Codebase Ventures Inc.

Management's Discussion and Analysis

For the three-month period ended March 31, 2021

DATE OF REPORT: MAY 19, 2021

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the condensed interim consolidated financial statements of Codebase Ventures Inc. (the "Company" or "Codebase") for the period ended March 31, 2021 and related notes attached thereto (the "financial statements"), which are prepared in accordance with International Financial Reporting Standards ("IFRS") and in according with International Accounting Standards 34 ("IAS 34") – Interim Financial Reporting. All amounts are expressed in Canadian dollars unless otherwise stated. References to notes are with reference to the condensed interim consolidated financial statements. Readers may also want to refer to December 31, 2020 audited financial statements.

On June 24, 2020 the Company completed a consolidation of its common shares on the basis of one post-consolidation common share for every ten pre-consolidation common shares held (10-to-1). All references contained in this MD&A to issued and outstanding common shares, warrants, options, per share amounts, and exercise prices, have been retroactively restated to reflect the effect of the share consolidation.

FORWARD-LOOKING STATEMENTS

This MD&A, may contain forward-looking statements. Forward-looking statements are often, but not always, identified by words such as "believes", "may", "likely", "plans" or similar words. All statements, other than statements of historical fact, that address activities, events, or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements.

Forward-looking statements included or incorporated by reference in this document include, but are not limited to, statements with respect to:

i) the Company's acquisition strategy, including acquisition criteria and acquisition benefits.
ii) expectations regarding the ability to raise capital to maintain and further its business interests.

Statements regarding the business and anticipated future financial performance of the Company involve risks and uncertainties. These risks and uncertainties may cause the Company's actual results to differ materially from those contemplated by the forward-looking statements. Factors that might cause or contribute to such differences include, among others, market price, continued availability of capital financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and those actual results or developments may differ materially from those projected in the forward-looking statements. Investors are also directed to consider other risks and uncertainties discussed in the Company's required financial statements and filings.

It is the Company's policy that all forward-looking statements, if any, are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward-looking statements are subject to change, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws. Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking information or statements contained in this MD&A, may include, but are not limited to, information or statements concerning management's expectations for the Company's ability to raise capital and meet its obligations.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and other factors such as those described above and in "Risks and Uncertainties" below.

OUTLOOK

The Company is focused on identifying and investing in fields where emerging, innovative technology has the potential to upend traditional institutions and deliver the greatest value to shareholders. The Company seeks out early-stage opportunities with outstanding talent and technology.

DESCRIPTION OF BUSINESS

Codebase Ventures Inc. is a hands-on team of financial and technology experts who invest early in great ideas. The Company operates from the understanding that technology is always evolving, bringing early opportunities for strategic investments that can deliver the exponential returns to shareholders. The Company's mandate is to seek out and empower the innovators who are building tomorrow's standards with platforms and protocols, not just products. The Company invests early, supporting founders to take their ideas to market and realize their vision.

The Company's website is https://www.codebase.ventures

The Company's subsidiaries are as follows:

Name of subsidiary	Abbreviation	Country of Incorporation	Percentage Ownership	Functional Currency	Principal Activity
360 Blockchain USA Inc.	360 USA	USA	100%	USD	Holding Company
SV CryptoLab Inc.	SV Crypto	USA	80%	USD	Inactive
Blockchain Media Tech LLC	Blockchain Media Tech	USA	100%	USD	Inactive
Token Media Tech LLC	Token Media Tech	USA	100%	USD	Inactive
Code Cannabis Investments Inc.	Code Cannabis	CAN	100%	CAD	Holding Company

The Company's registered address is 1780 - 355 Burrard Street, Vancouver BC, V6C 2G8.

INVESTMENT IN ASSOCIATE – CAPITAL BLOCKTECH INC.

The following entity has been included in the consolidated financial statements using the equity method:

		Proportion of ownership interest held as at	
Legal Name	Place of Incorporation	March 31, 2021	December 31, 2020
Capital Blocktech Inc.	Alberta, Canada	30%	30%

During the year ended December 31, 2018, the Company entered into an agreement with Capital Blocktech Inc. ("Capital Blocktech"), a private Canadian blockchain technology company. During the year ended December 31, 2018, the Company advanced $1,000,000 to earn a 30% interest in Capital Blocktech. The Company also has the right to earn an additional 21% interest in Capital Blocktech for an additional $1,000,000 to be paid on or before January 1, 2021. The right to earn an additional 21% interest in Capital Blocktech was extended to January 1, 2022, subsequent to year end.

The tables below provide summarised financial information for the Company's equity investment in Capital Blocktech. The information disclosed reflects the amounts presented in the financial statements of Capital Blocktech and not the Company's share of those amounts:

Summarized Balance Sheet		March 31, 2021		December 31, 2020
Cash	$	5,000	$	5,000
Computer equipment		62,080		62,080
Total	$	67,080	$	67,080
Accounts payable	$	1,320,022	$	1,320,022
Share capital		1,009,337		1,009,337
Deficit		(2,262,279)		(2,262,279)
Total liabilities and equity	$	67,080	$	67,080

Summarized Income Statement		March 31, 2021		December 31, 2020
Software development	$	-	$	-
Depreciation		6,898		6,898
Total	$	6,898	$	6,898

Summarized aggregated financial information of the Company's share in the associate is as follows:

Equity Accounting Investment Continuity		March 31, 2021		December 31, 2020
Balance, beginning of year	$	331,980	$	332,722
Equity pick up – 30% of net loss		-		(742)
Balance, end of year	$	331,980	$	331,980

INVESTMENT IN ASSOCIATE – GLANIS PHARMACEUTICALS INC

The following entity has been included in the consolidated financial statements using the equity method:

		Proportion of ownership interest held as at	
		March 31,	December 31,
Legal Name	Place of Incorporation	2021	2020
Glanis Pharmaceuticals Inc.	British Columbia, Canada	49%	49%

During the year ended December 31, 2020, the Company entered into an agreement with the shareholders of Glanis Pharmaceuticals Inc. ("Glanis"), a private Canadian Pharmaceutical company. During the year ended December 31, 2020 the Company issued 6,600,000 common shares with a fair value of $990,000 to acquire a 49% interest in Glanis and paid $28,000 of expenses towards the ongoing research studies to develop Glanis' technology. As at March 31, 2021 the $28,000 was due and receivable from Glanis.

The tables below provide summarised financial information for the Company's equity investment in Glanis. The information disclosed reflects the amounts presented in the financial statements of Glanis and not the Company's share of those amounts:

Summarized Balance Sheet		March 31, 2021		December 31, 2020
Cash	$	3,982	$	3,982
Total assets	$	3,982	$	3,982
Accounts payable	$	28,000	$	28,000
Share capital		100		100
Deficit		(24,118)		(24,118)
Total liabilities and equity	$	3,982	$	3,982

Summarized aggregated financial information of the Company's share in the associate is as follows:

Equity Accounting Investment Continuity	For the Three months ended March 31, 2021	For the Year ended December 31, 2020
Balance, beginning of year	$ 990,000	$ -
Paid to earn – 49%	-	990,000
Balance, end of year	$ 990,000	$ 990,000

During the three month period ended March 31, 2021, and for the year ended December 31, 2020, Glanis has not had any significant expenses to equity account for.

LONG-TERM INVESTMENTS

A continuity of the Company's long-term investments is as follows:

	World High Life	**Aerosax**	**Total**
Balance, December 31, 2020	$ 646,405	$ 169,715	$ 816,120
Accrued interest	21,726	-	21,726
Unrealized fair value gain	152,403	-	152,403
Balance, March 31, 2021	$ 820,534	$ 169,715	$ 990,249

	World High Life	**1933 Industries**	**Nerds on Site**	**Red Light Holland Corp**	**Aerosax**	**Total**
Balance, December 31, 2019	$1,741,712	$ 7,000	$ 24,403	$ -	$ -	$1,773,115
Purchase of investments	-	-	-	50,000	235,045	285,045
Accrued interest	86,905	-	-	-	-	86,905
Shares issued for debt settlement	678,515	-	-	-	-	678,515
Sale of investment	(346,394)	(4,013)	(15,059)	(152,802)	-	(518,268)
Foreign exchange	16,342	-	-	-	-	16,342
Gain (loss) on sale of investment	(354,700)	(5,187)	(95,872)	102,802	-	(352,957)
Unrealized fair value gain (loss)	(1,175,975)	2,200	86,528	-	(65,330)	(1,152,577)
Balance, December 31, 2020	$ 646,405	$ -	$ -	$ -	$ 169,715	$ 816,120

The Company's investment in World High Life Plc consists of 2,920,000 ordinary shares and 5,000,000 convertible debentures exercisable at £0.10 (CDN$0.17) accruing interest of 10% per annum maturing September and October 2021. The Company also holds 5,000,000 ordinary share purchase warrants exercisable at £0.15 (CAD$0.26) per share for a period of two years (expiry October 2021) and 1,500,000 warrants exercisable at £0.20 (CAD$0.35) per share exercisable for two years (expiry August 2021). A continuity of the valuation of the Company's investment in World High Life Plc is as follows:

During the year ended December 31, 2020, the Company advanced loans to World High Life Plc totaling $693,175, and accrued interest of $5,940, $678,515 of which was settled during the year through the issuance of shares. At March 31, 2021, $20,600 (December 31, 2020 - $20,600) remained receivable and was repayable by March 1, 2021 (past due). The loans were all unsecured and bore interest of 5% per annum.

	Ordinary Shares	Warrants £0.20	Warrants £0.15	Convertible Debenture	Conversion Feature	Total
Balance, December 31, 2019	$ 567,600	$ 53,404	$ 261,090	$ 498,346	$ 361,272	$1,741,712
Fair value gain (loss)	(485,161)	(52,205)	(260,882)	(17,517)	(360,210)	(1,175,975)
Accrued interest	-	-	-	86,905	-	86,905
Shares issued for debt settlement	678,515	-	-	-	-	678,515
Sale of investment	(346,394)	-	-	-	-	(346,394)
Loss on sale of investment	(354,700)	-	-	-	-	(354,700)
Foreign exchange gain	16,342	-	-	-	-	16,342
Balance, December 31, 2020	$ 76,202	$ 1,199	$ 208	$ 567,734	$ 1,062	$ 646,405
Fair value gain (loss)	120,404	(1,187)	1,309	25,516	6,361	152,403
Accrued interest	-	-	-	21,726	-	21,726
Balance, March 31, 2021	$ 196,606	$ 12	$ 1,517	$ 614,976	$ 7,423	$ 820,534

At March 31, 2021, the Company held 2,920,000 (December 31, 2020 – 2,920,000) ordinary common shares of World High Life Plc, which were valued based on prices in a quoted market in accordance with level 1 of the fair value hierarchy. The convertible debentures were recorded at fair value on initial recognition and are subsequently measured at amortized cost; the fair value of the convertible debentures approximates their carrying value due to the inclusion of a market rate of interest. The World High Life Plc warrants (6,500,000 warrants at December 31, 2020 and 2019) and conversion feature were valued using the Black-Scholes Option Pricing Model, in accordance with level 3 of the fair value hierarchy, with the following assumptions:

	Warrants March 31, 2021	Warrants December 31, 2020	Conversion Feature March 31, 2021	Conversion Feature December 31, 2020
Exercise price	£0.15 – 0.20	£0.15 – 0.20	£0.10	£0.10
Value date share price	£0.0388	£0.0195	£0.0388	£0.0195
Duration to maturity	0.55 years	0.80 years	0.55 years	0.80 years
Risk-free interest rate	0.70%	0.70%	2.25%	0.70%
Volatility	80%	80%	80%	80%
Dividend rate	Nil	Nil	Nil	Nil

The Company's investment in Aerosax Research & Technology Limited ("Aerosax") is an investment in common shares. The investment was initially recognized at the cost of the investment, and was subsequently adjusted to the estimated fair value. Aerosax is a private company, as such the estimated fair value and unrealized loss on investment were based on recent sales of common shares by Aerosax, which were considered to represent market price in accordance with level 3 of the fair value hierarchy. At March 31, 2021, the investment in Aerosax consists of 326 common shares with an original cost of £786 per share (CDN$1,352 per share), fair valued at £300 per share (CDN$521 per share).

Investment in Terahash ("Terahash")

On January 14, 2021, the Company signed a $2,500,000 (USD) definitive agreement to acquire bit mining infrastructure based in the USA for long term revenue generation. Codebase's investment will deliver a first phase of 9,450 Terahash per second worth of mining rigs fully hosted in the USA. The Company has the option for a second tranche of an equal number of mining rigs for a period of one year. This arms-length agreement calls for an initial cash payment of US$ 500,000 and the issuance of 7,000,000 common shares issued at a deemed price of $0.25 per share. All shares issued will be subject to a 4 month statutory hold period. As part of the transaction, the vendor will provide hosting and management services at an all-in price of US$0.075 per kilowatt hour for a period of 2 years. If the Company exercises its option to acquire a second tranche, then a similar number of mining rigs will cost US $ 500,000 and US $750,000 to be paid by way of shares issued at the then current market price.

GOING CONCERN, LIQUIDITY AND CAPITAL RESOURCES

The consolidated interim financial statements were prepared on a going concern basis, which assumes that the Company will continue its operations for at least the next twelve months. The Company has incurred losses since its inception and has an accumulated deficit of $24,856,234 as at March 31, 2021. In addition, the Company has experienced negative cash flows from operations. These factors may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, identifying and acquiring businesses or assets, and generating profitable operations in the future. The consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

During the period from January 1, 2021 to May 19, 2021, the Company:

a) The Company issued 3,981,825 units at a price of $0.16 per unit, for gross proceeds of $637,092. Each warrant entitles the holder to purchase one additional common share at $0.22 for a period of two years from the date of closing. The Company valued the warrant portion of the units, using the residual method, at $318,546. The Company paid finders fees of $30,094 and issued 188,110 broker warrants at their fair value of $57,661, which are on the same terms as the warrants forming part of the units.

b) The Company issued 22,726,509 common shares upon the exercise of warrants at prices of $0.075 and $0.50 for total proceeds $3,229,400, and issued 9,300,000 common shares pursuant to the exercise of stock options at prices of $0.19; $0.23 and $0.30 for total proceeds $2,373,000.

c) The Company issued 4,000,000 shares with a fair value of $1,000,000 and paid US$500,000 (CDN$640,000) to acquire bit mining infrastructure. As part of the transaction, the vendor will provide hosting and management services at an all-in price of US$0.075 per kilowatt hour for a period of 2 years. If the Company exercises its option to acquire a second tranche, a similar number of mining rigs will cost US$500,000 cash and US $750,000 to be paid by way of shares issued at market price.

During the period ended March 31, 2021, the Company's cash increased from $18,324 at March 31, 2020 to $3,565,938 at March 31, 2021 as a result of the following cash flows:

i) Cash flows used in operating activities of $2,298,497 (2020 - $588,173) consisted of cash paid for expenses in the consolidated statement of loss and comprehensive loss offset by changes in non-cash working capital.

ii) Cash flows used in investment activities of $Nil (2020 - $538,817) (cash paid for, and received from, investments are detailed in the investment section of this MD&A).

iii) Cash flows provided by financing activities of $4,969,887 (2020 - $1,066,036) consisted of proceeds from private placements of $637,092, exercise of warrants and exercise of options of $4,362,889 offset by share issuance costs of $30,094.

Three Month Period Ended – March 31, 2021

The Company's comprehensive loss for the three month period ended March 31, 2021 totaled $3,588,920 (2020 - $545,724) with basic and diluted loss per share of $0.04 (2020 - $0.00). Significant fluctuations during the three month period included:

i) Advertising and promotion increased to $212,543 (2020 - $143,942) primarily as a result of an increase in activities to raise awareness in the current period.

ii) Management and consulting increased to $576,390 (2020 - $282,312) due to an increase in consulting activities.

iii) Professional fees increased to $84,163 (2020 - $35,670) due to increased legal fees and professional services required due to consolidation in the current period.

iv) Research and development of $78,000 (2020 - $Nil) due to research and development related to hydroxychloroquine.

v) Travel decreased to $Nil (2020 - $13,101) due to the trips taken for conferences and meetings in the comparative period.

vi) Foreign exchange loss increased to $3,908 (2020 - $32,754) primarily due to the revaluation of the World High Life investment.

vii) Realized gain on long-term investments of $Nil (2020 – gain of $2,987). The gains are a result of the sale of long-term investments in comparative period.

viii) Unrealized gain on long-term investments of $152,403 (2020 – loss of $102,937). The change is primarily a result of fair valuing the World High Life investment at December 31, 2020.

ix) Interest and other income of $21,726 (2020 - $45,802).

x) Stock-based compensation of $2,762,089 (2020 - $Nil) increased due to options being issued in 2021.

SELECTED QUARTERLY RESULTS

A summary of selected information for each of the quarters is as follows:

	March 31, 2021	**December 31, 2020**	**September 30, 2020**	**June 30, 2020**
Revenue	$ -	$ -	$ -	$ -
Net loss	(3,588,920)	(495,495)	(1,823,659)	(1,151,068)
Basic and diluted loss per share	(0.04)	(0.01)	(0.04)	(0.02)
Weighted average shares outstanding	92,566,632	79,439,727	50,339,594	46,123,011

	March 31, 2020	**December 31, 2019**	**September 30, 2019**	**June 30, 2019**
Revenue	$ -	$ -	$ -	$ -
Net loss	(550,017)	(2,130,139)	(993,554)	(856,992)
Basic and diluted loss per share	(0.01)	(0.07)	(0.04)	(0.03)
Weighted average shares outstanding	36,726,011	31,477,250	26,725,829	26,060,550

The Company's comprehensive loss for the three month period ended March 31, 2021 is detailed on the previous page of this MD&A.

The Company's comprehensive loss totaled $495,495 for the three months ended December 31, 2020, which basic and diluted loss per share of $(0.01). The loss during the quarter ended December 31, 2021 decreased from the previous quarter due to the previous quarter's impairments, a decrease in depreciation as a result of the impairment and an unrealized loss on long-term investments of $201,529.

The Company's comprehensive loss totaled $1,823,659 for the three months ended September 30, 2020, with basic and diluted loss per share of $(0.04). The loss during the quarter ended September 30, 2020 increased from the previous quarter due to the loss on long-term investments of $271,877 and an unrealized gain on long-term investments of $426,390.

The Company's comprehensive loss totaled $1,151,068 for the three months ended June 30, 2020, with basic and diluted loss per share of $(0.02). The loss during the quarter ended June 30, 2020 decreased from the previous quarter due to the previous quarter's impairments, a decrease in depreciation as a result of the impairment and an unrealized gain on long-term investments of $199,483.

The Company's comprehensive loss totaled $550,017 for the three months ended March 31, 2020, with basic and diluted loss per share of $(0.01). The loss during the quarter ended March 31, 2020 decreased from the previous quarter due to the previous quarter's impairments, a decrease in depreciation as a result of the impairment and an unrealized gain on long-term investments of $102,937.

The Company's comprehensive loss totaled $2,130,139 for the three months ended December 31, 2019, with basic and diluted loss per share of $(0.07). The loss during the quarter ended December 31, 2019 increased from the previous quarter

primarily as a result of the impairment of certain investments and the loss in an associate.

The Company's comprehensive loss totaled $993,554 for the three months ended September 30, 2019, with basic and diluted loss per share of $(0.04) (2018: $893,092 with basic and diluted loss per share of $0.00). The loss during the quarter ended September 30, 2019 is primarily due to salaries and benefits, management, and consulting fees, advertising and promotion, professional fees, and depreciation.

The Company's comprehensive loss totaled $856,992 for the three months ended June 30, 2019, with basic and diluted loss per share of $(0.03) (2018: $1,473,345 with basic and diluted loss per share of $0.01). The loss during the quarter ended June 30, 2019 is primarily due to salaries and benefits, management, and consulting fees, advertising and promotion, professional fees, and depreciation.

OUTSTANDING SHARE DATA

Details of the Company's capitalization are as follows:

119,448,061 common shares outstanding at May 19, 2021

Stock options outstanding May 19, 2021 consisted of:

Expiry Date	Number of Options	Exercise Price
January 6, 2026	800,000	$0.23
February 8, 2026	1,850,000	$0.30
February 16, 2022	200,000	$0.30
April 12, 2026	7,500,000	$0.265
	10,350,000	

Warrants outstanding at May 19, 2021 consisted of:

Expiry Date	Number of Warrants	Exercise Price
February 28, 2022	4,099,950	$1.50
May 2, 2022	906,667	$0.50
October 16, 2021	2,315,100	$1.00
September 20, 2021	3,501,689	$0.50
January 3, 2022	2,562,890	$0.50
January 28, 2022	1,287,700	$0.50
February 24, 2022	1,229,476	$0.50
April 15, 2022	750,000	$0.50
May 4, 2022	959,500	$0.50
May 4, 2022	51,412	$0.50
July 15, 2022	23,750	$0.08
December 4, 2022	1,740,000	$0.08
December 4, 2022	80,000	$0.08
December 21, 2022	9,107,300	$0.08
December 21, 2022	174,454	$0.08
February 4, 2022	3,981,825	$0.22
February 4, 2022	188,110	$0.22
	35,033,490	$0.48

RELATED PARTY TRANSACTIONS AND BALANCES

The key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company. The Company has identified its directors and senior officers as its key management personnel. Total compensation to key management personnel for the period ended March 31, 2021 and 2020 was as follows:

During the period ended March 31, 2021, the Company:

i) Paid or accrued accounting and CFO fees, recorded as consulting fees, of $22,050 to KT Business Solutions Inc. a corporation owned by Tatiana Kovaleva, the CFO of the Company.
ii) Paid or accrued CEO and consulting fees, recorded as consulting fees, of $65,625 to Tsafalas Enterprises Inc. a corporation owned by George Tsafalas, the CEO and director of the Company.
iii) Paid or accrued consulting fees of $45,750 to Brian Keane a director of the Company.

The Company owed $3,250 to related parties at March 31, 2021.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Please refer to the Notes to the consolidated interim financial statements for the period ended March 31, 2021 and 2020.

CHANGES IN ACCOUNTING POLICIES AND FUTURE ACCOUNTING PRONOUNCEMENTS

Please refer to the Notes to the consolidated interim financial statements for the period ended March 31, 2021 and 2020.

FINANCIAL INSTRUMENTS AND RISK FACTORS

Fair values

The Company's financial instruments consist of cash, receivables, long-term investments and accounts payable and accrued liabilities. Cash and long-term investments are carried at fair value. The fair values of receivables and accounts payable and accrued liabilities approximate their carrying amounts due to their current nature.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable. The three levels of the fair value hierarchy are:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial assets measured at fair value on a recurring basis were calculated as follows:

	Balance	Level 1	Level 2	Level 3
March 31, 2021				
Cash	3,565,938	3,565,938	-	-
Long-term investments*	366,321	196,606	-	169,715
December 31, 2020				
Cash	894,548	894,548	-	-
Long-term investments*	248,386	76,202	-	172,184

* Excludes long-term investments in convertible debentures of $614,976 (December 31, 2020 - $567,734), which are measured at amortized cost.

Credit Risk

Credit risks associated with cash are minimal as the Company deposits the majority of its cash with a large Canadian financial institution. The Company's credit risks associated with its amounts receivable are monitored by management. The Company's exposure to potential loss is equal to the carrying value of the amounts receivable.

Liquidity Risk

All of the Company's financial liabilities have maturities of one year or less as at March 31, 2021.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity prices, equity prices, and foreign currency fluctuations.

a) Interest Rate Risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company is not exposed to significant interest rate risk.

b) Price Risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company is exposed to significant price risk associated with its long-term investments. Certain long-term investments are classified in levels 1, 2 & 3 of the fair value hierarchy and therefore a change in market prices would have an effect on fair value.

c) Currency Risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. At December 31, 2020 the Company held an insignificant balance of US dollar assets. A 10% change in the foreign exchange rate would not impact profit or loss by a material amount. The Company's investment in World High Life Plc is denominated in Pounds Sterling. A 10% change in the Pound Sterling versus the Canadian dollar would result in a change of approximately $190,000.

RISKS AND UNCERTAINTIES

The Company is investing in technologies and companies 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 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 (in no specific order) are:

Limited Operating History

The Company has limited operating history as a technology investment company, and no operating history 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.

COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Company's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-

essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Company's operations. The extent of the impact of this outbreak and related containment measures on the Company's operations cannot be reliably estimated.

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.

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.

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: (a) Worldwide adoption and usage of cryptocurrencies; (b) Regulations by governments and/or by organizations directing governmental regulations regarding the use and operation of and access to cryptocurrencies; (c) Changes in consumer demographics and public behavior, tastes and preferences; (d) 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 (e) 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.

Dependence on Management Team

The Company currently depends on certain key senior managers to identify business opportunities and acquisitions. Management who have developed key relationships in the industry are also relied upon to oversee the core marketing, business development, operational and fundraising activities. As the blockchain and cryptocurrency technologies continue to become more competitive and regulated, the Company expects the competition for management and other skilled personnel to intensify. Competition for experienced senior management is intense and other companies with greater financial resources may offer a higher and more attractive compensation package to recruit our senior managers. If one or more of our senior managers are unable or unwilling to continue their positions with the Company, we may not be able to replace them easily. Failure to attract and retain qualified employees or the loss or departure in the short-term of any member of the senior management may result in a loss of organizational focus, poor operating execution or an inability to identify and execute potential strategic initiatives. This could, in turn, materially and adversely affect the Company's business, financial condition and results of operations.

Risks related to of the investment in Glanis Pharmaceuticals Inc. ("Glanis")

Glanis's prospects depend on the success of product candidates which are at early stages of development, and Glanis may not generate revenue for several years from these products

Given the early stage of product development, Glanis cannot make any assurances that research and development programs will result in regulatory approval or commercially viable products. To achieve profitable operations Glanis must successfully develop, gain regulatory approval, and market future products. Glanis currently has no products that have been approved by the FDA, Health Canada ("HC"), or any similar regulatory authority. To obtain regulatory approvals for product candidates being developed and to achieve commercial success, clinical trials must demonstrate that the product candidates are safe for human use and that they demonstrate efficacy. Many product candidates never reach the stage of clinical testing and even those that do have only a small chance of successfully completing clinical development and gaining regulatory approval. Product candidates may fail for a number of reasons, including, but not limited to, being unsafe for human use or due to the failure to provide therapeutic benefits equal to or better than the standard of treatment at the time of testing. Unsatisfactory results obtained from a particular study relating to a research and development program may cause Glanis or its collaborators to abandon commitments to that program. Positive results of early preclinical research may not be indicative of the results that will be obtained in later stages of preclinical or clinical research. Similarly, positive results from early-stage clinical trials may not be indicative of favourable outcomes in later-stage clinical trials, Glanis can make no assurance that any future studies, if undertaken, will yield favourable results.

The early stage of product development makes it particularly uncertain whether any of its product development efforts will prove to be successful and meet applicable regulatory requirements, and whether any of the product candidates will receive the requisite regulatory approvals, be capable of being manufactured at a reasonable cost or be successfully marketed.

Glanis will continue to rely on third parties to plan, conduct and monitor preclinical studies and clinical trials and their failure to perform as required could cause substantial harm to business prospects

Glanis relies and will continue to rely on third parties to conduct a significant portion of preclinical and clinical development activities. If there is any dispute or disruption in relationships with third parties, or if they are unable to provide quality services in a timely manner and at a feasible cost, Glanis's active development programs will face delays. Further, if any of these third parties fails to perform as Glanis expects or if their work fails to meet regulatory requirements, Glanis's testing could be delayed, cancelled or rendered ineffective.

Failure to demonstrate safety and efficacy could cause additional costs and/or delays

The outcome of preclinical studies and early clinical trials may not predict the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. A number of companies in the pharmaceutical and

biotechnology industries have suffered significant setbacks in advanced clinical trials due to lack of efficacy or unacceptable safety profiles, notwithstanding promising results in earlier trials. Glanis does not know whether the clinical trials it conducts will demonstrate adequate efficacy and safety to result in regulatory approval to market any of Glanis's product candidates in any jurisdiction. A product candidate may fail for safety or efficacy reasons at any stage of the testing process. A major risk faced is the possibility that no product candidates under development will successfully gain market approval from the FDA or other regulatory authorities, resulting in us being unable to derive any commercial revenue from them after investing significant amounts of capital in their development.

If Glanis experiences delays in clinical testing, Glanis will be delayed in commercializing its product candidates, and its business may be substantially harmed

Glanis cannot predict whether any clinical trials will begin as planned, will need to be restructured, or will be completed on schedule, or at all. Product development costs will increase if Glanis experiences delays in clinical testing. Significant clinical trial delays could shorten any periods during which Glanis may have the exclusive right to commercialize its product candidates or allow competitors to bring products to market before it is able to, which would impair the ability to successfully commercialize its product candidates and may harm Glanis's financial condition, results of operations and prospects. The commencement and completion of clinical trials for Glanis's products may be delayed for a number of reasons, including delays related, but not limited, to:

• failure by regulatory authorities to grant permission to proceed or placing the clinical trial on hold;
• patients failing to enroll or remain in Glanis's trials at the rate expected;
• any changes to Glanis's manufacturing process that may be necessary or desired;
• delays or failure to obtain clinical supply from CMOs of Glanis's products necessary to conduct clinical trials;
• product candidates demonstrating a lack of safety or efficacy during clinical trials;
• patients choosing an alternative treatment for the indications for which Glanis is developing any of its product candidates or participating in competing clinical trials;
• patients failing to complete clinical trials due to dissatisfaction with the treatment, side effects or other reasons;
• reports of clinical testing on similar technologies and products raising safety or efficacy concerns;
• competing clinical trials and scheduling conflicts with participating clinicians;
• clinical investigators not performing Glanis's clinical trials on their anticipated schedule, dropping out of a trial, or employing methods not consistent with the clinical trial protocol, regulatory requirements or other third parties not performing data collection and analysis in a timely or accurate manner; or
• failure of Glanis's contract research organizations to satisfy their contractual duties or meet expected deadlines.

Regulatory approval processes are lengthy, expensive and inherently unpredictable

Glanis's development and commercialization activities and product candidates are significantly regulated by a number of governmental entities, including the FDA, HC and comparable authorities in other countries. Regulatory approvals are required prior to each clinical trial and Glanis may fail to obtain the necessary approvals to commence or continue clinical testing. Glanis must comply with regulations concerning the manufacture, testing, safety, effectiveness, labeling, documentation, advertising, and sale of products and product candidates and ultimately must obtain regulatory approval before Glanis can commercialize a product candidate. The time required to obtain approval by such regulatory authorities is unpredictable but typically takes many years following the commencement of preclinical studies and clinical trials. Any analysis of data from clinical activities Glanis performs is subject to confirmation and interpretation by regulatory authorities, which could delay, limit or prevent regulatory approval. Even if Glanis believes results from its clinical trials are favorable to support the marketing of Glanis's product candidates, the FDA or other regulatory authorities may disagree. In addition, approval policies, regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions. Glanis has not obtained regulatory approval for any product candidate and it is possible that none of Glanis's existing product candidates or any future product candidates will ever obtain regulatory approval. Glanis could fail to receive regulatory approval for its product candidates for many reasons, including, but not limited to:

• disagreement with the design or implementation of Glanis clinical trials;
• failure to demonstrate that a product candidate is safe and effective for its proposed indication;
• failure of clinical trials to meet the level of statistical significance required for approval;
• failure to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks;
• disagreement with Glanis's interpretation of data from preclinical studies or clinical trials;
• the insufficiency of data collected from clinical trials of Glanis's product candidates to support the submission and filing of a biologic license application or other submission to obtain regulatory approval;

• deficiencies in the manufacturing processes or the failure of facilities of CMOs with which Glanis contracts for clinical and commercial supplies to pass a pre-approval inspection; or
• changes in the approval policies or regulations that render Glanis's preclinical and clinical data insufficient for approval.

A regulatory authority may require more information, including additional preclinical or clinical data to support approval, which may delay or prevent approval and Glanis's commercialization plans or Glanis may decide to abandon the development program. If Glanis were to obtain approval, regulatory authorities may approve any of Glanis's product candidates for fewer or more limited indications than Glanis requests, may grant approval contingent on the performance of costly post-marketing clinical trials or may approve a product candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that product candidate. Moreover, depending on any safety issues associated with Glanis's product candidates that garner approval, the FDA may impose a risk evaluation and mitigation strategy, thereby imposing certain restrictions on the sale and marketability of such products