarter of 2018. Multapplied is also planning to launch their regulatory compliant token sale towards the end of 2018 to raise an additional $20 million of non-dilutive funding.

PROPOSED TRANSACTIONS

The following table outlines proposed transactions, which the Company has disclosed in its public news releases, including proposed percentage of ownership stake and the Company's proposed strategy relating to each such company.

PROPOSED ACQUISITIONS	PROPOSED OWNERSHIP	INDUSTRY	STRATEGY
Silota Research & Development Inc. (dba Covalent)	12.5%	Blockchain/Databases	ICO

Silota Research and Development Inc. (dba Covalent)

Covalent is one of the leading data providers of blockchain transaction data to some of the world's biggest corporations, investors, consulting firms and dApp companies who then use the data to study the new world of decentralized applications. Covalent has indexed 70,000 smart contracts and 500 million contract executions across 7 different blockchain protocols like Bitcoin, Ethereum and NEO.

INCUBATION

Victory Square incubates the following companies:

COMPANY	INDUSTRY	STRATEGY
SmartCity Technologies	Blockchain/Machine Learning/Internet of Things	RTO
Altcoin Fantasy	Blockchain/Fintech	INCUBATE
Shape Immersive Entertainment Inc.	Blockchain/AR	INCUBATE/ICO
Grow Academy	Agriculture/Farming/Tech	INCUBATE
Strymlyne	Blockchain/Real Estate	INCUBATE
X^2	Blockchain/Fintech	INCUBATE

SmartCity Technologies

SmartShare Solutions is the owner and operator of the Openspot Smart Parking data platform. The Openspot platform allows cities to accurately measure the use, efficiency, and misuse of their parking operations, while increasing revenues through more accurate tracking of parking violations.

Altcoin Fantasy

Altcoin Fantasy is a cryptocurrency risk free contest simulation platform that has helped thousands of traders learn about the emerging blockchain technologies. They have registered over 120,000 virtual trades on the platform and incentivize users with prizes.

Shape Immersive Entertainment Inc.

Shape Immersive a blockchain-enabled augmented reality platform that helps brands and content creators to deploy immersive and scalable location-based AR experiences.

The team at Shape delivered the world's first and most spatially accurate multi-player MR experience at TED 2018 in Vancouver this year.

Grow Academy Inc.

Grow Academy is a woman-led (Vancouver-based) accelerator program for global cannabis companies innovating the medical and recreational cannabis industry. The accelerator program features highly acclaimed mentors, a start-up visa program, access to government investment matching as well as a global network of investors and incubators. Grow Academy accepts three cohorts each year and proudly includes space for women and indigenous persons-led companies.

Strymlyne Inc.

Strymlyne uses AI and Blockchain to facilitate and accelerate the issuance of title insurance, a $14 Billion industry in the United States alone. Title Insurance ordered through Strymlyne will be delivered in minutes instead of days and will cost up to 50% less compared to traditional insurance providers.

The team is made up of seasoned entrepreneurs with backgrounds in software, business, law, and real estate. They are driven individuals with a passion and track record of developing disruptive technologies and world class deals.

X² Inc.

X² is a cryptocurrency exchange with best-in-class customer experience technologies and services, prioritizing white-glove on boarding for all new adopters. Beginning with initial sign-up to the completion of account funding, customer success can have new traders operating in under 10 minutes. The X² platform delivers fiat and primary crypto currencies, with new market leading crypto-assets coming online monthly. Furthermore, X² doesn't operate in a vacuum - powered by top flight technologies to drive high frequency transactions matched by integrated global partners to ensure liquidity.

SUMMARY OF QUARTERLY RESULTS

The following information is derived from unaudited interim consolidated financial statements:

Fiscal Quarter Ended	Revenue	Net Income (Loss) for the Period	Basic and Diluted Earnings (Loss) Per Share
	$	$	$
June 30, 2018	1,064,395	6,377,539	0.09
March 31, 2018	248,347	(2,220,691)	(0.03)
December 31, 2017	169,387	(1,163,696)	(0.02)
September 30, 2017	385,557	(575,260)	(0.01)
June 30, 2017	179,235	(444,748)	(0.01)
March 31, 2017	7,003	(554,540)	(0.01)
December 31, 2016	(156,920)	(1,301,887)	(0.03)
September 30, 2016	584,783	(845,100)	(0.02)

RESULTS OF OPERATIONS

The following table sets out financial information for the three and six months ended June 30, 2018 and 2017 based on the unaudited condensed consolidated interim financial statements.

	Three months ended June 30,		Six months ended June 30,	
	2018	**2017**	**2018**	**2017**
Revenue	$ 1,064,395	$ 179,235	$ 1,312,742	$ 186,238
Cost of goods sold	713,308	$ 127,945	956,493	127,945
	351,087	51,290	356,249	58,293
Expenses				
Amortization and depreciation	494,970	242,771	737,867	485,542
Bad debt expense	6,448	-	6,448	-
Donations	257,050	-	312,050	-
Foreign exchange loss	7,910	4,358	25,281	4,365
General and administration	37,725	6,611	46,790	11,838
Insurance	22,185	6,705	27,021	6,705
Interest	10,717	6,799	15,802	13,251
Investor relations	4,402	949	47,567	2,949
Management fees	47,500	54,167	95,000	114,417
Professional and consulting fees	284,251	50,011	387,289	86,739
Rent	98,456	16,800	134,617	30,000
Research and development	-	343	13,450	73,443
Sales and marketing	261,626	1,645	1,393,195	40,328
Transfer agent and regulatory fees	13,902	17,119	21,161	29,522
Wages	148,851	87,760	274,830	158,482
Total expenses	(1,695,993)	(496,038)	(3,538,368)	(1,057,581)
Other Items				
Equity loss on investments	(331,609)	-	(578,311)	-
Dilution gain (loss) on investments	7,697,569	-	7,647,678	-
Fair value gain on digital currencies	319,365	-	195,527	-
Interest income	37,120	-	74,073	-
	7,722,445	-	7,338,967	-
Net income (loss) for the period	6,377,539	(444,748)	4,156,848	(999,288)

REVENUE

Revenue for the three months ended June 30, 2018 was $1,064,395 compared to $179,235 for the quarter ended June 30, 2017. Revenue for the six months ended June 30, 2018 was $1,312,742 compared to $186,238 for the same period in the prior year. The majority of the increase in revenue was related to a large increase in the number of contracts for services related to immersive experiences primarily through the construction of interactive real-world simulations using VR and AR. In addition, the Company earned $182,500 in cryptomining revenue during the current period. No cryptomining revenue was earned in the prior periods.

EXPENSES

For the three months ended June 30, 2018, total expenses were $1,695,993 compared to $496,038 recorded in the comparable period in 2017. For the six months ended June 30, 2018, total expenses were $3,538,368 compared to $1,057,581 for the six months ended June 30, 2017.

Material variances over the comparable periods are discussed below.

Amortization and Depreciation

Amortization and depreciation for the three months ended June 30, 2018 was $496,600 compared to $242,771 for the three months ended June 30, 2017. Amortization and depreciation for the six months ended June 30, 2018 was $739,497 compared to $485,542 for the six months ended June 30, 2017.

The increases are related to the acquisition of V2 Games and Limitless during the current period and the amortization of the resulting amortization of the intangible assets acquired through acquisition. The increases are also related to the depreciation of the cryptominers that were being used in the current period to generate cryptomining revenue.

Donations

Donations were $257,050 and $312,050 for the three and six months ended June 30, 2018, compared to $Nil for the comparable periods in 2017.

Professional and Consulting Fees

Professional and consulting fees for the three months ended June 30, 2018 were $284,251 compared to $50,011 for the quarter ended June 30, 2017. Professional and consulting fees for the six months ended June 30, 2018 were $387,289 compared to $86,739 for the period ended June 30, 2017.

The increases are largely the result of legal fees related to the various investments and acquisitions made by the Company in the current period plus increased audit and accounting fees related to the complexity of the Company's operations in the current periods.

Rent

Rent was $98,456 for the quarter ended June 30, 2018 and $134,617 for the six months ended June 30, 2018 compared to $16,800 and $30,000 for the three and six months ended June 30, 2017, respectively. The increases are due to the move to new premises in the current period.

Sales and Marketing

Sales and marketing costs were $261,626 for the quarter ended June 30, 2018 compared to $1,645 for the quarter ended June 30, 2017. Sales and marketing costs were $1,393,195 for the six months ended June 30, 2018 compared to $40,328 for the six months ended June 30, 2017.

The higher sales and marketing costs incurred in the current periods are attributable to a marketing awareness campaign undertaken in the last quarter of 2017 and the first half of 2018 as well as conference sponsorship and fees paid for eight technology conferences in the current period.

Wages

Wages for the three months ended June 30, 2018 were $148,851 compared to $87,760 for the three months ended June 30, 2017. Wages for the six months ended June 30, 2018 were $274,830 compared to $158,482 for the period ended June 30, 2017. The increase in wages is related to the increase in activity and revenue generated by the Company's subsidiary Fantasy 360, the acquisition of Limitless and V2 Games, and the hiring of additional staff members.

Other Items

Other items for the three months ended June 30, 2018 came to net income of $7,722,445 compared to $Nil for the quarter ended June 30, 2017 and net income of $7,338,967 for the six months ended June 30, 2018 compared to $Nil for the six months ended June 30, 2017.

Other items are largely related to a dilution gain of $7,697,569 on the dilution of FansUnite in the current periods. This gain was partially offset by equity losses on investments of $578,311 for the three months ended June 30, 2018 and $331,609 for the six months ended June 30, 2018. In addition, the Company recorded a fair value gain on cryptocurrencies of $319,365 for the three months ended June 30, 2018 and $195,527 for the six months ended June 30, 2018.

LIQUIDITY AND CAPITAL RESOURCES – FINANCIAL CONDITION OF THE COMPANY

At June 30, 2018, the Company had total current assets of $3,193,861, comprised of $170,245 in cash, $330,125 in prepaid expenses, $625,334 in trade receivables, $82,214 in government sales tax receivable, $849,687 in amounts due from related parties, $230,414 in SRED tax credit receivable, $6,450 in marketable securities and $899,392 in digital currencies. Conversely, the Company had total current liabilities of $1,989,912, of which $805,240 is related party loans. The The Company intends to the $805,240 in current related party loans into common shares of the Company at a deemed value of $1.00 per share.

At June 30, 2018, the Company had working capital of $1,203,949 compared to working capital of $1,665,542 at December 31, 2017.

The Company's ability to meet its obligations and activities over the long-term depends on its ability to generate cash flow through the issuance of common shares of the Company pursuant to equity financings and short-term or long-term loans. Capital markets may not be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings. The Company has minimal cash flow from operations and is dependent upon raising equity financing to sustain its operations.

In fiscal 2016, the Company signed a binding term sheet with Victory Square Labs Inc., a company related by a director in common, for a secured convertible note facility up to $10,000,000 (the "Convertible Note").

The Convertible Note, to be advanced in tranches, will consist of a series of secured convertible promissory notes (each a "Note"), each bearing a term of a minimum of one year, issued pursuant to a note purchase agreement. Interest on each Note will accrue at 6% per annum, compounded annually and payable in common shares in the capital of the Company upon maturity. The Notes will be secured by a first charge over all of the Company's present and subsequently acquired personal property pursuant to a general security agreement.

As of June 30, 2018, the Company has not drawn any funds on the Convertible Note.

OUTSTANDING SHARES AND WARRANTS

As at August 29, 2018, the Company has 71,470,246 issued and fully paid common shares outstanding. There were no warrants outstanding at August 29, 2018.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial performance or financial condition, including with respect to revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

TRANSACTIONS BETWEEN RELATED PARTIES

During the period ended June 30, 2018 and 2017, the Company entered into the following transactions with related parties:

	June 30, 2018	June 30, 2017
Interest	$ 9,172	$ 12,380
Management fees **	$ 65,000	$ 114,416
Professional fees	$ 93,073	$ 31,500
Rent *	$ -	$ 30,000

* Rent was paid to a company controlled by the COO who resigned May 31, 2017
** Includes $Nil (2017 - $49,417) in management fees paid to a company controlled by the COO who resigned May 31, 2017

Related Party Balances

At June 30, 2018, the Company had $226,156 (December 31, 2017 - $94,353) due to related parties included in trade payables and accrued liabilities. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Key Management Compensation

The Company's key management personnel have authority and responsibility for overseeing, planning, directing and controlling the activities of the Company and consist of the Company's Board of Directors and the Company's executive leadership team. Such compensation was comprised of:

- $93,073 (2017 - $31,500) in professional fees to companies controlled by the CFO, for bookkeeping, corporate secretarial and CFO services,
- $65,000 (2017 - $65,000) in management fees to the CEO and,
- $Nil (2017 - $49,417) in management fees to the COO who resigned May 31, 2017.

Related Party Loans

As at June 30, 2018, the Company has $3,510,328 (December 31, 2017 - $1,094,793) in related party loans, which includes $15,029 (December 31, 2017 - $6,259) in accrued interest. The related party loans are unsecured. Related party loans in the amount of $805,240 bear interest at 3% compounded semi-annually and are due on or before October 16, 2018. The balance of the related party loans of $2,705,088 are due on or before October 16, 2019 and bear interest at 3% compounded semi-annually.

Due from Related Parties

As at June 30, 2018, the Company has $849,687 (December 31, 2017 - $Nil) in amounts due from related parties. The majority of this relates to an intercompany loan to FansUnite for $761,503. Prior to the dilution of the Company's investment in FansUnite, the intercompany loans were eliminated on consolidation. Amounts due from related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

CRITICAL ACCOUNTING ESTIMATES

The Company's significant accounting estimates are presented in Note 2 in the notes to the annual financial statements. The preparation of these audited financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period presented and reported amounts of expenses during the same period. Actual outcomes could differ from these estimates. The financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates may require accounting adjustments based on future occurrences. Any revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods if the revision affects the future. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made include, but are not limited to, the following:

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements are made in particular with regard to assessment of impairment to the carrying value of the Company's assets.

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount and the impairment loss is recognized in the statement of loss for the period.

Changes in any of the assumptions used in impairment testing could materially affect the result of the analysis.

As at June 30, 2018, the Company reviewed the carrying value of its remaining assets and determined that there were no indicators of impairment.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Financial Instruments

The Company adopted all of the requirements of IFRS 9 Financial Instruments ("IFRS 9") as of January 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 utilize a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application.

The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated other comprehensive income on January 1, 2018.

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss and comprehensive loss in the period in which they arise.

Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve-month expected credit losses. The Company shall recognize in the consolidated statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of loss and comprehensive loss.

Revenue from Contracts with Customers
The Company adopted all of the requirements of IFRS 15 Revenue from Contracts with Customers (“IFRS 15”) as of January 1, 2018. IFRS 15 utilizes a methodical framework for entities to follow in order to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The change did not impact the cumulated revenue recognized or the related assets and liabilities on the transition date.

Immersive Experiences Revenue

The Company, through its subsidiary F360, provides immersive experiences primarily through the construction of interactive real-world simulations using virtual reality and augmented reality. Revenue from providing these services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual labour hours spent relative to the total expected labour hours.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that gave rise to the revision become known to management.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset (receivable) is recognised. If the payments exceed the services rendered, a contract liability (deferred revenue) is recognized**.**

New Accounting Policies

The following accounting policies were adopted in the current period:

Cryptomining Revenue

The Company recognizes revenue from the provision of transaction verification services within digital currency networks, commonly termed “cryptocurrency mining”. As consideration for these services, the Company receives digital currency from each specific network in which it participates (“coins”). Revenue is measured based on the fair value of the coins received. The fair value is determined using the spot price of the coin on the date of receipt, based on the hourly volume weighted average from www.cryptocompare.com. The coins are recorded on the statement of financial position, as digital currencies, at their fair value and re-measured at each reporting date. Revaluation gains or losses, as well as gains or losses on the sale of coins for traditional (fiat) currencies are included in profit and loss. The Company records the revaluation gains and losses in the Statement of Loss and Comprehensive Loss.

Property and equipment

Property and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation and amortization are calculated using the straight-line method to write off the cost of the assets to their residual values over their estimated useful lives. The depreciation and amortization rates applicable to each category of equipment are as follows:

Class of property and equipment	Depreciation rate
Computers	3 years
Cryptomining equipment	2 years

Accounting Standards Issued But Not Yet Applied

Leases

On January 13, 2016, the IASB published a new standard, IFRS 16, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. The main provision of IFRS 16 is the recognition of lease assets and lease liabilities on the balance sheet by lessees for those leases that were previously classified as operating leases. Under IFRS 16, a lessee is required to do the following: (i) recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, on the balance sheet; and (ii) recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant, as the right-of-use asset is depreciated and the lease liability is accreted using the effective interest method. The new standard also requires qualitative disclosures along with specific quantitative disclosures. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier adoption permitted. The Company continues to assess the impact of adopting this standard on its consolidated financial statements.

Other accounting pronouncements with future effective dates are either not applicable or are not expected to have a material impact on the Company's consolidated financial statements.

FINANCIAL INSTRUMENTS

Fair value

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies, as disclosed below. However, considerable judgment is required to develop certain of these estimates. Accordingly, these estimated values are not necessarily indicative of the amounts the Company could realize in a current market exchange. The estimated fair value amounts can be materially affected by the use of different assumptions or methodologies. The methods and assumptions used to estimate the fair value of each class of financial instruments are discussed below.

The different levels for valuation of financial instruments carried at fair value have been 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 (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Quoted market prices for an identical asset or liability represent a Level 1 valuation. When quoted market prices are not available, the Company maximizes the use of observable inputs within valuation models. When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the use of significant unobservable inputs are considered Level 3.

Cash and marketable securities are measured using Level 1 inputs.

The Company's financial instruments consist of cash, trade receivables, marketable securities, certain investments, advances, trade payables, loan payable and related party loans. The carrying value of cash, trade receivables, marketable securities, certain investments, advances, trade payables and related party loans approximates their fair value due to the short- term nature of these instruments. The carrying value of the loan payable approximates its fair value due to the fact that it bears interest at a market rate.

FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures.

The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's receivables consist of trade receivables and government sales tax receivable. Based on an evaluation of trade receivables at March 31, 2018, the Company believes that its receivables are collectible and the Company is not exposed to significant credit risk.

b) 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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's main source of funding has been the issuance of equity securities through private placements and loans from related parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

c) Foreign exchange risk

Foreign exchange risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company is not exposed to significant foreign exchange risk.

d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risks.

OTHER RISKS AND UNCERTAINTIES

The Company is in the investment management business and as such is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. The Company has no material ongoing revenue or income from operations. The Company has limited capital resources and has to rely upon the sale its assets or sale of its common shares for cash required to make new investments and to fund the administration of the Company.

These risks may not be the only risks faced by the Company. Additional risks and uncertainties not presently known by the Company or which are presently considered immaterial may also adversely impact the Company's business, results of operations and financial performance. The most significant risks and uncertainties faced by the Company are set out below.

Limited Operating History

The Company has limited operating history as an investment company, and no operating history as a portfolio manager in making investments in the cryptocurrency or blockchain industries. The Company and its business prospects must be viewed against the background of the risks, expenses and problems frequently encountered by companies in the early stages of their development, particularly companies in new and rapidly evolving markets such as the cryptocurrency and blockchain market. There is no certainty that the Company will be able to operate profitably.

No Profits to Date

The Company has not made profits since its incorporation and it is expected that it will not be profitable for the foreseeable future. Its future profitability will, in particular, depend upon its success in making strategic investments in companies involved in the cryptocurrency and blockchain industries, which themselves are able to generate significant revenues or capital appreciation. Because of the limited operating history, and the uncertainties regarding the development of the cryptocurrency market and blockchain technology, there are significant risks associated with the Company's investment strategy.

Going-Concern Risk

The Company's financial statements have been prepared on a going-concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing equity or debt financing or in achieving profitability. The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

Negative Cash Flow

The Company has a limited history of operations, and very little 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 or that additional funding will be available for operations.

Additional Requirements for Capital

Substantial additional financing may be required if the Company is to be successful in developing a diversified and material portfolio of investments. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated investments.

Risks Relating to Existing and Future Investments

The Company may, in the future, make investments that may, in part, be financed by the Company. Existing investments and future investments made by the Company should be considered speculative and there is no guarantee that any such investment will earn any positive return in the short term or long term. Businesses that the Company invests in may also request additional funding from the Company to support their operations and growth, and there is no assurance that such funding will be available to the Company from external sources on acceptable terms or at all.

The Company intends to pursue opportunities outside of the Company's existing business segments that would diversify the asset base, the success of which will depend, in part, on its ability to: identify suitable investments; negotiate the purchase of such investments on terms acceptable to it; complete the investments within expected time frames; and capitalize on such investments. Further, the profitability of such investments will be dependent upon a variety of potential factors depending on the underlying industry, for example, the market price of commodities, the level of interest rates, global economic conditions, political conditions, speculative activities, stability of exchange rates and other factors beyond the control of the Company. Investments in companies with publicly traded securities may experience substantial volatility and would be subject to market trends and macroeconomic conditions generally, notwithstanding any potential success of such companies in creating revenues, cash flows or earnings and may not accurately reflect the long-term value of such companies. There can be no assurance that continual fluctuations in price will not occur in such instances. The Company invests in and may make future investments in securities of private companies. In some cases, the Company may be restricted by contract or by applicable securities laws from selling such securities for a period of time. Such securities may not have a ready market and the inability to sell such securities or to sell such securities on a timely basis or at acceptable prices may impair the Company's ability to exit such investments when the Company considers it appropriate. Foreign investments that may be made by the Company in specific sectors such as natural resource, industrial or technology may be subject to political risks, risks associated with changes in foreign exchange rates, foreign exchange control risks and other similar risks. The Canadian dollar equivalent of the Company's net denominated assets and dividends would be adversely affected by reductions in the value of the applicable foreign currencies relative to the Canadian dollar and would be positively affected by increases in the value of the applicable foreign currencies relative to the Canadian dollar.

The Company invests in and may make future investments in securities of companies that the Company does not control. These investments will be subject to the risk that the company in which the investment is made may make business, financial or management decisions with which the Company does not agree or that the majority stakeholders or management of the company may take risks or otherwise act in a manner that does not serve the Company's interests. If any of the foregoing were to occur, the values of investments by the Company could decrease and the Company's financial condition and cash flow could suffer as a result.

The due diligence process undertaken by the Company in connection with investments it makes or that it wishes to make may not reveal all relevant facts in connection with an investment. Before making investments, the Company will conduct due diligence investigations that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence investigations, the Company may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. The due diligence investigations that are carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such investigation will not necessarily result in the investment being successful.

Equity Investment Risk

Equities such as common shares give the holder part ownership in a company. The value of an equity security changes with the fortunes of the company that issued it. General market conditions and the health of the economy as a whole can also affect equity prices. Certain securities may be particularly sensitive to general market movements, which may result in a greater degree of price volatility for such securities and for securities of companies that invest in such securities under specific market conditions and over time. Equity related securities that provide indirect exposure to the equity securities of an issuer, such as convertible debentures, can also be affected by equity risk.

Illiquid Securities

If the Company is unable to dispose of some or all of the securities held by it, the Company may experience a delay in the receipt of the proceeds of disposition until such time as it is able to dispose of such securities or may be able to do so only at prices which may not reflect the true value of such investments.

Asset Class Risk

The equity investments held by the Company may underperform the returns of other securities that have exposure to other countries, regions, industries, asset classes or sectors. Various asset classes tend to experience cycles of out performance and under performance in comparison to the general securities markets.

Blockchain Technology Risk

The Company is subject to blockchain technology risk. Blockchain technology is an entirely new and relatively untested technology. The risks associated with blockchain technology may not emerge until the technology is widely used. Blockchain systems could be vulnerable to fraud, particularly if a significant minority of participants colluded to defraud the rest. Access to a given blockchain requires an individualized key, which, if compromised, could result in loss due to theft, destruction or inaccessibility. There is little regulation of blockchain technology other than the intrinsic public nature of the blockchain system. Any future regulatory developments could affect the viability and expansion of the use of blockchain technology. Because blockchain technology systems may operate across many national boundaries and regulatory jurisdictions, it is possible that blockchain technology may be subject to widespread and inconsistent regulation. Blockchain technology is not a product or service that provides identifiable revenue for companies that implement, or otherwise use it. Therefore, the values of the companies invested in by the Company may not be a reflection of their connection to blockchain technology, but maybe based on other business operations including revenues and other factors relating to their existing primary business operations. Accordingly, in addition to the risks associated with the use or development of products that may benefit from blockchain technology, companies invested in by the Company will continue to be susceptible to the risks associated with their primary business operations. Currently, blockchain technology is primarily used for the recording of transactions in digital currency, which are extremely speculative, unregulated and volatile. Problems in digital currency markets could have a wider effect on companies associated with blockchain technology. Blockchain technology also may never be implemented to a scale that provides identifiable economic benefit to the companies included in the Company's equity portfolio. There are currently a number of competing blockchain platforms with competing intellectual property claims. The uncertainty inherent in these competing technologies could cause companies to use alternatives to blockchain. Finally, because digital assets registered in a blockchain do not have a standardized exchange, like a stock market, there is less liquidity for such assets and greater possibility of fraud or manipulation.

Concentration Risk

The Company, by virtue of its investment in its equity portfolio, will be concentrated in an individual industry being the technology sector. Consequently, the Company’s portfolio may be less diversified when compared to a less concentrated investment portfolio.

Technology Sector Risk

The Company obtains exposure to the securities of technology companies. General risks of technology companies include the risks of rapidly changing technologies, short product life cycles, fierce competition, aggressive pricing and reduced profit margins, loss of patent, copyright and trademark protections, cyclical market patterns, evolving industry standards and frequent new product introductions. Certain technology companies may be smaller and less experienced companies, with markets or financial resources and fewer experienced management or marketing personnel.

Small and Mid-Capitalization Companies Risk

Certain of the equity securities to which the Company obtains exposure may be small and/or mid-capitalization company shares. Such company shares have customarily involved material investment risk. Small and mid-capitalization companies may have limited product lines, markets or financial resources; may lack management depth or experience; and may be more vulnerable to adverse general market or economic developments than large companies. Some of these companies may distribute, sell or produce products which have recently been brought to market and may be dependent on key personnel.

The prices of small and mid-capitalization company securities are often more volatile than prices associated with large company issues, and can display abrupt or erratic movements at times, due to limited trading volumes and less publicly available information. Also, because small and mid-capitalization companies normally have fewer shares outstanding and these shares trade less frequently than large companies, it may be more difficult for the Company to buy and sell significant amounts of such shares prices. The securities of small and mid-capitalization companies are often traded on "over the counter" markets and may not be traded in the volumes typical of a national securities exchange.

Development of Cryptocurrencies

Cryptocurrency and blockchain technology is a young and rapidly growing business area. Although it is predicted that cryptocurrency will become an accepted means of digital payment, it cannot be assured that this will in fact occur. Currently, blockchain software is dependent on the widespread acceptance of cryptocurrency as a means of payment within the digital economy. For a number of reasons, including, for example, the lack of recognized security technologies, inefficient processing of payment transactions, problems in the handling of warranty claims, limited user-friendliness, inconsistent quality, lack of availability of cost-efficient high-speed services and lack of clear universally applicable regulation as well as uncertainties regarding proprietary rights and other legal issues, such cryptocurrency activities may prove in the long run to be an unprofitable means for businesses.

In particular, the factors affecting the further development of the cryptocurrency industry include:

- worldwide adoption and usage of cryptocurrencies;
- regulations by governments and/or by organizations directing governmental regulations regarding the use and operation of and access to cryptocurrencies;
- changes in consumer demographics and public behavior, tastes and preferences;
- redirection and liberalization of using fiat currencies as well as the development of other forms of publicly acceptable means of buying and selling goods and services; and
- general economic conditions and the regulatory environment relating to cryptocurrencies.

Regulatory Risks

Changes in or more aggressive enforcement of laws and regulations could adversely impact companies involved in the cryptocurrency business. Failure or delays in obtaining necessary approvals, changes in government regulations and policies and practices could have an adverse impact on such businesses' future cash flows, earnings, results of operations and financial condition.

Regulatory agencies could shut down or restrict the use of platforms or exchanges using virtual currencies or blockchain based technologies. This could lead to a loss of any investment made in the Company.

The legal status of cryptocurrency varies substantially from country to country and is still undefined and changing in many of them. While some countries have explicitly allowed its use and trade, others have banned or restricted it. Likewise, various government agencies, departments, and courts have classified cryptocurrencies differently.

Dependence on Internet Infrastructure; Risk of System Failures, Security Risks and Rapid Technological Change

The success of any developer of cryptocurrency-based, blockchain platforms will depend by and large upon the continued development of a stable public infrastructure, with the necessary speed, data capacity and security, and the timely development of complementary products such as high-speed modems for providing reliable internet access and services. Cryptocurrency has experienced and is expected to continue to experience significant growth in the number of users, amount of content and bandwidth availability. It cannot be assured that the cryptocurrency infrastructure will continue to be able to support the demands placed upon it by this continued growth or that the performance or reliability of the technology will not be adversely affected by this continued growth. It is further not assured that the infrastructure or complementary products or services necessary to make cryptocurrency a viable medium for digital payments will be developed in a timely manner, or that such development will not result in the requirement of incurring substantial costs in order to adapt the Company's services to changing technologies.

Intellectual Property Rights

Companies involved in the development and operation of virtual currencies or blockchain based technologies may be dependent on intellectual property rights; the loss of which could harm its business, results of operations and its financial condition. There can be no assurance that any company's products will not violate proprietary rights of third parties or that third parties will not assert or claim that such violation has occurred. Any such claims and disputes arising may result in liability for substantial damages which in turn could harm the underlying business, results of operations and financial condition.

Volatilities in Cryptocurrency Prices

The markets for cryptocurrencies have experienced much larger fluctuations than other security markets. There can be no assurances that cryptocurrency prices will not be subject to erratic swings in the future, which could be related not only to improper payment activities involving cryptocurrency but also regulations by law makers in various countries. Furthermore, cryptocurrencies have not been widely adopted as a means of payments for goods and services by the majority of retail and commercial outlets. On the other hand, a significant portion of the demand for cryptocurrency is generated by investors and speculators focusing on generating profits by buying and holding cryptocurrency which might create limitations on the availability of cryptocurrencies to pay for goods and services resulting in increased volatility of cryptocurrency which could adversely impact an investment in the Company.

Several factors may affect the price and the volatility of cryptocurrency, including, but not limited to:

- global cryptocurrency demand depending on the acceptance of cryptocurrency by retail merchants and commercial businesses, the perception that the use and holding of cryptocurrency is safe and secure as well as the lack of regulatory restrictions;
- interest rates;
- currency exchange rates, including exchange rates between cryptocurrency and fiat currency;
- fiat currency withdrawal and deposit policies on cryptocurrency exchanges and liquidity on such cryptocurrency exchanges;
- interruption of services or failures of major cryptocurrency exchanges;
- large investment and trading activities in cryptocurrency;
- monetary policies of governments, trade restrictions, currency de- and revaluations;
- regulatory measures restricting the use of cryptocurrency as a form of payment or the purchase of cryptocurrency;
- global or regional political, economic or financial events and situations, including increased threat of terrorist activities; and/or
- self-fulfilling expectations of changes in the cryptocurrency market.

Stability of Bitcoin Exchanges

The price of cryptocurrency is established by public exchanges that have, by nature of their business, a limited operating history. Even the largest cryptocurrency exchanges have been subject to operational interruptions or even collapse. The interruption and the collapse of cryptocurrency exchanges may limit the liquidity of cryptocurrencies resulting in volatile prices and a reduction in confidence in the cryptocurrency network and the cryptocurrency exchange market. The deposit or withdrawal of fiat currency into or from the cryptocurrency exchanges may also affect the price of cryptocurrency. Operational limits regarding the settlement with fiat currencies may also reduce the demand to use cryptocurrency exchanges which would adversely affect an investment made by the Company. Cryptocurrency exchanges are relatively new and largely unregulated, and may, therefore, be more exposed to fraud and failure than other, more established currency and commodity exchanges. While smaller cryptocurrency exchanges are lacking infrastructure and capitalization the larger cryptocurrency exchanges are more likely to become targets of hackers and malware. Also, arbitraging activities between cryptocurrency exchanges may destabilize some of the smaller cryptocurrency exchanges. A lack of stability in the cryptocurrency exchange market may reduce the confidence in the cryptocurrency network affecting adversely an investment in the Company.

Changes in the Bitcoin Network Protocol

The cryptocurrency network is based on a protocol governing the peer-to-peer interactions between computers that are connected to each other within the cryptocurrency network. The governing code regulating such math-based protocol is informally managed by a development team. This development team, though, might propose and implement amendments to the cryptocurrency network's source code through software upgrades altering the original protocol, including fundamental ideas such as the irreversibility of transactions and limitations on the validation of blockchain software distributed ledgers. Such changes of the original protocol and software may adversely affect an investment made by the Company.

Acceptance of Virtual Currencies

Although the Company believes that the usage of cryptocurrencies will be focused on the technology to transmit and clear fiat currencies their usage as virtual currency will be an important factor as well. Hence, in the event that companies or individuals will be increasingly reluctant to accept virtual currencies, such limited usage of cryptocurrencies could adversely affect an investment made by the Company.

Misuse of Cryptocurrencies

Ever since the existence of cryptocurrencies, and especially bitcoins, there has been attempts to use them for speculation purposes and manipulations by hackers to use cryptocurrencies for malicious purposes. Although law makers increasingly regulate the use and applications of cryptocurrencies and software is being developed to curtail hacker activities as well as misuses by speculators no assurances can be given that those measures will be sufficiently deter those illegal activities in the future.

In particular, misuses could occur if a malicious actor or botnet (i.e. a series of computers controlled by a networked software coordinating the actions of the computers) obtains a majority of the processing power controlling the cryptocurrency validating activities and altering the blockchain which cryptocurrency transactions rely upon. Moreover, if the award for solving transaction blocks declines and transaction fees are not sufficiently high, the incentive to continue validating blockchain transactions would decrease and could lead to a stoppage of validation activities. The collective processing power of the blockchain network would be reduced, which would adversely affect the confirmation process for transactions by decreasing the speed of the adaption and adjustment in the difficulty for transaction block solutions. Such slower adjustments would make the blockchain network more vulnerable to malicious actors or botnets obtaining control of the blockchain network processing power.

Recording of Transactions

It is feasible that blockchain validators will cease to record transactions in solved transaction blocks. In particular, transactions that do not include the payment of transaction fees will not be recorded on the blockchain until a transaction block is solved by validators who are not required to pay such transaction fees. Any widespread delays in the recording of transactions could result in a loss of confidence in the blockchain network which could adversely affect an investment in the Company.

Cyber Security Risks

The Company is dependent on information technologies to conduct its operations, including management information systems and computer control systems. Business and supply chain disruptions, plant and utility outages and information technology system and network disruptions due to cyber-attacks could seriously harm operations and materially adversely affect operation results, Cyber security risks include attacks on information technology and infrastructure by hackers, damage or loss of information due to viruses, the unintended disclosure of confidential information, the issue or loss of control over computer control systems, and breaches due to employee error.

The Company's exposure to cyber security risks includes exposure through third parties on whose systems it places significant reliance for the conduct of its business. There can be no assure that the Company has the resources or technical sophistication to anticipate, prevent, or recover from rapidly evolving types of cyber-attacks. Compromises to its information and control systems could have severe financial and other business implications.

Competition

The market for blockchain technology and cryptocurrencies is becoming highly competitive on both a local and a national level. The current marketplace is dominated by a few companies, but will face substantial competition from and other competitors, which may have greater financial, technical, and marketing resources. Competitors may also have a larger installed base of users, longer operating histories or greater name recognition. There can be no assurance that any company will successfully differentiate its products from its competitors, or that the marketplace will consider one technology to be superior to others.

Key Personnel

The Company is dependent upon the continued availability and commitment of its management, whose contributions to immediate and future operations are of significant importance. The loss of any such management could negatively affect the Company's business operations. From time to time, the Company will also need to identify and retain additional skilled management to efficiently operate its business. Recruiting and retaining qualified personnel is critical to the Company's success and there can be no assurance of its ability to attract and retain such personnel. If it is not successful in attracting and training qualified personnel, the Company's ability to execute its business model and growth strategy could be affected, which could have a material and adverse impact on its profitability, results of operations and financial condition.

Conflicts of Interest

Certain of the Company's directors and officers may, from time to time, serve as directors or officers of other companies involved in similar businesses to the Company and, to the extent that such other companies may participate in the same ventures in which the Company may seek to participate, such directors and officers may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such conflicts of the Company's directors and officers may result in a material and adverse effect on the Company's results of operations and financial condition.

Share Price Volatility Risk

External factors outside of the Company's control may have a significant impact on the market price of the Company's common shares. Global stock markets have experienced extreme price and volume fluctuations from time to time. There can be no assurance that an active or liquid market will develop or be sustained for the Company's common shares.

DISCLOSURE OF INTERNAL CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

INFORMATION AVAILABLE ON SEDAR

Additional information about the Company, including in the form of previously published financial statements, management discussion and analyses and press releases, is available on SEDAR at www.sedar.com.