

LISTING STATEMENT
FORM 2A
EXEBLOCK TECHNOLOGY CORPORATION
LISTING STATEMENT

November 15, 2017

NOTE TO READER

This Listing Statement contains a copy of the final non-offering prospectus of eXeBlock Technology Corporation (the "**Issuer**") dated November 9, 2017 (the "**Prospectus**"). Certain section of the Canadian Securities Exchange (the "**CSE**") form of Listing Statement have been included following the Prospectus to provide additional disclosure on the Issuer required by the CSE.

All capitalized terms not defined in this Schedule B have the meanings given to them in the Prospectus attached to this Form 2A Listing Statement as Schedule A.

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Schedule A
Final Non-Offering Prospectus dated November 9, 2017

(See attached)

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

This prospectus does not constitute a public offering of securities.

PROSPECTUS

NON-OFFERING PROSPECTUS

DATED NOVEMBER 9, 2017

EXEBLOCK TECHNOLOGY CORPORATION

Suite 1128 – 789 West Pender Street
Vancouver, British Columbia V6C 1H2

This Prospectus is being filed with the British Columbia Securities Commission for the purpose of allowing eXeBlock Technology Corporation (the "**Issuer**") to comply with Notice 2015-003 Regulatory Guidance on Plans of Arrangement and Capital Structure, published by the Canadian Securities Exchange. The Issuer is a reporting issuer in British Columbia and Alberta.

Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Issuer.

There is no market through which the securities of the Issuer may be sold and purchasers may not be able to resell securities. See "*Risk Factors*".

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

Concurrently with the filing of this Prospectus, the Issuer will make an application for listing on the Canadian Securities Exchange (the "**CSE**"). Listing is subject to the Issuer fulfilling all of the listing requirements of the CSE, including meeting all minimum listing requirements.

An investment in securities of the Issuer is speculative and involves a high degree of risk.

No underwriters or selling agents have been involved in the preparation of this Prospectus or performed any review or independent due diligence of the contents of this Prospectus.

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Schedule "A" Audited financial statements of the Issuer for the years ended July 31, 2017 and 2016

Schedule "B" Management's Discussion and Analysis for the Issuer for the years ended July 31, 2017 and 2016

Schedule "C" Audited financial statements of eXeBlock Technology Inc. for the period from incorporation on July 11, 2017 to August 31, 2017

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Schedule "F" Audit Committee Charter

Certificate Page of the Issuer

PROSPECTUS SUMMARY

The following is a summary of the Issuer and the principal features of the Transaction and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. Capitalized terms are defined in the Glossary of Terms section of this prospectus.

The Issuer	<p>The Issuer was incorporated pursuant to the BCBCA on June 19, 2015 under incorporation number BC1040433.</p> <p>On September 6, 2017, the Issuer entered into the Share Exchange Agreement with eXeBlock and the eXeBlock Shareholders.</p> <p>Effective September 6, 2017, the Transaction was completed and all eXeBlock Shareholders exchanged their eXeBlock Shares for a total of 38,100,002 Common Shares on the basis of two (2) Common Shares for every one (1) eXeBlock Share.</p> <p>As a result of the Transaction, eXeBlock became the 100% wholly-owned subsidiary of the Issuer and the business of eXeBlock is the business of the Issuer. The former eXeBlock Shareholders have become owners of more than 50% of the issued and outstanding Common Shares.</p> <p>On September 13, 2017, the Issuer changed its name from "1040433 B.C. Ltd." to "eXeBlock Technology Corporation".</p>
Business of the Issuer	<p>Prior to the Transaction, the Issuer had no active business. The business discussion set forth in this Prospectus relates to the business of eXeBlock. See "<i>Describe the Business</i>".</p>
Principal Products	<p>The Issuer's principal product (through eXeBlock) is the blockchain software development/DApp technology. See "<i>Describe the Business – Products and Principal Markets</i>".</p>
Listing	<p>The Issuer is applying to have its Common Shares listed on the CSE. Listing is subject to the Issuer fulfilling all of the requirements of the CSE. See page 1 of this Prospectus.</p>
Use of Available Funds	<p>As at September 30, 2017, the most recent month-end before the date of this Prospectus, the Issuer had an approximate consolidated working capital of \$450,000.</p> <p>On October 6, 2017, the Issuer completed a financing which raised total proceeds of \$6,197,600 through the issuance of 17,707,428 Subscription Receipts at a price of \$0.35 per Subscription Receipt. The combined total of the working capital as at September 30, 2017 and the proceeds of the financing is \$6,647,600.</p> <p>For a more detailed discussion on the Issuer's available funds, see "<i>Use of Available Funds</i>" and "<i>Describe the Business</i>".</p> <p>The Issuer will require funding from other sources to continue operations beyond the next year. Such additional funds would likely be raised through a private placement of securities. There is no assurance that such funding will be available.</p>
The Offering	<p>No securities are being offered pursuant to this Prospectus. This Prospectus is being filed with the BCSC (as hereinafter defined) for the purpose of allowing the Issuer to apply for listing on the CSE and to enable the Issuer to develop an organized market for its Common Shares (as hereinafter defined). Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Issuer.</p>
Directors and Executive Officers of the Issuer	<p>Ian Klassen – President, CEO and Director Robert Randall – CFO and Corporate Secretary Paul Thomson - Director Carl Sheppard – Director</p> <p>See "<i>Directors and Executive Officers</i>" for more information.</p>

Risk Factors	The Issuer's business is subject to certain risks, including but not restricted to risks related to: limited operating history and expected continued operating losses, inherent risks of cryptocurrency and blockchain industry, regulatory risks, uninsurable risks, competitive risks, dependence on key management, additional funding requirements, conflicts of interest, dilution, volatility of publicly traded securities, discretion in the use of funds, influence of third party shareholders and no history of dividends. See " <i>Risk Factors</i> ".	
Summary Financial Information of the Issuer and eXeBlock:	The following selected financial information has been derived from the audited financial statements of the Issuer and eXeBlock included in this Prospectus, and should be read in conjunction with such financial statements and the related notes thereto, along with the Management Discussion and Analysis included in this Prospectus. All financial statements of the Issuer and eXeBlock are prepared in accordance with International Financial Reporting Standards.	
	<p>Consolidated Statements of Loss and Comprehensive Loss</p> <p>Total Revenues (0.0)</p> <p>Total Expenses 8,312</p> <p>Net Income (Loss) (8,312)</p> <p>Net Income (Loss) per Share – basic and diluted (0.02)</p> <p>Consolidated Statements of Financial Position</p> <p>Total Assets 308</p> <p>Total Liabilities 11,370</p> <p>Shareholder's Equity (11,062)</p> <p>Statement of Loss and Comprehensive Loss</p> <p>Total Revenues (0.0)</p> <p>Total Expenses 162,445</p> <p>Net Income (Loss) (162,445)</p> <p>Net Income (Loss) per Share – basic and diluted (0.02)</p> <p>Statement of Financial Position</p> <p>Total Assets 642,813</p> <p>Total Liabilities 200,595</p> <p>Shareholder's Equity 442,218</p>	<p>Issuer -For the year ended July 31, 2017 (\$)</p> <p>(0.0)</p> <p>8,312</p> <p>(8,312)</p> <p>(0.02)</p> <p>Issuer -As at July 31, 2017 (\$)</p> <p>308</p> <p>11,370</p> <p>(11,062)</p> <p>eXeBlock – For the period from incorporation on July 11, 2017 to August 31, 2017 (\$)</p> <p>(0.0)</p> <p>162,445</p> <p>(162,445)</p> <p>(0.02)</p> <p>eXeBlock -As at August 31, 2017 (\$)</p> <p>642,813</p> <p>200,595</p> <p>442,218</p>

FORWARD LOOKING INFORMATION

This Prospectus contains certain “forward-looking statements” or “forward looking information” (collectively, “forward looking information”) within the meaning of Canadian securities laws. This forward looking information relates to future events or future performance and reflect management's expectations regarding the Issuer's growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking information can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target" or the negative of these terms or other comparable terminology.

Forward-looking information in this Prospectus includes, but is not limited to:

- volatility of stock price and market conditions
- regulatory risks
- unfavourable publicity or consumer perception
- difficulty to forecast
- the ability to hire key personnel
- competition
- investment capital and market share
- changes in target market
- market uncertainty
- ability to access additional capital
- management of growth
- patent infringement
- litigation
- ability to attract node verification of blockchain distributed ledgers
- ability to attract sufficient blockchain program developers

The risk factors described in this Prospectus are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in the Issuer's forward-looking information.

In addition, any forward-looking information represents the Issuer's estimates only as of the date of this Prospectus and should not be relied upon as representing the Issuer's estimates as of any subsequent date. The material factors and assumptions that were applied in making the forward-looking information in this Prospectus include: (a) execution of the Issuer's existing business plans and growth strategy which may change due to changes in the views of the Issuer, or if new information arises which makes it prudent to change such business plans and growth strategy; and (b) the accuracy of current interpretation of research results, since new information or new interpretation of existing information may result in changes in the Issuer's expectations. Forward looking information is based on a number of assumptions that may prove to be incorrect including but not limited to assumptions about:

- ability to obtain customer contracts and establish relationships;
- the impact of competition;
- the ability to obtain and maintain existing financing on acceptable terms;
- the ability to retain skilled management and staff;
- the ability to acquire a significant market position in the provision of products and services in its target markets;
- currency, exchange and interest rates;
- the availability of financing opportunities, risks associated with economic conditions, dependence on management and conflicts of interest;
- the progress and success of the Issuer's product marketing;
- market competition in the blockchain software development/DApp industry;
- the ability to successfully market, and sell, and to create a customer base;
- operating in a regulatory environment (i.e. regulatory environment, node compensation approaches)

The preceding list is not exhaustive of all possible factors. All factors should be considered carefully when making decisions with respect to the Issuer.

Readers should not place undue reliance on the Issuer's forward-looking information, as the Issuer's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking information if known or unknown risks, uncertainties or other factors affect the Issuer's business, or if the Issuer's estimates or assumptions prove inaccurate. Therefore, the Issuer cannot provide any assurance that such forward-looking information will materialize. The Issuer does not undertake to update any forward-looking information, except as, and to the extent required by, applicable securities laws. For a description of material factors that could cause the Issuer's actual results to differ materially from the forward-looking information in this Prospectus, see "*Risk Factors*".

While the Issuer considers these assumptions may be reasonable based on information currently available to it, these assumptions may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in the section titled "*Risk Factors*".

Market and Industry Data

This Prospectus includes market and industry data that has been obtained from third party sources, including industry publications. We believe that this industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that their information has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, we have not independently verified any of the data from third party sources referred to in this Prospectus or ascertained the underlying economic assumptions relied upon by such sources.

GLOSSARY OF TERMS

"**Affiliate**" means a company that is affiliated with another company as described below. A company is an Affiliate of another company if (a) one of them is the subsidiary of the other, or (b) each of them is controlled by the same person. A company is "controlled" by a person if (a) voting securities of the issuer are held, other than by way of security only, by or for the benefit of that person, and (b) the voting securities, if voted, entitle the person to elect a majority of the directors of the issuer. A person beneficially owns securities that are beneficially owned by (a) a company controlled by that person, or (b) an Affiliate of that person or an Affiliate of any company controlled by that person.

"**Associate**" when used to indicate a relationship with a person or company, means (a) a partner, other than a limited partner, of that person, (b) a trust or estate in which that person has a substantial beneficial interest or for which that person serves as trustee or in a similar capacity, (c) an issuer in respect of which that person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the issuer, or (d) a relative, including the spouse, of that person or a relative of that person's spouse, if the relative has the same home as that person.

"**BCBCA**" means the *Business Corporations Act* (British Columbia).

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

"**blockchain**" means a type of digital distributed ledger in which ledger changes are made and verified chronologically and publicly. Blockchains are comprised of un-modifiable, digitally recorded data in packages called "blocks". Each block is then "chained" to the next block, using a cryptographic signature, which allows blockchains to be used like a ledger that can be shared and accessed by anyone with the appropriate permissions.

"**Board**" means the board of directors of the Issuer.

"**BCA**" means the *Canada Business Corporations Act* (Canada).

"**CEO**" means chief executive officer.

"**CFO**" means chief financial officer.

"**Common Shares**" means common shares without par value in the capital of the Issuer.

"**cryptocurrency**" means a form of digital currency based on mathematics where encryption techniques are used to regulate the generation of units of currency and verify the transfer of funds. Cryptocurrencies operate independently of a central bank.

"**CSE**" means the Canadian Stock Exchange.

"**CSE Approval**" means the final approval of the CSE in respect of the listing of the Common Shares on the CSE, as evidenced by the issuance of the final approval bulletin of the CSE in respect thereof.

"**CSE Policies**" means the rules and policies of the CSE in effect as of the date hereof.

"**DApp**" (pronounced Dee-app) means a decentralized application. For an application to be considered a DApp it must meet the following criteria:

- (a) the application must be completely open-source, it must operate autonomously, and with no entity controlling the majority of its tokens. The application may adapt its protocol in response to proposed improvements and market feedback but all changes must be decided by consensus of its users.
- (b) the application's data and records of operation must be cryptographically stored in a public, decentralized blockchain to avoid any central points of failure.

- (c) the application must use a cryptographic token (a token native to its system) which is necessary for access to the application and any contribution of value from (nodes / farmers) should be rewarded in the application's tokens according to a standard cryptographic algorithm acting as a proof of the value.

"Distributed Ledger" means a type of database that are spread across multiple sites, countries or institutions. Records are stored one after the other in a continuous ledger. Distributed ledger data can be either "permissioned" or "unpermissioned" to control who can view it.

"Effective Date" means the date on which the BCSC issues a final receipt for this Prospectus.

"Escrow Agent" and **"Transfer Agent"** means National Issuer Services Ltd., at its Vancouver office located at suite 760 – 777 Hornby Street, Vancouver BC, V6Z 1S4.

"Escrow Agreement" means the escrow agreement among the Issuer, the Escrow Agent, and the holders of the Escrow Securities.

"Escrow Securities" means the Common Shares held by the directors, officers and insiders on the Listing Date that will be deposited or voluntarily deposited in escrow or a voluntary pooling arrangement pursuant to the Escrow Agreement or a voluntary pooling agreement, as applicable.

"eXeBlock" means eXeBlock Technology Inc., the Issuer's wholly-owned subsidiary.

"eXeBlock Shares" means common shares without par value in eXeBlock.

"eXeBlock Shareholders" means shareholders of eXeBlock.

"Finders" means Numus, PowerOne, Haywood and Leede, which introduced to the Issuer certain investors in the Financing.

"Finders' Fee" means the cash payment of 7.5% of the gross proceeds raised through the Financing.

"Finders' Warrants" means the share purchase warrants issued to the Finders entitling them to purchase Common Shares equal to 7.5% of the number of Subscription Receipts sold to purchasers they introduced to the Issuer, exercisable at a price of \$0.35 for two years from the date of issuance of the Finders' Warrants.

"Financing" means the Issuer's financing which raised total gross proceeds of \$6,197,600 through the issuance of 17,707,428 Subscription Receipts at a price of \$0.35 per Subscription Receipt.

"Haywood" means Haywood Securities Inc.

"Insider" has the meaning ascribed to that term in the *Securities Act* (British Columbia), which includes the directors and senior officers of the Issuer or any subsidiaries of the Issuer and any person that has direct or indirect beneficial ownership of, or control or direction over, securities of the Issuer carrying more than 10% of the voting rights attached to the Issuer's outstanding voting securities.

"Issuer" means eXeBlock Technology Corporation.

"Kidani" means Kidani Capital Partners Inc. (now named Tabu Equity Investments Inc.), a British Columbia company and a reporting issuer in Alberta and British Columbia.

"Leede" means Leede Jones Gable Inc.

"Letter of Intent" means the letter of intent dated August 18, 2017 entered into by eXeBlock, eXeBlock Shareholders and the Issuer in respect of the Transaction, which was replaced by the Share Exchange Agreement.

"Listing Date" means the date on which the Common Shares are listed for trading on the CSE.

"**Node Verification**" means the process by which transactions are verified and added to a blockchain. This is a process of solving cryptographic problems using computing hardware.

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

- (a) the Issuer's CEO;
- (b) the Issuer's CFO;
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Issuer's CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(5) of 51-102F6V Statement of Executive Compensation – Venture Issuers, for that financial year; and
- (d) each individual who would be an Named Executive Officer under paragraph (c) but for the fact that the individual was not an executive officer of the Issuer, and not acting in a similar capacity, at the end of that financial year.

"**NP 46-201**" means National Policy 46-201 *Escrow for Initial Public Offerings* as published by the Canadian Securities Administrators.

"**NI 51-102**" means National Instrument 51-102 *Continuous Disclosure Requirements*.

"**NI 52-110**" means National Instrument 52-110 *Audit Committees*.

"**NI 58-101**" means National Instrument 58-101 *Disclosure of Corporate Governance Practices*.

"**NI 58-201**" means National Policy 58-201 *Corporate Governance Guidelines*.

"**Numus**" means Numus Capital Corporation is a Nova Scotia based Exempt Market Dealer. Numus, together with PowerOne Capital Markets Limited, Haywood and Leede, aided the Issuer in finding investors for the Financing.

"**Optionee**" means the holder of an Option.

"**Options**" means incentive stock options granted to the Issuer's directors, officers, employees and consultants in accordance with the Stock Option Plan and rules and the CSE Policies.

"**Person**" means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual, or an individual.

"**PowerOne**" means PowerOne Capital Markets Limited, a diversified merchant bank based out of Toronto that focuses on providing early-stage capital and advisory services to emerging growth companies.

"**Prospectus**" means this prospectus and any appendices, schedules or attachments hereto.

"**RRIF**" means a registered retirement income fund.

"**RRSP**" means a registered retirement savings plan.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval (www.sedar.com).

"**Share Exchange Agreement**" means the share exchange agreement dated September 6, 2017 entered into by eXeBlock, eXeBlock Shareholders and the Issuer in respect of the Transaction, which replaced the Letter of Intent.

"**Stock Option Plan**" means the Issuer's stock option plan providing for the grant of Options to the Issuer's directors, officers, employees and consultants in accordance with the provisions of the Stock Option Plan and the CSE Policies.

"**Subscription Funds**" means the total subscription funds of \$6,197,600 raised through the issuance of 17,707,428 Subscription Receipts in the Financing;

"**Subscription Receipts**" means the subscription receipts issued pursuant to the Financing at a price of \$0.35 per Subscription Receipt, which will automatically be exchanged for Common Shares on a one-for-one basis upon satisfaction of the conditions for release of the Subscription Funds.

"**Transaction**" means the acquisition by the Issuer of 100% of the issued and outstanding eXeBlock Shares in exchange for the issuance of 38,100,002 Common Shares to the eXeBlock Shareholders pursuant to the Share Exchange Agreement.

"**Units**" means the 5,200,000 units issued by the Issuer on August 14, 2017 at a price of \$0.03 per unit to raise proceeds of \$156,000, with each Unit consisting of one Common Share and one-half of one Warrant.

"**Warrants**" means the share purchase warrants of the Issuer entitling the holders to purchase up to 2,600,000 Common Shares at an exercise price of \$0.05 per Common Share until August 14, 2020, which were comprised in the Units.

CURRENCY

All sums of money to be paid or calculated pursuant to this Prospectus shall be paid or calculated in the currency of Canada unless otherwise expressly stated and the references to \$ are to Canadian dollars.

CORPORATE STRUCTURE

Name and Incorporation of Issuer

The Issuer was incorporated pursuant to the BCBCA on June 19, 2015 under incorporation number BC1040433. In connection with the Transaction, on September 13, 2017 the Issuer changed its name from "1040433 B.C. Ltd." to "eXeBlock Technology Corporation". The Issuer's business address is Suite 1128, 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

On December 2, 2016, the BCSC issued a cease trade order against the Issuer for failure to file, within the required time, annual audited financial statements, related annual management's discussion and analysis, and certification of the annual filings for the year ended July 31, 2016. Subsequently the Issuer filed the required annual audited financial statements, management's discussion and analysis and on May 23, 2017, the BCSC issued a revocation order revoking the cease trade order.

Name and Incorporation of eXeBlock Technology Inc.

eXeBlock was incorporated under the name "eXeBlock Technology Inc." under the CBCA on July 11, 2017. eXeBlock's business address is located at 47 Lockheed Crescent, Debert, Nova Scotia, B0M 1G0.

Business Combination with eXeBlock

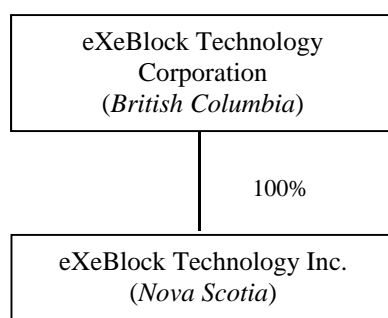
On August 18, 2017, the Issuer entered into the Letter of Intent with eXeBlock and the eXeBlock Shareholders, to carry out a business combination transaction. On September 6, 2017, the Issuer entered into the Share Exchange Agreement with eXeBlock and the eXeBlock Shareholders, which replaced the Letter of Intent.

Effective September 6, 2017, the Transaction completed and all eXeBlock Shareholders exchanged their eXeBlock Shares for a total of 38,100,002 Common Shares on the basis of two (2) Common Shares for every one (1) eXeBlock Share.

As a result of the Transaction, eXeBlock became the 100% wholly-owned subsidiary of the Issuer and the business of eXeBlock is the business of the Issuer. The former eXeBlock Shareholders have become owners of more than 50% of the issued and outstanding Common Shares.

Intercorporate Relationships

Before completion of the Transaction, the Issuer did not have any inter-corporate relationships. The following diagram summarizes the structure of the entities upon completion of the Transaction.



Plan of Arrangement with Kidani

On July 20, 2015, the Issuer entered into an arrangement agreement dated as of July 10, 2015 among Kidani (now named Tabu Equity Investments Inc.), the Issuer and other parties (the "**Arrangement Agreement**") in connection with a plan of arrangement (the "**Arrangement**"), which was approved by the shareholders of the Issuer by unanimous shareholder resolution effective July 20, 2015. On August 19, 2015, the Court granted the Final Order approving the Arrangement in

accordance with Part 9 of the BCBCA. On October 29, 2015, the Issuer closed the Arrangement and became a reporting issuer in Alberta and British Columbia. Pursuant to the Arrangement, among other things, the Issuer issued a total of 396,600 Common Shares to the shareholders of Kidani at a deemed price of \$0.01 per Common Share. More information about the Arrangement and a copy of the Arrangement Agreement is available for review under the Issuer's SEDAR profile at www.sedar.com.

Financing

As a condition of closing of the Transaction pursuant to the Share Exchange Agreement, on October 4 and October 6, 2017, the Issuer completed the Financing, which raised total gross proceeds of \$6,197,600 by the issuance of 17,707,428 Subscription Receipts at a price of \$0.35 per Subscription Receipt. The Subscription Funds paid to the Issuer were deposited into escrow with the Escrow Agent pursuant to an escrow agreement dated October 4, 2017 between the Issuer and the Escrow Agent. The Subscription Funds will be held in escrow until the Issuer has received all required regulatory approvals including, without limitation, a final receipt for a non-offering prospectus and conditional approval of the listing of the Common Shares on the CSE (the "**Release Conditions**"). If the Release Conditions have not been satisfied on or before December 31, 2017, the Subscription Funds will be returned to the subscribers without interest. Upon satisfaction of the Release Conditions, each Subscription Receipt will be automatically exchanged, without payment of any additional consideration or further action on the part of the subscriber, for one Common Share and the Subscription Funds will be released to the Issuer.

The Finders assisted the Issuer in securing subscribers of Subscription Receipts in the Financing. The Issuer will pay Finders' Fees of \$143,837 to Numus, \$288,454 to PowerOne, \$22,519 to Haywood and \$10,010 to Leede representing a total of 7.5% of the gross proceeds raised in the Financing from subscribers introduced to the Issuer by the Finders. Upon the exchange of the Subscription Receipts for Common Shares and the release of the Subscription Funds from escrow, the Issuer will also issue Finders' Warrants to Numus, PowerOne, Haywood and Leede entitling them to purchase up to a total of 1,328,057 Common Shares at an exercise price of \$0.35 per Common Share for two years from the date of issuance of the Finders' Warrants.

The Common Shares to be issued in exchange for the Subscription Receipts will be subject to a statutory hold period of four months and one day from the date of closing of the Financing. The subscribers in the Financing have agreed that the Common Shares to be issued to them in exchange for their Subscription Receipts will be deposited into pool the Transfer Agent and released on the following basis:

- 25% of the Common Shares upon the Listing Date;
- 25% of the Common Shares 3 months following the Listing Date;
- 25% of the Common Shares 6 months following the Listing Date; and
- 25% of the Subscriber's Shares 9 months following the Listing Date.

DESCRIBE THE BUSINESS

Before the acquisition of eXeBlock, the Issuer had no active business. Accordingly, the business discussion set forth below relates to the business of eXeBlock which, upon closing of the Transaction, became the business of the Issuer.

Three Year History

eXeBlock is a private company based in Nova Scotia recently incorporated on July 11, 2017. eXeBlock was formed to capitalize on the opportunities available in blockchain technology development. Since incorporation, eXeBlock has begun development work on its first two proprietary blockchain decentralized applications "DApps", namely a charity fundraising DApp and a DApp that can be used by any blockchain software allowing users to easily convert traditional currencies for cryptocurrency to use in applications.

Description of Products

eXeBlock is a software development company specializing in the development of DApps. eXeBlock intends to establish itself as a strong and growing presence in blockchain technology and innovation. Its goal is to generate "early mover advantage" as one of the very few public companies focused on exposing investors to multiple blockchain applications with a fully integrated solution.

eXeBlock's business model and strategy is based on identifying and developing blockchain related applications and services. From a la carte services to turn-key project delivery, eXeBlock intends to enter the blockchain ecosystem by conceptualizing, developing and launching DApps privately or for third parties.

Blockchain Decentralized Applications

eXeBlock intends to develop its own proprietary DApps, as well as potentially develop blockchain software for third parties. Blockchain software is essentially a distributed ledger that allows for low cost, highly-verified content of registration data. This distributed ledger also maintains a registration history of all transactions.

DApps allow for the replacement of centralized clearing houses. An example of a centralized clearing house would be the service provider that a bank uses to complete a money wire transfer. Currently this service provider verifies the sending bank has forwarded the funds, presents the funds to the receiving bank and verifies the funds have been received by the receiving bank. Blockchain software would allow the sender and receiver to communicate directly, transferring funds without the verification of a third party. Another example of a centralized clearing house would be a state operated land registry. The state maintains a record of who owns all land by location. When a property is sold, the state updates the registry indicating the change from the old to the new owner. Blockchain software would allow the current and future owner to update the registry of land ownership through the blockchain application, and have their transaction verified in the distributed ledger, eliminating the need for a physical state operated land registry.

eXeBlock intends to develop proprietary DApps it will own. The first DApp eXeBlock is working on is an application that will allow charities to undertake fundraising activities through the DApp. This will allow the charity to complete fully verified fundraising activities easily and across multiple jurisdictions. The eXeBlock DApp will retain a small percentage of the funds raised, currently planned to be at a significantly lower internal cost (labour) than the charity can complete the fundraising themselves, or at a lower cost than current third-party fundraising providers. The eXeBlock DApp can be used from anywhere in the world and by an unlimited number of charities at the same time.

eXeBlock may create blockchain applications for third parties, as the above example of a state land registry. In that case, eXeBlock would anticipate revenues to offset programming development costs as well as retaining a small percentage of the value of all future lands transferred. The eXeBlock automated application and distributed ledger would allow the state to offer significant public transparency in the distributed ledger, as well as transfer costs significantly lower than their own operations (cost to land buyer/seller, and state department operational costs).

Funds raised through the Financing, traditional equity markets and consulting fees will be used to cover development and marketing costs incurred by eXeBlock directly or on behalf of clients. Blockchains built by eXeBlock will earn recurring 'by use' revenue as the developer of the DApp. eXeBlock will share in the profits earned from the DApp. Investors in eXeBlock will be exposed to multiple blockchain applications.

Principal Markets

As of mid-2017 the blockchain sector is moving into the implementation stage, creating huge opportunities for development and distribution of blockchain-enabled DApps.

While many of the world's largest banks and retailers are investing hundreds of millions in researching the utilization of blockchains, it is still a wide-open frontier. There is currently a void of usable software applications that fully exploit the power and value inherent in this technology. eXeBlock will create value for its shareholders by developing massively scalable DApps that fill this void. eXeBlock will be focused on developing revenue generating blockchain applications through a proof of concept approach and launching blockchain applications in an efficient manner.

Numerous opportunities are emerging for blockchain-based applications world-wide, not only for the use in digital currencies, which are the early adopters of the space, but also in a wide variety of other non-financial, but data driven applications. Such industries include, but are not limited to:

- Gaming: from eSports to casinos;
- Electronic Medical Records (EMR);
- Enterprise Resource Planning (ERP);

- Money transfers;
- Financial Services;
- Financial Exchanges;
- Registered ownership tracking;
- Payment Processing;
- Online shopping;
- Real Estate Transactions;
- Rewards Programs;
- Sales and Marketing Programs; and
- Supply Chain Product Validation.

Industry experts are predicting that almost every application in the future will eventually utilize a blockchain. eXeBlock believes it is positioned at the ground-level of this new digital break through. The key to eXeBlock's success will be its ability to combine useful blockchain-based applications with efficient time-to-market methods to ensure a solid first mover advantage and substantial ongoing returns on investments.

Distribution Methods

eXeBlock's initial focus will be on developing proprietary DApps and will not be relying on identifying sales or third-party blockchain purchasers. eXeBlock DApps will be launched and promoted through the internet. eXeBlock has partnered with PR, Blog, promotional companies such as Spark PR, a leading on-line public relations (PR) company.

Revenue

eXeBlock has earned no revenue since incorporation.

Specialized Skill and Knowledge

eXeBlock has a strong management team with significant blockchain experience. Blockchain developers are in tremendous demand around the world. Peer to peer relationships are instrumental in attracting programmers who are seeking out the next disruptive blockchain application. The eXeBlock development team is well respected in the blockchain industry and is a tremendous asset for attracting talent to the Board, management and other development team members.

Accountability and oversight of the Issuer rests with the Board. The Board consists of the ideal mix of blockchain technology and capital market expertise so as to drive the value and performance of the Issuer from both a development standpoint and a shareholder value perspective.

An expanded management team will be put in place to oversee the business development activities of the Issuer and perform all core functions.

Intangible Properties – DApps Software

eXeBlock's software developers have worked together on previous projects for over 2 years. During this time, the software programmers have developed new innovative software approaches that have allowed for faster, wider use blockchain applications, essentially allowing for more users and faster transactions through blockchain software. eXeBlock programmers are the only developers experienced in working with these programming approaches. eXeBlock expects that these programming advantages will result in significant 'quick-to-market' advantages for eXeBlock. eXeBlock will own the proprietary rights to the DApps developed by its programmers.

Competitive Conditions

There are a number of other companies in the blockchain development space, some examples include Avalanchain, Bloq, Guardtime, PeerNova and SolidX. However, eXeBlock does not intend to focus on applications that other companies are

developing as there is the potential for an unlimited number of applications to develop with blockchain technology. Due to the potential opportunities in the blockchain space, eXeBlock doesn't initially expect to be in direct competition with any other blockchain company.

The most significant competition for eXeBlock are legacy systems or the traditional centralized transaction processing approaches. Blockchain has the potential to gain momentum towards disrupting and replacing many aspects of legacy systems in the coming years. Blockchain decentralized applications have the potential to offer low-cost registrant, ownership tracking and verification services across a wide range of industries in addition to the financial industry.

In addition, eXeBlock has a first mover advantage in the equity markets as there are currently no other publicly listed blockchain development companies. However, it is expected that there will be a number of other companies intending to enter into the public markets.

Market Participants

Other blockchain development companies include, but are not limited to:

- AlphaPoint Distributed Ledger Platform (“**ADLP**”) is a private, permissioned protocol that leverages the inherent benefits of the blockchain – immutability, strong cryptography, instantaneous clearing – but makes significant improvements. Unlike traditional blockchains, ADLP allows firms complete control over their data and acts as a general-purpose platform for deploying financial applications.
- Applied Blockchain is a blockchain application development company, focusing on Distributed Ledger Technology (“**DLT**”) and smart contracts. Based in the Level39 FinTech Accelerator in Canary Wharf, London, Applied Blockchain has developed a blockchain agnostic application and privacy framework that sits on top of any underlying blockchain platform to improve development efficiency, add workflow functionality and future-proof solutions to work with the best available technology.
- Avalanchain offers a Data-as-a-Stream blockchain platform. Enterprises can create as many Chains as they like with each Stream being a separate Chain of digitally signed events.
- BigchainDB allows developers and enterprise to deploy blockchain proof-of-concepts, platforms and applications with a scalable blockchain database, supporting a wide range of industries and use cases.
- Blockchain Foundry offers scalable, secure and robust enterprise blockchain platform for prototyping and production deployment.
- BlockCypher is the infrastructure fabric for blockchain applications. Its’ modular, cloud-optimized architecture is enterprise-grade for scalability, performance, and reliability.
- Bloq delivers enterprise-grade blockchain technology to leading companies worldwide. The company delivers enterprise-grade layers of key software infrastructure to power blockchain applications.
- Chain is enterprise-grade blockchain infrastructure that enables organizations to build better financial services from the ground up.
- Chain Reactor is an enterprise blockchain company providing a high performance, permissioned blockchain enablement platform. Complex data management and node support for SQL and NoSQL databases allow Chainreactor to be used in conjunction with existing systems.
- ChainThat is a technology-focused start-up that specializes in the delivery of blockchain-based enterprise distributed applications and products across different industry verticals. The company’s mission is to provide services and solutions that leverage new decentralized technologies to enable a step-change in peer-to-peer processing; to realize the benefits of centralized processing but with game-changing improvements to costs, speed and data quality.
- ChromaWay offers blockchain as a platform for financial institutions and is working on a smart contract platform that allows for digitizing and representing workflows in a secure, private and efficient way. The platform has been built for colored coins and is currently being used for many real-world transactions on the bitcoin network.
- Ciphrex is a cryptocurrency platform specialized in blockchain technology, digital currency protocols and decentralized consensus networks. The company has developed products that include mSIGNA, a multisignature bitcoin wallet, and CoinSocket, an enterprise-grade development platform.

- Colu is a blockchain technology platform for enterprises and developers providing a powerful toolbox for building blockchain-based applications. Through Colu's application municipal authorities, governmental entities and other organizations can engage directly with independent local businesses to drive local entrepreneurship and growth. Strengthening the relationship with residents and businesses helps preserve the local culture and uniqueness of the city and creates incentives for locals to stick around.
- Credits is a blockchain platform provider offering a Platform-as-a-Service (PaaS) with tools for building secure and scalable blockchains to power enterprise applications.
- Epiphyte provides a blockchain-powered SaaS service that delivers instant settlement and DVP (delivery versus payment) for financial trades. The company develops enterprise software allowing banks and other financial institutions to securely integrate with the bitcoin and crypto-finance industry. Epiphyte provides a range of turnkey SaaS products in addition to consulting and regulatory services.
- Guardtime builds products leveraging KSI to solve hard problems. Examples include anti-tamper hardware designed to resist nation-state reverse engineering, a replacement for RSA digital signatures that is resistant to quantum computational attack, cryptographic provenance for software supply chains and deterministic data loss prevention.
- Interbit is an enterprise-grade blockchain platform that enables applications to be built, managed, and run on a blockchain. Interbit is extraordinarily lightweight, allows fine-grained access control to keep data private and restricted to particular nodes, and enables scalability through indefinitely extendable blockchain networks. Interbit empowers organizations across industries to introduce blockchain technology to their businesses. By building core business functions on Interbit, organizations minimize workflows, integration issues, en route to future-readying their businesses.
- Libra Enterprise is the connective tissue enabling business professionals to utilize blockchain tech. Libra's platform consists of three solution layers: integration, interaction, and interface, which solve the problems of system compatibility, information consumption, and user comfort. Together these complementary solutions enable an end-to-end system. Depending on client use case, each solution can operate independently.
- Monax is the company behind eris, the first application platform built from the ground up to provide a logical base for developers and DevOps to build, test, and run ecosystem applications. It is designed to support multiple blockchain nodes connected to multiple blockchain networks with different smart contract interpreters all seamlessly connected to other microservices necessary to build, test, and run the ecosystem application such as key management systems and distributed data lakes. Monax sells legally compliant smart contract-based SDKs to accelerate businesses' time to market with sophisticated ecosystem applications.
- Nuco offers enterprise-grade blockchain infrastructure – a modular architecture built and designed with security, performance, and scalability as priority features. Nuco enables users to deploy a network with the ideal components for any specific use case and industry requirement.
- Openchain is an open-source distributed ledger technology. It is suited for organizations wishing to issue and manage digital assets in a robust, secure and scalable way.
- OTCXN offers enterprise-class, high-performance Blockchain fabric to support a wide variety of use cases for global firms building custom applications. OTC Exchange Network's (OTCXN) total end-to-end solution includes a suite of real-time services, such as collateral management, pre-trade credit checks, liquidation risk management, counterparty risk and liquidity management, instantaneous clearing and settlement, and post-trade messaging including netting based on inbound messages for trades done away from the network.
- PeerNova has developed a technology platform that provides immutability and data integrity for use in financial services applications, such as compliance and audit. Inspired by blockchain, its patent-pending technology enables the use of immutable ledgers and databases in real-time. Traditional applications of blockchains involve decentralized ledgers, distributed consensus protocols, and anonymous users. PeerNova's solution is built for commercial usage by enabling the same type of data integrity and immutability for financial ledgers without needing to decentralize the ledger or allowing anonymous users to participate.
- Pragmatic Coders specializes in custom blockchain-based software development for various industries, such as healthcare, FinTech, energy management, retail and more. Dedicated teams provide the full spectrum of Python and Java development services. The company's blockchain services include: Blockchain App Development (build distributed applications and write smart contracts), ICO & Blockchain Development (help prepare to ICO), and Blockchain-Based Systems (building custom, blockchain-based systems that support various industries).

- Sofocle is a blockchain subsidiary of Prolitus, a 10-year old IT solutions company. Founded in 2016, Sofocle is focused on developing blockchain-based enterprise solutions for finance, health and manufacturing sectors. It has developed solutions for supply chain financing (sofoSupply), trade finance (sofoTrade) and product supply chain (sofoChain).
- SolidX provides blockchain-based software solutions relating to the indelible recording of records, transfer of assets, and identity. In 2016, SolidX announced the launch of Vida, the world's first full-stack identity solution using blockchain technology. Vida provides enterprises with robust identity management capabilities without the need to hold personal identifying information. Vida is the first service of its kind to provide one identity across numerous applications, streamlining permissioned access to data and services without shared-secret based access mechanisms (e.g., usernames and passwords, government ID numbers, etc.).
- Symbiont is a smart contracts platform for institutional applications of distributed ledger technology. The company has developed a platform that allows financial market participants to create programmable versions of traditional securities that take the form of Smart Securities™: self-executing digital contracts that are stored in a distributed ledger. The platform allows users to issue, manage, locate, and trade Smart Securities™ efficiently in a single, global, peer-to-peer financial network.
- TradeBlock is a provider of institutional trading tools for digital currencies.
- Tymlez delivers blockchain-based enterprise solutions. The company's smart enterprise blockchain platform enables business owners to easily adopt disruptive technologies in their existing environment or use the software to become a disruptor themselves. Tymlez does it in a variety of fields, such as but not limited to: (micro) payments; loyalty systems; peer-to-peer-transactions; IoT and blockchain; digital asset management; digital rights management.
- XNotes Alliance is a technology company and member organization that provides business-driven, currency agnostic and energy-efficient enterprise class blockchain-based solutions. The company empowers organizations to run more efficiently and more securely while reducing costs.

Cycles

Neither the products to be offered by eXeBlock nor the markets in which it will operate are considered to be cyclical. The blockchain software development/DApp sector is a year-round market.

Continuing Evolution of Blockchain Technology

eXeBlock will be dependent on a continued understanding and movement towards blockchain technology replacing older more costly and labour intensive registration systems. Blockchain is still a new technology not understood by many potential end-users. Blockchain technology has the potential to revolutionize many existing systems replacing many large centralized registries that are currently both highly profitable and large employers. Blockchain's considerable lower-cost, less-labour advantages will need to be accepted for the significant change it may represent, including the negative economic impact it may have on the industries/companies it replaces.

Changes to Contracts

eXeBlock does not expect any changes to any of the material contracts it has for the current fiscal year. None of eXeBlock's material contracts are up for re-negotiation in the next two fiscal years.

Employees

eXeBlock currently has 10 contractors and employees on staff or under offer to begin work and will expand that number as required by the demands of its business. Other work is performed for eXeBlock by contractors and consultants.

The Issuer intends to build an expanded management team, which will include a strong development team that will oversee the business development activities of the Issuer and perform all core functions of the business.

The development will be a single, in-house team that will handle all blockchain programming requirements. The initial operational load is expected to consist of: six (6) C++/Rust Programmers who have at least 5 years' experience; four Front-

end Javascript developers proficient in handling newer languages such as Redux, React.js, and Web Assembly; three (3) project managers; and two (2) graphic artists.

eXeBlock's programming staff work in a 64,000 square foot nuclear bunker located in Debert, Nova Scotia.

Anticipated Changes in the Current Financial Year

Following listing of the Common Shares on the CSE, the Issuer intends to develop its DApps in the following three steps:

Step 1: A whitepaper will be published as a proof of concept document describing the DApp and its features

eXeBlock's team will continuously source and evaluate DApps for potential development in-house or for third parties. Each DApp will be evaluated based on its business merits and applicability to decentralized blockchain applications. Once eXeBlock's development team has evaluated the potential feasibility of a DApp, the team will begin a presale marketing program.

In this stage, eXeBlock's development team will review various marketing elements with its blockchain marketing partner and gather input for writing the whitepaper that will be released publicly. During the early stage, public awareness of the DApps coming to market will begin but no specific details will be provided. Refinement to DApp functionality, operating rules and the marketing campaign will take place during this period.

Shortly after a DApp has passed the evaluation stage, a white paper describing the application, its features, its protocol and implementation will be released publicly. Following the public release, feedback from the community will be collected for consideration in the further development of the DApp. In order to ensure the public is aware and interested in the DApp, a significant and meaningful marketing program will be initiated. An on-going marketing strategy is a key factor influencing the ability of eXeBlock to create value.

Step 2: DApp development

The second step includes completing and initial testing of the blockchain software. Real-time input from the blockchain and end-user community will contain the necessary feedback on how the DApp should be developed, managed, costed, revenue retained by eXeBlock, as well as inputs on the potential demand, reach, frequency of use, competition and user types. The analysis of information collected will be the key to determining how a particular DApp should be developed in line with community expectations

Each DApp under consideration will be funded through either traditional equity markets, third-party contracts or some other form of financing as determined by the management of eXeBlock.

Step 3: DApp launch and on-going upgrades

Once a DApp is delivered it operates and updates itself independently and without any direct control by eXeBlock. In a DApp, blockchain users worldwide ultimately decide what version of software and what types of features will be run. eXeBlock can continue to develop and offer guidance and other services and will always be regarded as the founders of the DApp. Over time, the DApp will take on a life of its own and is not subject to the will of the founders as to what direction it may take. Historically however, the founding team often exercises a strong influence over the direction of the DApp in the early stages.

As the DApp matures, there is the potential for participants with more diverse skills to be incentivized to make valuable contributions to the further development of the DApp and receive further distributions for their efforts. The power of the blockchain comes from each DApp operating under an open-source license. This allows DApps to be open for innovation without restrictions of copyright or patent. In other words, DApps developed by eXeBlock will be continuously upgraded by the majority of end-users at no cost to eXeBlock.

USE OF AVAILABLE FUNDS

Proceeds

This is a non-offering prospectus. The Issuer is not raising any funds in conjunction with this Prospectus. Accordingly, there are no proceeds to the Issuer in connection with the filing of this Prospectus.

Funds Available

The consolidated pro forma balance sheet of the Issuer, which gives effect to the Transaction as if it had been completed as of July 31, 2017, is attached as Schedule "E". The pro forma working capital position of the Issuer as at July 31, 2017, giving effect to the Transaction as if it had been completed on that date, was \$6,054,936.

On August 14, 2017, the Issuer closed a non-brokered financing of 5,200,000 Units at \$0.03 per Unit for gross proceeds of \$156,000. Each Unit consists of one Common Share and one-half of one Warrant, with each whole Warrant entitling the holder to acquire an additional Common Share at a price of \$0.05 until August 14, 2020.

The approximate consolidated working capital of the Issuer as of September 30, 2017 is \$450,000. On October 6, 2017, the Issuer completed the Financing which raised total proceeds of \$6,197,600 through the issuance of 17,707,428 Subscription Receipts at a price of \$0.35 per Subscription Receipt. The combined total of the working capital and the proceeds of the Financing is \$6,647,600 (the "**Available Funds**"). This amount takes into account the funding of the negative cash flow from operating activities for both the Issuer and eXeBlock.

Use of Available Funds

Management anticipates applying the Available Funds in the following manner over the next 12 months:

Use of Funds	Funds to be Expended (\$)
Completion of the eXe50/50 DApp and the Freedom Ledger DApp and commence development of a new proprietary DApp ⁽¹⁾	3,250,000
Capital assets	240,000
Payment of balance of costs to complete the CSE listing	215,000
Payment of finder's fees to the Finders pursuant to the Financing	464,820
Common Share issuance costs	50,000
General and administrative ⁽²⁾	1,232,000
Unallocated working capital	1,195,780
Total	6,647,600

Note: (1) See "Use of Available Funds – Business Objectives and Milestones below".

(2) See "Use of Available Funds – General and Administrative Expenses below".

The Issuer intends to spend the Available Funds as stated in this Prospectus. However, there may be situations where, due to change of circumstance, outlook, research results and or business judgment, a reallocation of funds may be necessary in order for the Issuer to achieve its overall business objectives. There can be no assurance that additional funding required by the Issuer will be available if required. However, it is anticipated that the Available Funds will be sufficient to satisfy the Issuer's objectives over the next 12 months.

Business Objectives and Milestones

The principal milestones that must occur during the 12-month period following listing of the Common Shares on the CSE in order for the business objectives described above to be accomplished are as follows:

Business Objective	Milestones that must occur for Business Objective to be Accomplished	Anticipated Timing to achieve Business Objectives	Estimated Cost (\$)
Whitepaper published as proof of concept document describing the DApp and its features	eXe50/50 whitepaper published	December 2017	\$100,000
	Freedom Ledger published	April 2018	\$250,000
	New Proprietary DApp – currently in prototype development	June 2018	\$300,000
DApp development	eXe50/50 Beta	February 2018	\$400,000
	Freedom Ledger Beta	June 2018	\$800,000
	New Proprietary DApp – currently in prototype development	September 2018	\$800,000
DApp launch and on-going upgrades	Full Launch of eXe50/50	June 2018	\$200,000
	Full Launch of Freedom Ledger	September 2018	\$400,000
		Subtotal	\$3,250,000⁽¹⁾
New Proprietary DApp DApp launch and on-going upgrades	Full Launch of New Proprietary DApp ⁽²⁾	June 2019	\$800,000

Notes:

(1) See “Use of Available Funds” above.

(2) If warranted, to be completed in 12-24 months using funds from unallocated working capital. See “Use of Available Funds” above.

General and Administrative Expenses

The Issuer’s working capital available to fund ongoing operations will be sufficient to fund its business milestones and objectives and administrative costs for the next twelve months. Estimated general and administrative expenditures during this period are comprised of the following:

	\$
Executive and administrative salaries	312,000
Professional and consulting fees	160,000
Marketing, advertising and investor relations	320,000
General and administrative ⁽¹⁾	200,000
Administrative Services Agreement ⁽²⁾	240,000
Total:	1,232,000

Note:

(1) General and administrative includes \$72,000 for travel, \$44,000 for general office and administrative costs, \$36,000 for equipment and supplies, \$36,000 for facility rental and \$12,000 for D&O insurance.

(2) Administrative and accounting services at \$20,000 per month payable to Numus Financial Inc.

DIVIDEND POLICY

Neither the Issuer nor eXeBlock has declared any dividends or made any distributions since their respective incorporation. The Board may declare dividends at its discretion but does not anticipate paying dividends in the near future. The Board expects to retain earnings to finance future growth of the Issuer and, when appropriate, retire debt.

MANAGEMENT DISCUSSION AND ANALYSIS

Management's Discussion and Analysis for the Issuer for the financial years ended July 31, 2017 and 2016 are included as Schedule "B".

Management's Discussion and Analysis of eXeBlock for the period from incorporation on July 11, 2017 to August 31, 2017 is included as Schedule "D".

DESCRIPTION OF THE SECURITIES DISTRIBUTED

Authorized and Issued Share Capital

The Issuer's authorized share capital consists of an unlimited number of Common Shares without par value of which 43,696,603 Common Shares are issued and outstanding at the date of this Prospectus. See "*Consolidated Capitalization*".

Common Shares

All of the Common Shares rank equally as to voting rights, participation in a distribution of the assets of the Issuer on the liquidation, dissolution or winding-up of the Issuer and the entitlement to dividends. The holders of the Common Shares are entitled to receive notice of all meetings of shareholders and to attend and vote such Common Shares at the meetings. Each Common Share carries with it the right to one vote. The Common Shares do not have pre-emptive rights and are not subject to redemption. Holders of the Common Shares are entitled to receive such dividends as may be declared by the Board out of funds legally available therefore. In the event of dissolution or winding up of the affairs of the Issuer, holders of the Common Shares are entitled to share rateably in all assets of the Issuer remaining after payment of all amounts due to creditors.

Subscription Receipts

See "*Corporate Structure – Financing*" for information about the Subscription Receipts and the Financing.

Warrants

On August 14, 2017, the Issuer issued the Warrants entitling the holders to purchase up to a total 2,600,000 Common Shares at a price of \$0.05 per Common Share until August 14, 2020.

Upon the exchange of the Subscription Receipts for Common Shares and release of the Subscription Funds from escrow, the Issuer will issue the Finders' Warrants entitling the Finders to purchase up to a total 1,328,057 Common Shares at a price of \$0.35 per Common Share for two years from date of issuance of the Finders' Warrants.

CONSOLIDATED CAPITALIZATION

The following table sets forth the share and loan capital of the Issuer as at the dates below. The table should be read in conjunction with and is qualified in its entirety by the Issuer's audited financial statements for the years ended July 31, 2017 and 2016.

Description	Amount Authorized or to be Authorized	Authorized at the date of this Prospectus	Outstanding as at July 31, 2017	Outstanding as at the date of this Prospectus
Common Shares	Unlimited	Unlimited	5,596,601	43,696,603 ⁽¹⁾
Subscription Receipts	Unlimited	Unlimited	0	17,707,428 ⁽²⁾
Warrants	Unlimited	Unlimited	0	2,600,000 ⁽³⁾

Notes:

- (1) This figure includes the 38,100,002 Common Shares issued on completion of the Transaction.
- (2) Pursuant to the Financing, the Issuer issued 17,707,428 Subscription Receipts at a price of \$0.35 per Subscription Receipt. See "*Corporate Structure – Financing*" for more information about the Subscription Receipts.
- (3) The Warrants entitle the holders to purchase up to 2,600,000 Common Shares at an exercise price of \$0.05 until August 14, 2020. Upon exchange of the Subscription Receipts for Common Shares and release of the Subscription Funds from escrow, the Issuer will issue the Finders' Warrants entitling the Finders to purchase up to 1,328,057 Common Shares at a price of \$0.35 for two years from the date of issuance of the Finders' Warrants.

OPTIONS TO PURCHASE SECURITIES

As at the date of this Prospectus, the Issuer has not granted any Options to directors, executive officers, employees or consultants of the Issuer.

Stock Option Plan

On February 20, 2017, the Board approved the adoption of the Stock Option Plan. The Stock Option Plan was established to provide incentive to directors, officers and employees and consultants. The purpose of the Stock Option Plan is to advance the interests of the Issuer by encouraging equity participation in the Issuer through the acquisition of Common Shares of the Issuer. The Board is of the view that the Stock Option Plan provides the Issuer with the ability to attract and maintain the services of directors, executives, employees and other service providers in compensation with other companies in the industry.

The Stock Option Plan is administered by the Board and Options are granted at the discretion of the Board to eligible Optionees. The continuation of the Stock Option Plan requires annual shareholder approval by ordinary resolution at each annual meeting of the Issuer.

Eligible Optionees

To be eligible to receive a grant of Options under the Stock Option Plan, regulatory authorities require an Optionee to be either a director, officer, employee, consultant or an employee of a company providing management or other services to the Issuer or a subsidiary at the time the Option is granted.

Options may be granted only to an individual eligible, or to a non-individual that is wholly-owned by individuals eligible, for an Option grant. If the Option is granted to a non-individual, it will not permit any transfer of its securities, nor issue further securities, to any individual or other entity as long as the Option remains in effect.

Restrictions

The Stock Option Plan is a 10% rolling plan and the total number of Common Shares issuable upon exercise of Options under the Stock Option Plan cannot exceed 10% of the Issuer's issued and outstanding Common Shares on the date on which an Option is granted, less Common Shares reserved for issuance on exercise of Options then outstanding under the Stock Option Plan. The Stock Option Plan is also subject to the following restrictions:

- (a) The Issuer must not grant an Option to a director, employee, consultant, or consultant company (the "**Service Provider**") in any 12-month period that exceeds 5% of the outstanding Common Shares of the Issuer, unless the Issuer has obtained approval by a majority of the votes cast by all shareholders of the Issuer at the shareholders' meeting excluding votes attached to Common Shares beneficially owned by Insiders of the Issuer and their Associates ("**Disinterested Shareholder Approval**").
- (b) The aggregate number of Options granted to a Service Provider conducting investor relations activities in any 12 month period must not exceed 1% of the outstanding Common Shares calculated at the date of the grant, without prior regulatory approval.
- (c) The Issuer must not grant an Option to a Consultant in any 12 month period that exceeds 1% of the outstanding Common Shares calculated at the date of the grant of the Option.
- (d) The aggregate number of Common Shares reserved for issuance under Options granted to Insiders must not exceed 10% of the outstanding Common Shares (if the Stock Option Plan is amended to reserve for issuance more than 10% of the outstanding Common Shares) unless the Issuer has obtained Disinterested Shareholder Approval to do so.
- (e) The number of Common Shares issued to Insiders upon exercise of Options in any 12 month period must not exceed 10% of the outstanding Common Shares (if the Stock Option Plan is amended to reserve for issuance more than 10% of the outstanding Common Shares) unless the Issuer has obtained Disinterested Shareholder Approval to do so.

- (f) The issuance to any one Optionee within a 12 month period of a number of Common Shares must not exceed 5% of outstanding Common Shares unless the Issuer has obtained Disinterested Shareholder Approval to do so.
- (g) The exercise price of an Option previously granted to an Insider must not be reduced, unless the Issuer has obtained Disinterested Shareholder Approval to do so.
- (h) The Issuer may implement such procedures and conditions as the Board deems appropriate with respect to withholding and remitting taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law.

Material Terms of the Plan

The following is a summary of the material terms of the Stock Option Plan:

- (a) persons who are Service Providers to the Issuer or its Affiliates, or who are providing services to the Issuer or its Affiliates, are eligible to receive grants of Options under the Stock Option Plan;
- (b) all Options granted under the Stock Option Plan expire on a date not later than 10 years after the issuance of such Options. However, should the expiry date for an Option fall within a trading Blackout Period (as defined in the Stock Option Plan, generally meaning circumstances where sensitive negotiations or other like information is not yet public), within 9 business days following the expiration of a Blackout Period;
- (c) for Options granted to Service Providers, the Issuer must ensure that the proposed Optionee is a bona fide Service Provider of the Issuer or its Affiliates;
- (d) an Option granted to any Service Provider will expire within 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee ceases to be employed by or provide services to the Issuer, but only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Issuer;
- (e) if an Optionee dies, any vested Option held by him or her at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- (f) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- (g) the exercise price of each Option will be set by the Board on the effective date of the Option and will not be less than the Discounted Market Price (as defined in the Stock Option Plan);
- (h) vesting of Options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Issuer or its Affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Issuer or its Affiliates during the vesting period; or (ii) the Service Provider remaining as a director of the Issuer or its Affiliates during the vesting period;
- (i) in the event of a take-over bid being made to the shareholders generally, immediately upon receipt of the notice of the take-over bid, the Issuer shall notify each Optionee currently holding any Options, of the full particulars of the take-over bid, and all outstanding Options may, notwithstanding the vesting terms contained in the Stock Option Plan or any vesting requirements subject to regulatory approval; and
- (j) the Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Stock Option Plan with respect to all Common Shares reserved under the Stock Option Plan in respect of Options which have not yet been granted.

Under the Stock Option Plan, the Board may do the following, without obtaining shareholder approval:

- (a) amend the Stock Option Plan to correct typographical, grammatical or clerical errors;
- (b) change the vesting provisions of an Option granted under the Stock Option Plan, if applicable;
- (c) change the termination provision of an Option granted under the Stock Option Plan if it does not entail an extension beyond the original expiry date of such Option;
- (d) make such amendments to the Stock Option Plan as are necessary or desirable to reflect changes to securities laws applicable to the Issuer;
- (e) make such amendments as may otherwise be permitted by regulatory authorities;
- (f) if the Issuer becomes listed or quoted on a stock exchange or stock market senior to the CSE, make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (g) amend the Stock Option Plan to reduce the benefits that may be granted to Service Providers.

PRIOR SALES

The following table summarizes the issuance of securities of the Issuer since incorporation:

Date	Price per Security (\$)	Number and Type of Security	Reason for Issuance
June 19, 2015		1 Common Share	Incorporator's Common Share
August 19, 2015	0.01	396,600 Common Shares	Plan of arrangement
August 14, 2017	0.03	5,200,000 Common Shares	Non-brokered private placement
September 13, 2017	0.03 (deemed)	38,100,002 Common Shares	Exchange of Common Shares for eXeBlock Shares pursuant to the Transaction
	Total:	43,696,603 Common Shares	
August 14, 2017	N/A (Exercise price of \$0.05 per Common Share)	2,600,000 Warrants ⁽¹⁾	Non-brokered private placement
October 4 and 6, 2017	0.35	17,707,428 Subscription Receipts ⁽²⁾	Financing to raise \$6,197,600

Note:

- (1) The Warrants are exercisable until August 14, 2020.
- (2) Each Subscription Receipt will be exchanged for one Common Share upon satisfaction of certain conditions. See "*Corporate Structure – Financing*". Upon exchange of the Subscription Receipts for Common Shares, there will be 61,404,031 Common Shares issued and outstanding and the Issuer will issue the Finders' Warrants to purchase up to 1,328,057 Common Shares at an exercise price of \$0.35 per Common Share for two years from the date of issuance of the Finders' Warrants.

Trading Price and Volume

The Common Shares are not currently listed for trading on any stock exchange.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Escrow under CSE Policies

In accordance with the CSE Policies, National Policy 46-201 *Escrow for Initial Public Offerings* ("NP 46-201") all Common Shares held by a Related Person as of the Listing Date are subject to escrow restrictions. Under the CSE Policies, the Related Persons of the Issuer are its directors and officers, the Issuer's promoter, and any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total Common Shares.

The CSE Policies require that the Escrow Securities be governed by the form of escrow agreement under National Policy 46-201 *Escrow for Initial Public Offerings* ("NP 46-201"). Pursuant to the Escrow Agreement, among the Issuer, the Escrow Agent, and the directors, officers and insiders of the Issuer, the Escrow Securities will be released in accordance with the following release schedule under NP 46-201, as on listing, the Issuer anticipates being an "Emerging Issuer" (as defined in NP 46-201):

On the Listing Date	1/10 of the Escrow Securities
6 months after the Listing Date	1/6 of the remaining Escrow Securities
12 months after the Listing Date	1/5 of the remaining Escrow Securities
18 months after the Listing Date	1/4 of the remaining Escrow Securities
24 months after the Listing Date	1/3 of the remaining Escrow Securities
30 months after the Listing Date	1/2 of the remaining Escrow Securities
36 months after the Listing Date	the remaining Escrow Securities

Assuming there are no changes to the Escrow Securities initially deposited and no additional Escrow Securities are deposited, this will result in a 10% release on the Listing Date, with the remaining Escrow Securities being released in 15% tranches every 6 months thereafter.

All the Escrow Securities are subject to the direction and determination of the CSE. Specifically, the Escrow Securities may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the consent of the CSE.

The following sets forth particulars of the Escrow Securities that will be subject to Emerging Issuer escrow under the Escrow Agreement on the Listing Date.

Name and Municipality of Residence	Number of Common Shares held in Escrow	Percentage of Outstanding Common Shares held in Escrow ⁽¹⁾
Jonathan Baha'i ⁽²⁾ Debert, Nova Scotia	10,000,000	16.4%
Carl Sheppard St. John's, Newfoundland	1,800,000	2.9%
Paul Thomson Dartmouth Nova Scotia	500,002	Less than 1%
Robert Randall Halifax, Nova Scotia	350,000	Less than 1%
TOTAL		16.9%

Note:

- (1) On the basis of 61,404,031 issued and outstanding Common Shares following the exchange of Subscription Receipts for Common Shares.
- (2) Mr. Baha'i holds his Common Shares indirectly in 10353027 Canada Corporation, which is his wholly owned company. Mr. Baha'i is a principal shareholder of the Issuer but is not currently a director or officer. Mr. Baha'i was the CEO, President and a director of the Issuer and stepped down on November 3, 2017.

If, within 18 months of the Listing Date, the Issuer meets the "Established Issuer" criteria, as set out in NP 46-201, the Escrow Securities will be eligible for accelerated release according to the criteria for established issuers. In such a scenario that number of Escrow Securities that would have been eligible for release from escrow if the Issuer had been an "established issuer" on the Listing Date will be immediately released from escrow. The remaining Escrow Securities would be released in accordance with the time release provisions for established issuers, with all Escrow Securities being released 18 months from the Listing Date.

Under the terms of the Escrow Agreement, Escrow Securities cannot be transferred by the holder unless permitted under the Escrow Agreement. Notwithstanding this restriction on transfer, a holder of Escrow Securities may (a) pledge, mortgage or charge the Escrow Securities to a financial institution as collateral for a loan provided that no Escrow Securities will be delivered by the escrow agent to the financial institution; (b) exercise any voting rights attached to the Escrow Securities; (c) receive dividends or other distributions on the Escrow Securities; and (d) exercise any rights to exchange or convert the Escrow Securities in accordance with the Escrow Agreement.

The Escrow Securities may be transferred within escrow to: (a) subject to approval of the Board, an individual who is an existing or newly appointed director or senior officer of Issuer or of a material operating subsidiary of Issuer; (b) subject to the approval of the Board, a person that before the proposed transfer holds more than 20% of the voting rights attached to Issuer's outstanding securities; (c) subject to the approval of the Board, a person that after the proposed transfer will hold more than 10% of the voting rights attached to Issuer's outstanding securities and that has the right to elect or appoint one or more directors or senior officers of Issuer or any of its material operating subsidiaries; (d) upon the bankruptcy of a holder of Escrow Securities, the holder's Escrow Securities may be transferred within escrow to the trustee in bankruptcy or other person legally entitled to such securities; (e) upon the death of a holder of Escrow Securities, all Escrow Securities of the deceased holder will be released from escrow to the deceased holder's legal representative; (f) a financial institution that the holder pledged, mortgaged or charges to a financial institution as collateral for a loan on realization of such loan; and (g) a RRSP, RRIF or similar registered plan or fund with a trustee, where the annuitant of the RRSP or RRIF, or the beneficiaries of another plan or fund are limited to the holders spouse, children or parents, or if the holder is the trustee of such registered plan or fund, to the annuitant of the RRSP or RRIF, or a beneficiary of the other registered plan or fund or his or her spouse, children or parents.

In addition, tenders of Escrow Securities pursuant to a share exchange, which includes a take-over bid, issuer bid, statutory arrangement, amalgamation, merger or other reorganization similar to an amalgamation or merger, are permitted. Escrow Securities subject to a share exchange will continue to be escrowed if the successor entity is not an "exempt issuer", the holder is a Related Person of the successor entity; and the holder holds more than 1% of the voting rights of the successor entities' outstanding securities.

PRINCIPAL SHAREHOLDERS

To the knowledge of the Issuer's directors and executive officers, the only persons who beneficially own or exercise, directly or indirectly, control or direction over, Common Shares carrying more than 10% of the votes attached to the Common Shares are as follows:

Name	Type of Ownership	Number of Common Shares presently owned	Percentage of Common Shares outstanding
Jonathan Baha'i	Indirect	10,000,000 ⁽¹⁾	22.9% ⁽²⁾

Note:

- (1) These Common Shares are held by 10353027 Canada Corporation, which is wholly owned by Mr. Baha'i. Mr. Baha'i is a principal shareholder of the Issuer but is not currently a director or officer. Mr. Baha'i was the CEO, President and a director of the Issuer and stepped down on November 3, 2017.
- (2) On the basis of 43,696,603 issued and outstanding Common Shares as of the date of this Prospectus. Following a potential listing on the Canadian Securities Exchange and completion of the exchange of Subscription Receipts to Common Shares pursuant to the Financing, Jonathan Baha'i will hold 16.4% of Common Shares outstanding.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Securityholding

The following table sets out information regarding each of directors, executive officers and promoters of the Issuer including the names, municipality of residence, the position and office held and the period of time served in this position, their principal occupation for the preceding five years, and the number and percentage of voting securities beneficially owned, directly or indirectly, or over which control or direction is exercised:

Name, Position with Issuer and Province and Country of Residence	Date of Appointment to Office	Principal Occupation for Past Five Years	Number of Common Shares Owned	Percentage of Common Shares Outstanding ⁽⁴⁾
Ian Klassen ⁽¹⁾ Vancouver, British Columbia President, CEO and Director	September 13, 2017	<i>See Management of Junior Issuers below</i>	Nil	Nil
Robert Randall ⁽²⁾ Halifax, Nova Scotia CFO and Corporate Secretary	September 13, 2017	<i>See Management of Junior Issuers below</i>	350,000 ⁽³⁾	0.8%
Paul Thomson ⁽¹⁾⁽²⁾ Dartmouth, Nova Scotia Director	September 13, 2017	<i>See Management of Junior Issuers below</i>	500,002 ⁽³⁾	1.1%
Carl Sheppard ⁽¹⁾⁽²⁾ St. John's, Newfoundland Director	November 3, 2017	<i>See Management of Junior Issuers below</i>	1,800,000 ⁽³⁾	4.1%
		TOTAL	2,650,002	6.1% ⁽³⁾

Notes:

- (1) Audit Committee Member.
- (2) Risk and Disclosure Committee Member.
- (3) These Common Shares are subject to escrow.
- (4) On the basis of 43,696,603 issued and outstanding Common Shares as of the date of this Prospectus. Upon the exchange of the Subscription Receipts for Common Shares, the total 10,850,000 Common Shares held by the Issuer's directors and officers will represent approximately 18.4% of the Common Shares then issued and standing.

The term of office of the directors expires annually at the time of the Issuer's annual general meeting. The term of the office of the officers expires at the discretion of the Issuer's directors.

Aggregate Ownership of Securities

As of the date of this Prospectus, the directors and executive officers of the Issuer, as a group, beneficially own, directly or indirectly, 10,850,000 Common Shares representing approximately 6.1% of the issued and outstanding Common Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

To the best of the Issuer's knowledge, none of the directors or executive officers of the Issuer is, or within the 10 years before the date of this Prospectus has been, a director or executive officer of any company that:

- (a) was subject to a cease trade order or similar order or an order that denied the corporation access to any statutory exemptions for a period of more than 30 consecutive days (an "**Order**"), which was issued while the proposed director or executive officer was acting in the capacity as director, CEO or CFO; or
- (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

Bankruptcies

To the best of the Issuer's knowledge, no director or executive officer of the Issuer, or a shareholder holding a sufficient number of Common Shares to affect materially the control of the Issuer:

- (a) is, as at the date of this Prospectus, or has been within the 10 years before the date of this Prospectus, a director or executive officer of any company (including the Issuer) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

To the best of the Issuer's knowledge, no director or executive officer of the Issuer, or a shareholder holding a sufficient number of Common Shares to affect materially the control of the Issuer, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The directors of the Issuer are required by law to act honestly and in good faith with a view to the best interests of the Issuer and to disclose any interests, which they may have in any project or opportunity of the Issuer. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. Conflicts, if any, will be subject to the procedures and remedies as provided under the BCBCA.

To the best of the Issuer's knowledge, there are no known existing or potential conflicts of interest between the Issuer and its directors and officers except that certain of the directors and officers may serve as directors and/or officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Issuer and their duties as a director or officer of such other companies.

Management of Junior Issuers

A description of the principal occupation for the past five years and summary of the experience of the directors and officers of the Issuer is as follows:

Ian Klassen – (Age: 51) –Chief Executive Officer, President and Director

Mr. Klassen has 25 years of experience in public company management, public relations, government affairs and entrepreneurialism. He has extensive experience in public company administration, finance, government/legislative policy, media relationship strategies and project management.

Mr. Klassen is the President of a North American mineral exploration company and sits on the Board of Directors of several private and public companies. Previous to his management activities within private and public companies, Mr. Klassen held a variety of positions within federal Canadian politics including; Senior Political Advisor to the Minister of State (Transportation); and Chief of Staff, Office of the Speaker of the Canadian House of Commons.

Mr. Klassen graduated with an undergraduate Honours Degree from the University of Western Ontario in 1989. In 1992, Mr. Klassen received the Commemorative Medal for the 125th Anniversary of the Confederation of Canada in recognition of his significant contribution to his community and country.

Mr. Klassen intends to devote approximately 50% of his time to the Issuer.

Robert Randall – (Age: 54) – Chief Financial Officer and Corporate Secretary

Mr. Randall has served as a CFO for a number of TSX Venture Exchange listed companies over the past five years and has extensive public company financial experience. Previously, he was the Corporate Controller for Etruscan Resources Inc. and a principal with PricewaterhouseCoopers. Mr. Randall graduated with a Commerce Degree from St. Mary's University in Halifax and obtained his CA designation in 1987 with Coopers and Lybrand Chartered Accountants where he was appointed as a Principal in 1995. Mr. Randall has been the CFO of Stockport Exploration Limited since June, 2012, Antler Gold Inc. since November, 2016, Torrent Capital Ltd. since August, 2016 and Duckworth Capital Corp. since May, 2017. He previously served as CFO of NSGold Corporation from April, 2012 to November 2014; Ceylon Graphite Corp. from July, 2012 to October, 2013; Kneat.com Inc. from June, 2014 to November, 2014; Graphene 3D Lab Inc. from August, 2014 to July, 2016; and Canabo Medical Inc. from November, 2016 to June 2017. He is a member of the Chartered Professional Accountants of Canada and Nova Scotia and the Chair of the Board of the Nova Scotia Sport Hall of Fame.

Mr. Randall intends to devote approximately 30% of his time to the Issuer.

Paul Thomson – (Age: 47) – Director

Mr. Thomson is the Chief Compliance Officer and Dealing Representative at Numus Capital Corporation, an Exempt Market Dealer focused on investments in the private capital markets. He also serves as Corporate Secretary of publicly traded resource company Antler Gold Inc., a company listed on the TSX Venture Exchange. Mr. Thomson has also served as the Manager of Investor Relations at Numus Financial Inc., a venture capital firm focused on early-stage, high-growth companies since the firm's inception in 2014.

Mr. Thomson serves on the Board of Governors of the University of King's College, where he is on the Executive Committee, Finance, Audit and Risk Committee and Advancement Committee. He also serves on the University of King's College Alumni Association Board and sits on the Finance Committee.

Mr. Thomson intends to devote approximately 10% of his time to the Issuer.

Carl Sheppard – (Age: 55) – Director

Mr. Sheppard is the founder and President of Strategic Concepts, Inc. and its subsidiary SCI Resource Software Inc., which provides a range of business advisory, consulting and software services to companies throughout Canada. The company has developed proprietary resource management software and other analytical tools to model economic impacts, labour capacity, project commitments, skills availability, employment and industrial benefits. Strategic Concepts, Inc. has been monitoring procurement activities and industrial benefits on various large resource projects throughout Canada since 2002. The company's monitoring activities have included both construction and operations. The company's software is web-based, easily accessible to project owners, operators, contractors and consultants from anywhere with an internet connection. The software is currently being used by the largest oil, utility and mining companies operating in Canada, including ExxonMobil, ConocoPhillips Canada, Emera, Nalcor, Vale and De Beers Diamonds.

As a consultant, Mr. Sheppard has participated in numerous start-ups and has provided guidance on strategic plans, cost/benefit reports and business plans targeted at the identification and analysis of business opportunities.

Mr. Sheppard has served as an officer, Board member, and committee chair for a number of private and public companies including, Stockport Exploration Inc., Duckworth Capital Corp. and Nwest Energy Inc.

Mr. Sheppard has a Masters of Development Economics from Dalhousie University, where his area of concentration was regional development from a Canadian perspective. He also has a Bachelor of Arts Honours degree from York University's Glendon College and a Bachelor of Arts degree from Memorial University.

Mr. Sheppard intends to devote approximately 10% of his time to the Issuer.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation, Philosophy and Objectives

The Issuer does not have a formal compensation program. The Board meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Issuer's compensation strategy are to: (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other blockchain technology companies to enable the Issuer to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Issuer is under by virtue of the fact that it is a technology development company without a history of earnings.

The Board, as a whole, ensures that total compensation paid to all Named Executive Officers ("NEOs"), as hereinafter defined, is fair and reasonable. A "Named Executive Officer" ("NEO") includes: (i) the Issuer's CEO; (ii) the Issuer's CFO; (iii) each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers as at the end of the most recently completed financial year of July 31, 2017, and whose total compensation was more than \$150,000; and (iv) any additional individuals for whom disclosure would have been required except that the individual was not serving as an officer of the Issuer at the end of the most recently completed financial year. The Board relies on the experience of its members as officers and directors with other junior mining companies in assessing compensation levels.

Analysis of Elements

Base salary is used to provide the NEOs a set amount of money during the year with the expectation that each NEO will perform his responsibilities to the best of his ability and in the best interests of the Issuer.

The Issuer considers the granting of Options to be a significant component of executive compensation as it allows the Issuer to reward each NEOs efforts to increase value for shareholders without requiring the Issuer to use cash from its treasury. Options are generally awarded to executive officers at the commencement of employment and periodically thereafter. The terms and conditions of the Option grants, including vesting provisions and exercise prices, are governed by the terms of the Stock Option Plan.

Long Term Compensation and Option-Based Awards

The Issuer has no long-term incentive plans other than its Stock Option Plan. The Issuer's directors, officers, employees and certain consultants are entitled to participate in the Stock Option Plan. The Stock Option Plan is designed to encourage share ownership and entrepreneurship on the part of the senior management and other employees. The Board believes that the Stock Option Plan aligns the interests of the NEO and the Board with shareholders by linking a component of executive compensation to the longer term performance of the Common Shares.

Options are granted by the Board. In monitoring or adjusting the Option allotments, the Board takes into account its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous Option grants and the objectives set for the NEOs and the Board. The scale of Options is generally commensurate to the appropriate level of base compensation for each level of responsibility.

In addition to determining the number of Options to be granted pursuant to the methodology outlined above, the Board also makes the following determinations:

- (a) parties who are entitled to participate in the Stock Option Plan;
- (b) the exercise price for each Option granted, subject to the provision that the exercise price cannot be lower than the prescribed discount permitted by the CSE from the market price on the date of grant;
- (c) the date on which each Option is granted;

- (d) the vesting period, if any, for each Option;
- (e) the other material terms and conditions of each Option grant; and
- (f) any re-pricing or amendment to an Option grant.

The Board makes these determinations subject to and in accordance with the provisions of the Stock Option Plan. The Board reviews and approves grants of Options on an annual basis and periodically during a financial year.

Summary Compensation

The following information is presented in accordance with National Instrument Form 51-102F6V – Statement of Executive Compensation – Venture Issuers, for the Issuer’s financial years ended July 31, 2017 and 2016.

General

“**company**” includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

“**external management company**” includes a subsidiary, affiliate or associate of the external management company;

“**named executive officer**” or “**NEO**” means each of the following individuals:

- (a) each individual who, in respect of the Issuer, during any part of the financial year ended July 31, 2017, served as **CEO**, including an individual performing functions similar to a CEO of the Issuer;
- (b) each individual who, in respect of the Issuer, during any part of the financial year ended July 31, 2017, served as **CFO**, including an individual performing functions similar to a CFO of the Issuer;
- (c) in respect of the Issuer and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the financial year ended July 31, 2017 whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) for that financial year;
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Issuer, nor acting in a similar capacity, as at July 31, 2017.

“**plan**” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons;

“**underlying securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

Based on the foregoing definition, during the last completed fiscal year of the Issuer, the Issuer had three (3) NEOs, namely, Christopher P. Cherry, CEO and CFO (October 29, 2015 to June 21, 2017), Eugene Beukman, CEO, (June 21, 2017 to September 13, 2017), and Johannes (Theo) van der Linde, CFO (June 21, 2017 to September 12, 2017).

Director and Named Executive Officer Compensation

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Issuer thereof to each NEO and each director of the Issuer, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Issuer, for each of the Issuer’s 2 most recent completed financial years:

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Christopher P. Cherry <i>Former President, CEO, CFO and director⁽¹⁾</i>	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Eugene Beukman <i>Former President, CEO, Secretary and director⁽²⁾</i>	2017	5,705 ⁽⁶⁾	Nil	Nil	Nil	Nil	5,705
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Johannes (Theo) van der Linde <i>Former CFO and director⁽³⁾</i>	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Robert M. Dzisiak <i>Former director⁽⁴⁾</i>	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Stephen Brohman <i>Former director⁽⁵⁾</i>	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Cherry served as President and a director of the Issuer from June 19, 2015 to June 21, 2017; and as CEO and CFO from October 29, 2015 to June 21, 2017.
- (2) Mr. Beukman served as President, CEO and Corporate Secretary of the Issuer from June 21, 2017 to September 13, 2017, and as a director from June 19, 2017 to September 14, 2017.
- (3) Mr. van der Linde served as a director of the Issuer from June 19, 2017 to September 12, 2017, and CFO from June 21, 2017 to September 12, 2017, and
- (4) Mr. Dzisiak served as a director of the Issuer from October 29, 2015 to June 19, 2017.
- (5) Mr. Brohman served as a director of the Issuer from October 29, 2015 to September 13, 2016.
- (6) Fees paid to Pender Street Corporate Consulting Ltd., a private company wholly-owned by Mr. Beukman, pursuant to a management contract dated July 1, 2017. Pender Street Corporate Consulting Ltd. received management and accounting fees for services provided pursuant to the terms of the management contract. See "External Management Companies" below.

External Management Companies

Pender Street Corporate Consulting Ltd. (the "PSCC") is a private company wholly-owned by Eugene Beukman, former CEO of the Issuer.

Pursuant to an agreement dated for reference July 1, 2017, the Issuer entered into a management agreement (the "Management Contract") with PSCC of Suite 1128 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2, and provides management, accounting and administrative services to the Issuer in accordance with the terms of the Management Contract for a monthly fee of \$5,000 plus applicable taxes and reimbursement of all out-of-pocket expenses incurred on behalf of the Issuer. PSCC is also entitled to charge a 1.5% administration fee on all disbursements actually paid by it to a maximum of \$200 per disbursement, and to charge interest of 2% on all disbursements not reimbursed within thirty (30) days. The Management Contract is for an initial term of twelve (12) months, to be automatically renewed for further twelve (12) month periods unless ninety (90) days' notice of non-renewal has been given. The Management Contract can be terminated by either party on ninety (90) days' written notice. It can also be terminated by the Issuer for cause without prior notice or upon the mutual consent in writing of both parties.

During the most recently completed financial year, the Issuer paid or accrued \$5,705 in management and accounting fees.

PSCC was not indebted to the Issuer during the Issuer's last completed financial year, and the Management Contract remains in effect.

Stock Options and Other Compensation Securities

No Options or other compensation securities were granted or issued to any NEO or director by the Issuer in the most recent financial year ended July 31, 2017. The Issuer does not have any share-based award plans for its NEOs or directors.

Stock Option Plan

On February 20, 2017, the Board approved the adoption of the Stock Option Plan. The Stock Option Plan is a 10% maximum rolling plan. Options granted under the Stock Option Plan are not exercisable for a period longer than 10 years and the exercise price must be paid in full upon exercise of the Option.

The continuation of the Stock Option Plan requires annual shareholder approval at each annual meeting of the Issuer by ordinary resolution. The Board is of the view that the Stock Option Plan provides the Issuer with the flexibility to attract and maintain the services of executives, employees and other service providers in compensation with other companies in the industry.

The Stock Option Plan was established to provide incentive to directors, officers and employees and consultants. As a 10% rolling plan the aggregate number of Common Shares issuable as Options under the Stock Option Plan may be up to 10% of the Issuer's issued and outstanding Common Shares on the date on which an Option is granted, less Common Shares reserved for issuance on exercise of Options then outstanding under the Stock Option Plan. The purpose of the Stock Option Plan is to advance the interests of the Issuer by encouraging equity participation in the Issuer through the acquisition of Common Shares. The Stock Option Plan is administered by the Board and Options are granted at the discretion of the Board to eligible Optionees.

Eligible Optionees

To be eligible to receive a grant of Options under the Stock Option Plan, regulatory authorities require an Optionee to be either a director, officer, employee, consultant or an employee of a company providing management or other services to the Issuer or a subsidiary at the time the Option is granted.

Options may be granted only to an individual eligible, or to a non-individual that is wholly-owned by individuals eligible, for an Option grant. If the Option is granted to a non-individual, it will not permit any transfer of its securities, nor issue further securities, to any individual or other entity as long as the Option remains in effect.

Restrictions

The Stock Option Plan is subject to the following restrictions:

- (a) The Issuer must not grant an Option to a director, employee, consultant, or consultant company (the "**Service Provider**") in any 12-month period that exceeds 5% of the outstanding Common Shares, unless the Issuer has obtained approval by a majority of the Disinterested Shareholders (defined below) of the Issuer;
- (b) The aggregate number of Options granted to a Service Provider conducting investor relations activities in any 12 month period must not exceed 1% of the outstanding Common Shares calculated at the date of the grant, without prior regulatory approval;
- (c) The Issuer must not grant an Option to a Consultant in any 12 month period that exceeds 1% of the outstanding Common Shares calculated at the date of the grant of the Option;
- (d) The aggregate number of Common Shares reserved for issuance under Options granted to Insiders (defined below) must not exceed 10% of the outstanding Common Shares (in the event that the Stock Option Plan is amended to reserve for issuance more than 10% of the outstanding Common Shares) unless the Issuer has obtained Disinterested Shareholder Approval to do so;
- (e) The number of optioned Common Shares issued to Insiders in any 12 month period must not exceed 10% of the outstanding Common Shares (in the event that the Stock Option Plan is amended to reserve for issuance more than 10% of the outstanding Common Shares) unless the Issuer has obtained Disinterested Shareholder Approval to do so;

- (f) The issuance to any one Optionee within a 12 month period of a number of Common Shares must not exceed 5% of outstanding Common Shares unless the Issuer has obtained Disinterested Shareholder Approval to do so;
- (g) The exercise price of an Option previously granted to an Insider must not be reduced, unless the Issuer has obtained Disinterested Shareholder Approval to do so; and
- (h) The Issuer may implement such procedures and conditions as the Board deems appropriate with respect to withholding and remitting taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law.

Definitions

“**Disinterested Shareholder Approval**” means the approval by a majority of the votes cast by all shareholders of the Issuer at the Meeting excluding votes attached to listed Common Shares beneficially owned by Insiders (defined below) of the Issuer and Associates (as defined in the British Columbia *Securities Act*) of Insiders.

An “**Insider**” is a director, or senior officer of the Issuer, a director or senior officer of a company that is an Insider or subsidiary of the Issuer, or a person that beneficially owns or controls, directly or indirectly, voting Common Shares carrying more than 10% of the voting rights attached to all outstanding voting Common Shares of the Issuer.

Material Terms of the Stock Option Plan

The following is a summary of the material terms of the Stock Option Plan:

- (a) persons who are Service Providers to the Issuer or its affiliates, or who are providing services to the Issuer or its affiliates, are eligible to receive grants of Options under the Stock Option Plan;
- (b) all Options granted under the Stock Option Plan expire on a date not later than 10 years after the issuance of such Options. However, should the expiry date for an Option fall within a trading Blackout Period (as defined in the Stock Option Plan, generally meaning circumstances where sensitive negotiations or other like information is not yet public), within 9 business days following the expiration of a Blackout Period;
- (c) for Options granted to Service Providers, the Issuer must ensure that the proposed Optionee is a bona fide Service Provider of the Issuer or its affiliates;
- (d) an Option granted to any Service Provider will expire within 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee ceases to be employed by or provide services to the Issuer, but only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Issuer;
- (e) if an Optionee dies, any vested Option held by him or her at the date of death will become exercisable by the Optionee’s lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- (f) in the case of an Optionee being dismissed from employment or service for cause, such Optionee’s Options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- (g) the exercise price of each Option will be set by the Board on the effective date of the Option and will not be less than the Discounted Market Price (as defined in the Stock Option Plan);
- (h) vesting of Options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Issuer or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Issuer or its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Issuer or its affiliates during the vesting period;
- (i) in the event of a takeover bid being made to the shareholders generally, immediately upon receipt of the notice of the takeover bid, the Issuer shall notify each Optionee currently holding any Options, of the full particulars of the

takeover bid, and all outstanding Options may, notwithstanding the vesting terms contained in the Stock Option Plan or any vesting requirements subject to regulatory approval; and

- (j) the Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Stock Option Plan with respect to all Common Shares in respect of Options which have not yet been granted under the Stock Option Plan.

The Board may, without shareholder approval:

- (i) amend the Stock Option Plan to correct typographical, grammatical or clerical errors;
- (ii) change the vesting provisions of an Option granted under the Stock Option Plan, if applicable;
- (iii) change the termination provision of an Option granted under the Stock Option Plan if it does not entail an extension beyond the original expiry date of such Option;
- (iv) make such amendments to the Stock Option Plan as are necessary or desirable to reflect changes to securities laws applicable to the Issuer;
- (v) make such amendments as may otherwise be permitted by regulatory authorities;
- (vi) if the Issuer becomes listed or quoted on a stock exchange or stock market senior to the Canadian Securities Exchange, make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (vii) amend the Stock Option Plan to reduce the benefits that may be granted to Service Providers.

As at the date of this prospectus, the Issuer has 43,696,603 Common Shares issued and outstanding so that a maximum of 4,369,660 Common Shares is available for issuance pursuant to the Options granted under the Stock Option Plan. As at the date of this prospectus, there were no Options outstanding.

Employment, Consulting and Management Agreements

Eugene Beukman – former CEO, President, Secretary and director

Mr. Beukman’s services are paid through a service contract with PSCC and are based upon general commercial rates. The Management Contract states that in the event that there is a take-over or change of control of the Issuer resulting in the actual or constructive termination of the Contractor’s services, the Issuer shall pay damages equal to six months of fees paid to the Contractor pursuant to the Agreement for the 24 months immediately preceding the date of termination. The damages shall be paid as a lump sum payment on the day after the Contractor’s termination.

Assuming that the event of termination in connection with a Change of Control took place on July 31, 2017, the following are estimates of the amounts payable to Mr. Beukman in such circumstances:

Element	Amount
24 months of fees paid to the Contractor	\$120,000
Benefits	-
Share-Based Awards	-
Option-Based Awards	-
Total Compensation	\$120,000

During the most recently completed financial year, the Issuer paid or accrued \$5,705 in management and accounting fees to PSCC.

For further details of the Management Contract, see “External Management Companies” above.

Oversight and Description of Director and NEO Compensation

The Issuer's fundamental goal is to create value for shareholders.

The Board is responsible for determining, by way of discussions at board meetings, the compensation to be paid to the executive officers of the Issuer. The Issuer at this time does not have a formal compensation program with specific performance goals; however, the performance of each executive is considered along with the Issuer's ability to pay compensation and its results of operation for the period.

Compensation is designed to achieve the following key objectives:

- to support our overall business strategy and objectives;
- to provide market competitive compensation that is substantially performance-based;
- to provide incentives that encourage superior corporate performance and retention of highly skilled and talented employees; and
- to align executive compensation with corporate performance and therefore shareholders' interests.

The Issuer's compensation package is comprised of a base salary and option-based awards.

The Issuer does not have a formal compensation program with set benchmarks; however, the Issuer does have a compensation program which seeks to reward an executive officer's current and future expected performance. Individual performance in connection with the achievement of corporate milestones and objectives is also reviewed for all executive officers.

The Board has not directly considered the implications of the risks associated with the Issuer's compensation policies and practices.

The Issuer does not have a set policy preventing an NEO or director from purchasing financing instruments such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by such person.

Pension Disclosure

The Issuer does not have any form of pension plan that provides for payments or benefits to the NEO at, following, or in connection with retirement. The Issuer does not have any form of deferred compensation plan.

Intended Changes to Compensation

The Issuer intends to review its compensation practices and may enter into consulting arrangements with executive officers of the Issuer or eXeBlock.

As a company expected to undergo quick and significant growth, compensation for the executives of eXeBlock will be reviewed initially every six months. At each review period, a compensation committee comprised of directors of the Issuer will be struck to review executive compensation to ensure compensation packages remains reflective of the current roles and responsibilities, and competitive enough to ensure leading candidates of the executive team can be attracted and retained.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the Issuer's last completed financial year or as at the date of this Prospectus, was any director, executive officer or employee of the Issuer nor any Associate of any director, executive officer or employee of the Issuer, or any former director, executive officer or employee of the Issuer indebted to the Issuer or indebted to another entity where such indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer.

At no time since the date of incorporation of eXeBlock or as at the date of this Prospectus, was any director, executive officer or employee of eXeBlock nor any Associate of any director, executive officer or employee of eXeBlock, or any former director, executive officer or employee of eXeBlock indebted to eXeBlock or indebted to another entity where such indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee

The Audit Committee's Charter

The Audit Committee has a charter. A copy of the Audit Committee charter is attached hereto as Schedule "F".

Composition of the Audit Committee

The members of the Audit Committee are Carl Sheppard, Paul Thomson and Ian Klassen. Ian Klassen is an executive officer of the Issuer and is not considered to be independent. Paul Thomson and Carl Sheppard are not executive officers of the Issuer and, therefore, are independent members of the Audit Committee. All members are considered to be financially literate.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Issuer. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Issuer.

Relevant Education and Experience

Paul Thomson

Mr. Thomson has experience reading and understanding financial statements both as a senior officer with publicly listed companies Antler Gold Inc. and Northwest Arm Capital Inc. and as a member of senior finance committees with a public university board and non-profit Association. Mr. Thomson currently serves on the Finance, Audit and Risk Committee of the University of King's College Board of Governors. The Finance, Audit and Risk Committee supports the University's Board of Governors in the fulfilment of its stewardship responsibilities in the following areas:

- financial and oversight reporting
- risk oversight and monitoring the integrity of internal controls and
- management information systems.

Mr. Thomson also serves on the Finance Committee of the University of King's College Alumni Association Board. The Finance Committee assists the Treasurer with budgeting and monitors the income statement and balance sheet for the Association.

Mr. Thomson also serves as Corporate Secretary of publicly listed Antler Gold Inc. (formerly Northwest Arm Capital Inc.).

Ian Klassen

Mr. Klassen has served as the President and CEO of Grande Portage Resources Ltd. since 2007 to present. He also currently serves as the President and CEO of GMV Minerals Inc. and a director of Canabo Medical Inc. He was also the President and Chief Operating Officer of Graphene 3D Lab Inc. from August 2015 to May 2016. Mr. Klassen has a B.A. (Honours) from the University of Western Ontario (1989), and has been actively involved in financing and management of both private and public companies since 1996.

Carl Sheppard

Mr. Sheppard is President and Managing Partner of Strategic Concepts, Inc. and provides public company advisory consulting services to many of the Canada's leading resource companies and organizations. As a consultant, he has participated in numerous strategic plans, cost/benefit reports and business plans targeted at the identification and analysis of development opportunities. Mr. Sheppard is Chairman of Stockport Exploration Inc. Board and has been a member of its

Audit Committee for the past five years. Mr. Sheppard has a Masters of Development Economics from Dalhousie University

Each member of the Audit Committee has adequate education and experience that would provide the member with:

- (a) an understanding of the accounting principles used by the Issuer to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Issuer's financial statements, or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

At no time since the commencement of the Issuer's most recently completed financial year has the Audit Committee made any recommendations to the Board to nominate or compensate its auditor which were not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Issuer's most recently completed financial year has the Issuer relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. Part 8 permits an Issuer to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval of Policies and Procedures

All services to be performed by the independent auditor of the Issuer must be approved in advance by the Audit Committee. The Audit Committee has considered whether the provisions of services other than audit services is compatible with maintaining the auditor's independence and has adopted a policy governing the provision of these services. This policy requires that pre-approval by the Audit Committee of all audit and non-audit services provide by any external auditor, other than any de minimus non-audit services allowed by applicable law or regulation.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by the Issuer's auditor for the financial year ended July 31, 2017 to ensure auditor independence. Fees billed for audit and non-audit services in the last fiscal years for audit fees are outlined in the following table:

Nature of Services	Fees Billed by Auditor in respect of the financial year ended July 31, 2017	Fees Billed by Auditor in respect of the financial year ended July 31, 2016
Audit Fees ⁽¹⁾	\$2,000	\$2,000
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	Nil	Nil
All Other Fees ⁽⁴⁾	Nil	Nil
Total	\$2,000	\$2,000

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Issuer's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

Exemption

The Issuer is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110 for the financial year ended July 31, 2017. This exemption exempts a "venture issuer" from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of that instrument, as would otherwise be required by NI 52-110.

Risk and Disclosure Committee

The Board has approved and adopted a Risk and Disclosure Committee and Charter. The Committee shall consist of a minimum of three members with the majority being independent as appointed from time to time by the Board. The members of the Committee are Carl Sheppard, director of the Issuer, Paul Thomson, director of the Issuer; and Robert Randall, CFO and Secretary. Mr. Randall is an executive officer of the Issuer and is not considered to be independent. Paul Thomson and Carl Sheppard are not executive officers of the Issuer and, therefore, are independent members of the Risk and Disclosure Committee.

The purpose of the Risk and Disclosure Committee is to properly assess the risks and disclosures associated with the regulatory compliance related to all business initiatives such as, but not limited to, the development of new applications using blockchain technology, the use of such new applications, the economics of such new applications, and all new work projects as they relate to crypto currencies, if any.

The primary responsibility of the Committee is to oversee and approve the company-wide risk management practices to assist the Board in:

- Overseeing that the executive team has identified, assessed and disclosed all the risks that the Issuer faces and has mitigated any potential risks to an acceptable level as determined by the Committee;
- Overseeing, in conjunction with the Board, risks such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational, and other risks; and
- In conjunction with the Board, approving the Issuer's overall business initiatives, business plans and disclosures as it relates to the development of new blockchain related applications.

The Committee has the authority to conduct investigations into any matters within its scope of responsibility and obtain advice and assistance from outside legal, accounting, or other advisors, as necessary, to perform its duties and responsibilities.

In carrying out its duties and responsibilities, the Committee also has the authority to meet with and seek any information it requires from employees, officers, directors, or external parties.

To fulfil its responsibilities and duties, the Committee will:

- Provide input to management regarding the risk appetite and tolerance and, ultimately, approve all new development projects and applications for the Issuer as a whole;
- Monitor the Issuer's risk profile - its on-going and potential exposure to risks of various types including but not limited to the development of applications, blockchain technology developments, regulatory changes, crypto currency uses and the legality and disclosure of the Issuer's operations;
- Enforce the tone and culture regarding risk and risk management as it relates to the Issuer's goals and compensation structure by creating a corporate culture such that individuals at all levels manage risks rather than automatically avoiding or thoughtlessly taking them;
- Continually obtain reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed, disclosed as required and in compliance with regulations;
- Communicate formally and informally with the executive team and external legal counsel regarding the risks associated with the Issuer's operations and development plan;

- Read and provide input to the Board and Audit Committee regarding risk disclosures in financial statements and other public statements regarding risk and the operations of the Issuer; and
- Keep risk on both the Board's and management's agenda on a regular basis

The Committee will perform a review and evaluation, at least annually, of the performance of the Committee and its members, including the compliance of the Committee with this Charter. In addition, the Committee will review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or valuable. The Committee will conduct such evaluations and reviews in such manner as it deems appropriate. The Committee will also have such other responsibilities as the Board may assign to it from time to time.

Corporate Governance

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Issuer. Corporate governance encourages establishing a reasonable degree of independence of the Board from executive management and the adoption of policies to ensure the Board recognizes the principles of good management. The Board is committed to sound corporate governance practices, which are in the interest of its shareholders and contribute to effective and efficient decision making.

NI 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Issuer has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Issuer's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Issuer at its current stage of development and therefore these guidelines have not been adopted. The Issuer will continue to review and implement corporate governance guidelines as the business of the Issuer progresses and becomes more active in operations. NI 58-101 *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices in Form 58-101F2, which disclosure is set out below.

Board of Directors

The mandate of the Board is to supervise the management of the Issuer and to act in the best interests of the Issuer. The Board acts in accordance with:

- (a) the BCBCA;
- (b) the Issuer's articles of incorporation; and
- (c) other applicable laws and Issuer policies.

The Board approves all significant decisions that affect the Issuer before they are implemented. The Board supervises their implementation and reviews the results.

The Board is actively involved in the Issuer's strategic planning process. The Board discusses and reviews all materials relating to the strategic plan with management. The Board is responsible for reviewing and approving the strategic plan. At least one Board meeting each year is devoted to discussing and considering the strategic plan, which takes into account the risks and opportunities of the business. Management must seek the Board's approval for any transaction that would have a significant impact on the strategic plan.

The Board periodically reviews the Issuer's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Issuer's internal control and management information systems. The Board also monitors the Issuer's compliance with its timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board periodically discusses the systems of internal control with the Issuer's external auditor.

The Board is responsible for choosing the CEO, CFO and appointing senior management and for monitoring their performance and developing descriptions of the positions for the Board, including the limits on management's responsibilities and the corporate objectives to be met by the management.

The Board approves all the Issuer's major communications, including annual and quarterly reports, financing documents and press releases. The Board approves the Issuer's communication policy that covers the accurate and timely communication of all important information. It is reviewed annually. This policy includes procedures for communicating with analysts by conference calls.

The Board, through its Audit Committee, examines the effectiveness of the Issuer's internal control processes and management information systems. The Board consults with the internal auditor and management of the Issuer to ensure the integrity of these systems. The internal auditor submits a report to the Audit Committee each year on the quality of the Issuer's internal control processes and management information systems.

The Board is responsible for determining whether or not each director is an independent director. Directors who also act as officers of the Issuer are not considered independent. Directors who do not also act as officers of the Issuer, do not work in the day-to-day operations of the Issuer, are not party to any material contracts with the Issuer, or receive any fees from the Issuer except as disclosed in this Prospectus.

The Board consists of three directors, two of whom are independent based upon the tests for independence set forth in NI 52-110. Paul Thomson and Carl Sheppard are independent directors. Ian Klassen is not independent as he is the Issuer's CEO and President. Directors are considered to be independent if they have no direct or indirect material relationship with the Issuer. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

Directorships

Mr. Klassen is currently also a director of GMV Minerals Inc. (TSXV:GMV) and Canabo Medical Inc. (TSXV:CMM). Mr. Sheppard is currently also a director of Stockport Exploration Inc. (TSXV: SPT) and Duckworth Capital Corp. (TSXV: DUKE.P). Mr. Thomson does not hold any directorships with any other reporting issuers as at the date of this Prospectus.

Orientation and Continuing Education

When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the Issuer's properties, business, technology and industry and on the responsibilities of directors.

The Board briefs all new directors with respect to the Board's policies and other relevant corporate and business information. New Board members are also provided with access to all of the Issuer's publicly filed documents, the Issuer's records, and the Issuer's management and professional advisors, including the Issuer's auditor and legal counsel.

The Board also ensures that each director is up-to-date with current information regarding the Issuer's business, the role the director is expected to fulfill, and basic procedures and operations of the Board. Board members are encouraged to communicate with management and the Issuer's auditor.

Ethical Business Conduct

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

Under the applicable corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Issuer and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and to disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Issuer or an Affiliate of the Issuer, (ii) is for indemnity or insurance for the benefit of the director in connection with the Issuer, or (iii) is with an Affiliate of the Issuer. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Issuer at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Issuer for any profit

realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Issuer and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

Nomination of Directors

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Issuer, the ability to devote the time required, shown support for the Issuer's mission and strategic objectives, and a willingness to serve.

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

Compensation

The Board conducts reviews with regard to directors' compensation twice a year. To make its recommendation on directors' compensation, the Board takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies and aligns the interests of directors with the return to shareholders. Compensation packages, including benefits, for executives and key managers will be developed based on performance and the Issuer's cash flow.

No compensation will be paid to directors acting in this capacity for the first twelve months of operations at which time this decision will be reviewed.

The Board decides the compensation of the Issuer's officers, based on industry standards and the Issuer's financial situation.

Other Board Committees

The Board has no committees other than the Audit Committee and its Risk and Disclosure Committee.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

RISK FACTORS

The Common Shares should be considered highly speculative due to the nature of the Issuer's business and the present stage of its development. In evaluating the Issuer and its business, investors should carefully consider, in addition to the other information contained in this Prospectus, the following risk factors. These risk factors are not a definitive list of all risk factors associated with an investment in the Issuer or in connection with the Issuer's operations. There may be other risks and uncertainties that are not known to the Issuer or that the Issuer currently believes are not material but which also may have a material adverse effect on its business, financial condition, operating results or prospects. In that case, the trading price of the Common Shares could decline substantially, and investors may lose all or part of the value of the Common Shares held by them. An investment in securities of the Issuer should only be made by persons who can afford a significant or total loss of their investment. There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this Prospectus.

Risk Factors Related to the Common Shares

There is currently no public trading market for the Common Shares

Currently there is no public market for the Common Shares of the Issuer, and there can be no assurance that an active market for the Common Shares will develop or be sustained.

Volatility of Stock Price and Market Conditions

The market price of the Common Shares may be subject to wide fluctuations in response to factors such as actual or anticipated variations in its results of operations, changes in financial estimates by securities analysts, general market conditions and other factors. Market fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may adversely affect the market price of the Common Shares, even if the Issuer is successful in maintaining revenues, cash flows or earnings. The purchase of the Common Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Securities of the Issuer should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Issuer should not constitute a major portion of an investor's portfolio.

Risk Factors Associated with eXeBlock's Business

Limited Operating History

eXeBlock has limited operating history. The Issuer 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 Issuer will operate profitably.

No Profits to Date

eXeBlock has not made profits since its incorporation and it is expected that it will not be profitable for next foreseeable future. Its future profitability will, in particular, depend upon its success in developing and managing a significant number of cryptocurrency internet platforms and to the extent to which any of these platforms themselves are able to generate significant revenues. Because of the limited operating history, the changes in the business and the uncertainties regarding the development of the cryptocurrency market and blockchain technology, management does not believe that the operating results to date should be regarded as indicators for eXeBlock's future performance.

Additional Requirements for Capital

Substantial additional financing may be required if the Issuer is to be successfully develop its blockchain business. No assurances can be given that the Issuer 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 Issuer, if at all. If the Issuer is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Negative Operating Cash Flow

Neither the Issuer nor eXeBlock generate operating revenue and both have negative cash flow from operating activities. It is anticipated that the Issuer will continue to have negative cash flow in the foreseeable future. Continued losses may have the following consequences:

- (a) increasing the Issuer's vulnerability to general adverse economic and industry conditions;
- (b) limiting the Issuer's ability to obtain additional financing to fund future working capital, capital expenditures, operating costs and other general corporate requirements; and
- (c) limiting the Issuer's flexibility in planning for, or reacting to, changes in its business and industry.

Expenses May Not Align With Revenues

Unexpected events may materially harm eXeBlock's ability to align incurred expenses with recognized revenues. eXeBlock incurs operating expenses based upon anticipated revenue trends. Since a high percentage of these expenses may be relatively fixed, a delay in recognizing revenues from transactions related to these expenses (such a delay may be due to the factors described elsewhere in this risk factor section or it may be due to other factors) could cause significant variations in operating results from quarter to quarter, and such a delay could materially reduce operating income. If these expenses are not subsequently matched by revenues, eXeBlock's business, financial condition, or results of operations could be materially and adversely affected.

Development of Cryptocurrencies

Cryptocurrency and blockchain technology is a young and rapidly growing business area. Although it is widely predicted that cryptocurrency will become a leading 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, it can't be ruled out that 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 (such as the European Union) 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.

Market Acceptance

If eXeBlock's DApps do not gain market acceptance, its operating results may be negatively affected. eXeBlock intends to develop DApps. If the markets for eXeBlock's software products and services fail to develop, develop more slowly than expected or become subject to increased competition, its business may suffer. As a result, eXeBlock may be unable to: (i) successfully market its DApps; (ii) develop new DApps; or (iii) complete software products and services currently under development. If eXeBlock's DApps are not accepted by its customers or by other businesses in the marketplace, eXeBlock's business, operating results and financial condition will be materially affected.

Global Financial Developments

Stress in the global financial system may adversely affect eXeBlock's finances and operations in ways that may be hard to predict or to defend against. Financial developments seemingly unrelated to eXeBlock or to its industry may adversely affect eXeBlock over the course of time. For example, material increases in any applicable interest rate benchmarks may increase the debt payment costs for eXeBlock's credit facilities. Credit contraction in financial markets may hurt its ability to access credit in the event that eXeBlock identifies an acquisition opportunity or require significant access to credit for other reasons. A reduction in credit, combined with reduced economic activity, may adversely affect business. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on eXeBlock's business, operating results, and financial condition.

Regulatory Risks

Changes in or more aggressive enforcement of laws and regulations could adversely impact the Issuer's business. Failure or delays in obtaining necessary approvals could have a materially adverse effect on the Issuer's financial condition and results of operations. Furthermore, changes in government, regulations and policies and practices could have an adverse impact on the Issuer's 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 Issuer and may trigger regulatory action by the BCSC or other securities regulators.

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 as a 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 Issuer's services to changing technologies.

Risk of Security Weaknesses in the eXeBlock Network Core Infrastructure Software

The eXeBlock network software consists of open source software that is itself based on open source software. There is a risk that the developers of eXeBlock, or other third parties may intentionally or unintentionally introduce weaknesses or bugs into the core infrastructural elements of the eXeBlock network software interfering with the use of or causing the loss of tokens or other data.

Risk of Weaknesses or Exploitable Breakthroughs in the Field of Cryptography

Advances in cryptography, or technical advances such as the development of quantum computers, could present risks to cryptographic tokens and the eXeBlock platform software, which could result in the theft or loss of tokens or other data.

Risks Associated with Graphene Protocol

eXeBlock networks are based upon the Graphene protocol. As such, any malfunction, unintended function or unexpected functioning of the Graphene protocol may cause the eXeBlock networks or tokens to malfunction or function in an unexpected or unintended manner.

Risks associated with governing by the DAC

The tokens and the eXeBlock networks may be adversely affected if the Decentralized Autonomous Cooperative (DAC) that governs the eXeBlock software ecosystem maliciously or carelessly or members of the DAC disagree or are in conflict with one another. Further, the DAC may decide not to support funding proposals that are beneficial to the long-term development of eXeBlock software. In this event eXeBlock may not be able to grow and the network and the blockchain may be adversely affected.

Risk of Theft and Hacking

Hackers or other groups or organizations may attempt to interfere with the eXeBlock network software or the availability of it any number of ways, including without limitation denial of service attacks, Sybil attacks, spoofing, smurfing, malware attacks, or consensus-based attacks.

Intellectual Property Rights

The only significant intellectual property rights are certain domain names which eXeBlock owns. The Issuer does not believe that it is dependent on any of these intellectual property rights; however, the loss of several of them at any one time could harm its business, results of operations and its financial condition. Although the Issuer is not aware of violating commercial and other proprietary rights of third parties, there can be no assurance that its products do not violate proprietary rights of third parties or that third parties will not assert or claim that such violation has occurred. Although no legal disputes in this respect or perceptible detrimental effects on eXeBlock's business have arisen to date, any such claims and disputes arising may result in liability for substantial damages which in turn could harm the Issuer's business, results of operations and financial condition.

When blockchain DApps are released, the intellectual property of the software becomes open source and available to anyone. However, technology/programming in development remains the intellectual property of the developing company. As such, eXeBlock owns significant intellectual property at any given time. Ownership of the in-development software is protected in any staff employment agreements or staff contracts.

Volatilities in Cryptocurrency Prices

The markets for cryptocurrencies have experienced much larger fluctuations than other security markets. There can be no assurances that cryptocurrency price might show 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 demands for cryptocurrency is generated by investors and speculators focussing 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 Issuer.

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

- (a) 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;
- (b) Investor's expectations with respect to the rate of inflation;
- (c) Interest rates;
- (d) Currency exchange rates, including exchange rates between cryptocurrency and fiat currency;
- (e) Fiat currency withdrawal and deposit policies on cryptocurrency exchanges and liquidity on such cryptocurrency exchanges
- (f) Interruption of services or failures of major cryptocurrency exchanges;
- (g) Large investment and trading activities in cryptocurrency
- (h) Monetary policies of governments, trade restrictions, currency de- and revaluations;
- (i) Regulatory measures restricting the use of cryptocurrency as a form of payment or the purchase of cryptocurrency;

- (j) Global or regional political, economic or financial events and situations, including increased threat of terrorist activities; and/or
- (k) Self-fulfilling expectations of changes in the cryptocurrency market.

Stability of Cryptocurrency Exchanges

The price of cryptocurrency is established by public exchanges that have, by nature of their business, a limited operating history. So far, even the largest cryptocurrency exchanges have been subject to operational interruptions or even collapse (Mt. Gox). 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 in the Issuer. 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 Issuer.

Changes in the Cryptocurrency 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 in the Issuer.

Acceptance of Virtual Currencies

Although the Issuer believes that the usage of cryptocurrencies will be focussed 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 in the Issuer.

Misuse of Cryptocurrencies

Ever since the existence of cryptocurrencies 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 computer 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 Issuer.

Competition

The market for blockchain technology and DApps may become highly competitive on both a local and a national level. The Issuer believes that the primary competitive factors in this market are:

- product features, functionality and ease of use;
- ongoing product enhancements;
- price;
- quality service and support; and
- reputation and stability of the vendor.

The eXeBlock programming industry is at a very early stage. There is currently more demand for blockchain products than there are providers to create all of the blockchain products in demand. However, there are no assurances that established competitors, which may have greater financial, technical, and marketing resources than eXeBlock does, may choose to directly compete with eXeBlock DApps. The Issuer's competitors may also have a larger installed base of users, longer operating histories or greater name recognition than the Issuer will.

There can be no assurance that the Issuer will successfully differentiate its DApps from the products of its competitors, or that the marketplace will consider the Issuer's DApps to be superior to competing products.

Dependence on Third Party Relationships

The Issuer is highly dependent on a number of third party relationships to conduct its business and implement expansion plans. It cannot be assured that all of these partnerships will turn out to be as advantageous as currently anticipated or that other partnerships would not have proven to be more advantageous. In addition, it is impossible to assure that all associated partners will perform their obligations as agreed or that any strategy agreement will be specifically enforceable by the Issuer.

Key Personnel

The future success of the Issuer will depend, in large part, upon its ability to retain its key management personnel and to attract and retain additional qualified marketing, sales and operational personnel to form part of its technical and customer services support center. The Issuer may not be able to enlist, train, retain, motivate and manage the required personnel. Competition for these types of personnel is intense. Failure to attract and retain personnel, particularly marketing, sales and operational personnel as well as consultants, could make it difficult for the Issuer to manage its business and meet its objectives.

Failure to manage growth successfully may adversely impact the Issuer's operating results. The growth of the Issuer's operations places a strain on managerial, financial and human resources. The Issuer's ability to manage future growth will depend in large part upon a number of factors, including the ability to rapidly:

- (a) build and train development, sales and marketing staff to create an expanding presence in the evolving marketplace for the Issuer's products;
- (b) attract and retain qualified technical personnel in order to administer technical support required for customers located in Canada, the United States and other countries around the world;

- (c) develop customer support capacity as sales increase, so that customer support can be provided without diverting resources from product sales efforts; and
- (d) expand internal management and financial controls significantly, so that control can be maintained over operations as the number of personnel and size of the Issuer increases.

Inability to achieve any of these objectives could harm the business and operating results of the Issuer.

Management of Growth

The Issuer may be subject to growth-related risks including pressure on its internal systems and controls. The Issuer's ability to manage its growth effectively will require it to continue to implement and improve its operational and financial systems. The inability of the Issuer to deal with this growth could have a material adverse impact on its business, operations and prospects. While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, the Issuer may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for the Issuer's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Issuer will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate and manage its employees. There can be no assurance that the Issuer will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Issuer's operations or that the Issuer will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

Litigation

eXeBlock may become involved in litigation that may materially adversely affect it. From time to time in the ordinary course of eXeBlock's business, it may become involved in various legal proceedings. Such matters can be time-consuming, divert management's attention and resources and cause eXeBlock to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on eXeBlock's business, operating results or financial condition.

Conflicts of interest

The directors of the Issuer are required by law to act honestly and in good faith with a view to the best interests of the Issuer and to disclose any interests, which they may have in any project or opportunity of the Issuer. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. Conflicts, if any, will be subject to the procedures and remedies as provided under the BCBCA.

To the best of the Issuer's knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest between the Issuer and its directors and officers except that certain of the directors and officers may serve as directors and/or officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Issuer and their duties as a director or officer of such other companies.

Currency Risk

To the extent that the Issuer expands its business into the United States and Europe, the Issuer will be exposed to foreign currency fluctuations to the extent that certain operations are located in the United States and Europe and therefore certain expenditures and obligations are denominated in US dollars and Euros, yet the Issuer is headquartered in Canada, has applied to list its Common Shares on a Canadian stock exchange and typically raises funds in Canadian dollars. As such, the Issuer's results of operations are subject to foreign currency fluctuation risks and such fluctuations may adversely affect the financial position and operating results of the Issuer.

No dividend history

No dividends have been paid by the Issuer or eXeBlock to date. The Issuer anticipates that for the foreseeable future it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including the Issuer's financial condition and current and anticipated cash needs.

PROMOTERS

Jonathan Baha'i, a principal shareholder of the Issuer, is considered to have been a promoter of the Issuer in that he took the initiative of founding eXeBlock. Mr. Baha'i owns 10,000,000 Common Shares, representing 22.9% of the issued and outstanding Common Shares. He is neither a director nor an officer of the Issuer.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

There are no pending legal proceedings to which the Issuer is or was a party to, or that any of its property is or was the subject of, since the beginning of the most recently completed financial year for which financial statements of the Issuer are included in this Prospectus.

Regulatory Actions

No penalties or sanctions were imposed against the Issuer by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date of this Prospectus. No other penalties or sanctions have been imposed by a court or regulatory body against the issuer necessary for this Prospectus to contain full, true and plain disclosure of all material facts. The Issuer has not entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of this Prospectus.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Certain directors and officers of the Issuer hold Common Shares and may be granted Options to purchase Common Shares in the future. See "*Directors and Executive Officers*" and "*Options to Purchase Securities*". Other than as described below, neither the directors, officers and principal shareholders of the Issuer, nor any Associate or Affiliate of the foregoing, have had no material interest, direct or indirect, in any transactions in which the Issuer has participated prior to the date of this Prospectus, or will have any material interest in any proposed transaction, which has materially affected or will material affect the Issuer.

Each of Messrs. Sheppard, Thomson, Randall and Baha'i were shareholders of eXeBlock and received Common Shares pursuant to the Transaction as follows.

Name	Type of Ownership	Number of Common Shares presently owned	Percentage of Common Shares outstanding ⁽¹⁾
Carl Sheppard	Direct & Indirect	1,800,000	4.1%
Paul Thomson	Direct	500,002	1.1%
Robert Randall	Direct	300,000	0.8%
Jonathan Baha'i	Indirect	10,000,000	22.9%

Notes:

- (1) The total 10,850,002 Common Shares held by the Issuer's directors and officers and principal shareholders represent approximately 28.9% of the Common Shares issued and standing.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

Auditor

Prior to completion of the Transaction, the Issuer's auditor was Adam Sung Kim Ltd., Chartered Professional Accountant, of Unit 114B (2nd floor), 8988 Fraserton Court, Burnaby, British Columbia V5J 5H8. Adam Sung Kim Ltd. was appointed auditor of the Corporation on August 31, 2017. Charlton & Company LLP, Chartered Accountants, of 555 Burrard Street, Suite 1735, Vancouver, British Columbia V7X 1M9 was the Issuer's previous auditor and was first appointed as the Issuer's auditor on October 29, 2015.

As a result of the Transaction, eXeBlock Inc.'s auditor, Deloitte LLP of 1969 Upper Water Street, Halifax, Nova Scotia B3J 3R7, became the auditor of the Issuer.

Registrar and Transfer Agent

The Issuer's registrar and transfer agent is National Issuer Services Ltd., at its Vancouver office located at Suite 760 – 777 Hornby Street, Vancouver, British Columbia V6Z 1S4.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Issuer and eXeBlock within two years prior to the date hereof which are currently in effect and considered to be currently material:

1. Share Exchange Agreement dated September 6, 2017 among the Issuer, eXeBlock and the eXeBlock Shareholders. See "*Corporate Structure - Business Combination with eXeBlock*".
2. Escrow Agreement between the Issuer and the Escrow Agent regarding the deposit in escrow and release conditions of the Subscription Funds paid by subscribers of Subscription Receipts. See "*Corporate Structure – Financing*".
3. Escrow Agreement among the Issuer, the Escrow Agent, and the holders of the Escrow Securities. See "*Escrowed Securities*".
4. Transfer Agent Agreement between the Issuer and the Transfer Agent dated December 5, 2016. Under the terms of the Transfer Agent Agreement, the Issuer appointed the Transfer Agent as its transfer agent and registrar.

Copies of all material contracts and reports referred to in this Prospectus may be inspected at the registered office of the Issuer located at Suite 1128 – 789 Pender Street, Vancouver, British Columbia V6C 1H2 during normal business hours, as well as under the Issuer's SEDAR profile at www.sedar.com upon the Effective Date of this Prospectus.

INTEREST OF EXPERTS

No person or Issuer whose profession or business gives authority to a report, valuation, statement or opinion and who is named as having prepared or certified a part of this Prospectus or as having prepared or certified a report or valuation described or included in this Prospectus holds or is to hold any beneficial or registered interest, direct or indirect, in any securities or property of the Issuer or any Associate or Affiliate of the Issuer.

Adam Sung Kim Ltd was the auditor of the Issuer until completion of the Transaction and is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Deloitte LLP of Halifax, Nova Scotia is now the auditor of both eXeBlock and the Issuer and is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Nova Scotia and British Columbia.

OTHER MATERIAL FACTS

To management's knowledge, there are no other material facts relating to the Issuer or eXeBlock that are not otherwise disclosed in this Prospectus, or are necessary in order for this Prospectus to contain full, true and plain disclosure of all material facts relating to the Issuer and eXeBlock.

FINANCIAL STATEMENTS

Attached to and forming a part of this Prospectus are the following financial statements:

- Audited financial statements of the Issuer for the years ended July 31, 2017 and 2016 and for the period from incorporation (June 19, 2015) to July 31, 2015
- Audited financial statements of eXeBlock for the period from incorporation on July 11, 2017 to August 31, 2017
- Pro forma financial statements for the Issuer giving effect to the Transaction as at July 31, 2017.

SCHEDULE "A"

FINANCIAL STATEMENTS OF THE ISSUER

Audited financial statements of the Issuer for the years ended July 31, 2017 and 2016

[inserted as separate pages]

1040433 B.C. LTD.
Consolidated Financial Statements
Year Ended July 31, 2017

Expressed in Canadian Dollars

UNIT 114B (2nd floor)
8988 FRASERTON COURT
BURNABY, BC, V5J 5H8

T: 604.318.5465
F: 604.239.0866

Adam Kim

ADAM SUNG KIM LTD.

CHARTERED PROFESSIONAL ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To: the Shareholders of
1040433 B.C. Ltd.

I have audited the accompanying financial statements of 1040433 B.C. Ltd. (the "Company"), which comprise the consolidated statement of financial position as at July 31, 2017, and the consolidated statement of loss and comprehensive loss, consolidated statement of cash flows and consolidated statement of changes in equity for the year ended July 31, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2017, and its financial performance and its cash flow for the year ended July 31, 2017 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying my opinion, I draw attention to Note 1 in the consolidated financial statements which indicates that the Company has incurred losses to date. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Other Matter

The financial statements of the Company for the year ended July 31, 2016, were audited by another auditor who expressed an unmodified opinion on those statements on March 8, 2017.

"Adam Sung Kim Ltd."
Chartered Professional Accountant

Burnaby, British Columbia
September 11, 2017

1040433 B.C. Ltd.

Consolidated Statements of Financial Position

As at July 31, 2017 and 2016

(Expressed in Canadian Dollars)

	Notes	July 31, 2017	July 31, 2016
ASSETS			
Current assets			
Amounts receivable		\$ 308	\$ -
TOTAL ASSETS		\$ 308	\$ -
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
Current Liabilities			
Accounts payable and accrued liabilities	6	\$ 11,370	\$ 2,750
SHAREHOLDERS' DEFICIENCY			
Share capital	5	7,932	7,932
Deficit		(18,994)	(10,682)
TOTAL SHAREHOLDERS' DEFICIENCY		(11,062)	(2,750)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY		\$ 308	\$ -

Nature and continuance of operations (Note 1)**Subsequent events** (Note 10)

Approved by the board of directors and authorized for issue on September 11, 2017:

"Eugene Beukman"

Eugene Beukman, Director

"Theo van der Linde"

Theo van der Linde, Director

1040433 B.C. Ltd.

Consolidated Statements of Loss and Comprehensive Loss

For the years ended July 31, 2017 and 2016

(Expressed in Canadian Dollars)

	Notes	July 31, 2017	July 31, 2016
Expenses			
Accounting and audit	6	\$ 4,642	\$ 2,000
Management fees	6	3,205	-
Office and miscellaneous		749	1,000
Transaction fees		-	6,932
Transfer agent and filing fees (recovery)		(284)	750
Loss and comprehensive loss for the year		\$ (8,312)	\$ (10,682)
Loss per share – basic and diluted		\$ (0.02)	\$ (0.04)
Weighted average number of common shares outstanding		396,601	299,895

1040433 B.C. Ltd.

Consolidated Statements of Changes in Equity

For the years ended July 31, 2017 and 2016

(Expressed in Canadian Dollars)

		Share capital			
	Notes	Number of shares	Amount	Deficit	Total
Balance at July 31, 2015		1	\$ -	\$ -	\$ -
Shares issued for plan of arrangement	5	396,600	7,932	-	7,932
Loss for the year		-	-	(10,682)	(10,682)
Balance at July 31, 2016		396,601	\$ 7,932	\$ (10,682)	\$ (2,750)
Loss for the year		-	-	(8,312)	(8,312)
Balance at July 31, 2017		396,601	\$ 7,932	\$ (18,994)	\$ (11,062)

See accompanying notes to the consolidated financial statements

1040433 B.C. Ltd.

Consolidated Statements of Cash Flows
For the years ended July 31, 2017 and 2016
(Expressed in Canadian Dollars)

	July 31, 2017	July 31, 2016
Operating activities		
Loss for the year	\$ (8,312)	\$ (10,682)
Item not involving cash:		
Transaction fees	-	6,932
Changes in non-cash working capital items:		
Amounts receivable	(308)	
Accounts payable and accrued liabilities	8,620	2,750
Net cash flows used in operating activities	-	(1,000)
Financing activities		
Proceeds on issuance of common shares, net	-	1,000
Share cancelled	-	(1)
Net cash flows from financing activities	-	999
Change in cash	-	(1)
Cash, beginning	-	1
Cash, ending	\$ -	\$ -

There were no significant non-cash transactions for the years ended July 31, 2017 and 2016.

1040433 B.C. Ltd.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the year ended July 31, 2017

1. Nature and continuance of operations

1040433 B.C. Ltd. (the "Company") was incorporated on June 19, 2015, under the laws of the province of British Columbia, Canada. The Company is a business development services company. It provides business development services to new and emerging businesses, including making introductions to accountants, lawyers, brokers, transfer agents, and various other professionals and service providers to assist companies in raising capital and going public.

The head office, principal address, records office and registered address of the Company are located at Suite 1128 - 789 West Pender Street, Vancouver, BC V6C 1H2.

These consolidated financial statements have been prepared on the assumption that the Company and its subsidiaries will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. At July 31, 2017, the Company had not yet achieved profitable operations, had accumulated losses of \$18,994 since its inception, and has working capital deficit of \$11,062. The Company expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent upon the successful results from its business activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and or profits from its business activities.

2. Basis of preparation

Statement of compliance

These financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). They have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, or available for sale which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. These financial statements are presented in Canadian dollars unless otherwise noted.

3. Significant accounting policies

Consolidation

The consolidated financial statements have been prepared on a historical cost basis except for certain financial assets that are measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified.

These consolidated financial statements incorporate the financial statements of the Company and its wholly controlled subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The consolidated financial statements include the accounts of the Company and its direct wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated.

3. Significant accounting policies (cont'd)

Significant estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions concerning the future. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation relate to the fair value measurements for financial instruments and stock-based compensation and other equity-based payments, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the determination of the functional currency of the parent company and its subsidiaries.

Foreign currency translation

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars which is the parent company's functional and presentation currency. The functional currency of the subsidiaries is the Canadian dollar.

Transactions and balances:

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of loss and comprehensive income in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

3. Significant accounting policies (cont'd)

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets.

3. Significant accounting policies (cont'd)

Financial instruments (cont'd)

Non-derivative financial liabilities (excluding financial guarantees) classified as other financial liabilities are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company's cash and receivables are classified as loans and receivables. The Company's trade payables and deposits are classified as other financial liabilities.

Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities;
- Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3: Inputs that are not based on observable market data.

The Company does not have any derivative financial assets or liabilities.

Impairment of assets

The carrying amount of the Company's assets (which include exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of income and comprehensive income.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

3. Significant accounting policies (cont'd)

Impairment of assets (cont'd)

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

1040433 B.C. Ltd.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the year ended July 31, 2017

3. Significant accounting policies (cont'd)

New accounting standards issued but not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the IFRIC that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below. The Company has not yet assessed the impact, if any, that the new amended standards will have on its consolidated financial statements or whether to early adopt any of the new requirements. The following standard will be effective for annual periods beginning on or after January 1, 2018:

IFRS 9, *Financial Instruments* – The IASB intends to replace IAS 39, *Financial Instruments: Recognition and Measurement* in its entirety with IFRS 9 which is intended to reduce the complexity in the classification and measurement of financial instruments. In February 2014, the IASB tentatively determined that the revised effective date for IFRS 9 would be January 1, 2018. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

4. Plan of arrangement

In July 2015, the Company entered into an Arrangement Agreement with TNX Maverick Inc. (“TNX”) (formerly Kidani Capital Partners Inc.) and 1033143 BC Ltd. (“1033143”). TNX is a reporting issuer in the provinces of Alberta and British Columbia

In October 2015, the shareholders of the Company, TNX and 1033143, executed the Arrangement as follows:

- a) 1033143 acquired all of the issued and outstanding common shares of the Company from TNX for consideration of the Purchase Price of \$1,000 on the Closing of the Plan of Arrangement (the “Purchase Shares”);
- b) 1033143 and the Company exchanged securities on a 1:1 basis such that 396,600 common shares of 1033143 were exchanged by their holders for 396,600 common shares of the Company;
- c) TNX and the Company exchanged on a 1:1 basis, such that TNX issued one common shares to the Company and the Company issued one common share to TNX (collectively, the “Exchange Shares”); and
- d) The Purchase and the Exchange Shares were then cancelled.

Following completion of the Arrangement Agreement, the Company became a reporting issuer.

A transaction fee of \$6,932 was recorded as a result of the Arrangement.

As a result of the Arrangement Agreement, the former shareholders of 1033143, for accounting purposes, are considered to have acquired control of the Company. Accordingly, the Arrangement has been accounted for as a reverse takeover that was not a business combination and effectively a capital transaction of the Company. As 1033143 is deemed to be accounting acquirer for accounting purposes, its assets and liabilities and operations since incorporation on June 19, 2015 are included in the consolidated financial statements at their historical carrying value. The financial statements are a continuation of 1033143 in accordance with IFRS 3, Business Combinations. The Company’s results of operations are included from October 29, 2015 onwards.

1040433 B.C. Ltd.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the year ended July 31, 2017

5. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At July 31, 2017, there were 396,601 issued and fully paid common shares.

Share issuances

On June 19, 2015, the Company issued one common share on incorporation.

During the year ended July 31, 2016, pursuant to the Plan of Arrangement (see Note 4), the Company issued 396,600 for \$1,000 and the acquisition of an LOI valued at \$6,932 and included as transaction fees on the statement of loss and comprehensive loss.

Stock options

The Company has not issued any stock options and no stock options are outstanding as at July 31, 2017 and 2016.

Warrants

The Company has not issued any warrants and no warrants options are outstanding as at July 31, 2017 and 2016.

6. Related parties

During the year ended July 31, 2017, the Company paid and/or accrued accounting and management fees of \$5,705 (2016 - \$Nil) to a company controlled by a director of the Company.

Included in accounts payable and accrued liabilities at July 31, 2017 is \$6,966 (2016 - \$Nil) owed to directors and companies controlled by directors of the Company.

7. Financial risk and capital 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:

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 primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its GST receivable. This risk is minimal as receivables consist of refundable government general sales taxes.

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 sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

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. As at July 31, 2017, the Company did not have any cash equivalents or interest bearing debt and is not subject to interest rate risk.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to any externally imposed capital requirements.

Classification of financial instruments

The Company has no financial assets as at July 31, 2017 and 2016.

Financial liabilities included in the consolidated statement of financial position are as follows:

	July 31, 2017	July 31, 2016
Non-derivative financial liabilities:		
Trade payables	\$ 11,370	\$ 2,750

1040433 B.C. Ltd.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the year ended July 31, 2017

8. Segmented information

The Company operates in a single reportable operating segment – business development services in Canada.

9. Income taxes

A reconciliation of income taxes at statutory tax rates is as follows:

	July 31, 2017	July 31, 2016
Loss for the year	\$ 8,312	\$ 10,682
Statutory tax rate	26%	26%
Expected recovery of income taxes	2,161	2,777
Permanent and other differences	-	(2,062)
Change in benefit no recognized	(2,161)	(715)
Deferred income tax recovery	\$ -	\$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statements of financial position are as follows:

	July 31, 2017	July 31, 2016
Non-capital losses	\$ 2,876	\$ 715

The Company's non-capital losses of \$11,062 (2016 - \$2,750), expire in 2037 if not utilized to reduce income in future periods.

10. Subsequent events

On August 14, 2017, the Company closed a non-brokered financing of 5,200,000 units at \$0.03 per unit for gross proceeds of \$156,000. Each unit consists of a common share and one-half of one share purchase warrant, with each whole warrant entitles the holder thereof to acquire an additional common share of the Company at a price of \$0.05 per share for a period of 3 years.

On August 18, 2017, the Company entered into a letter of intent (the "LOI") relating to the acquisition of eXeBlock Technology Inc. ("eXeBlock"), a private corporation existing under the laws of Canada (the "Acquisition"). The Acquisition will be effected through an exchange of securities with all of the securityholders of eXeBlock (the "Transaction").

1040433 B.C. Ltd.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the year ended July 31, 2017

10. Subsequent events (cont'd)

The LOI includes:

- a) The Company will acquire all of the issued securities of eXeBlock. The intent of the parties being that all common shares of eXeBlock prior to the closing of the Transaction will be exchanged for common shares of the Company on the basis of two shares of the Company for each eXeBlock share.
- b) Upon closing of the Transaction, the Board of Directors will consist of four (4) directors, comprised of three (3) nominees from eXeBlock and one (1) nominee from the Company.
- c) Post closing, eXeBlock intends to complete a non-brokered private placement to raise aggregate gross proceeds of minimum of \$3,000,000 (the "Private Placement").
- d) eXeBlock plans to complete an initial listing on the Canadian Securities Exchange (the "Exchange" or "CSE"), pending Exchange and regulatory approval.

SCHEDULE "B"

MANAGEMENT DISCUSSION AND ANALYSIS OF THE ISSUER

Financial years ended July 31, 2017 and 2016

[inserted as separate pages]

1040433 BC LTD.

Management's Discussion and Analysis

For the Year Ended July 31, 2017

General

This management discussion and analysis of financial position and results of operations ("MD&A") is prepared as at September 11, 2017 and should be read in conjunction with the audited financial statements for the year ended July 31, 2017 and related notes of 1040433 BC Ltd. ("1040433" or the "Company"). These audited consolidated financial statements, including comparatives, have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

Management is responsible for the preparation and integrity of the consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the consolidated financial statements and Management Discussion and Analysis ("MD&A"), is complete and reliable.

All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted. This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at www.sedar.com.

Description of Business

The Company is a business development services company. It provides business development services to new and emerging businesses, including making introductions to accountants, lawyers, brokers, transfer agents, and various other professionals and service providers to assist companies in raising capital and going public. The Company is a reporting issuer in the provinces of British Columbia and Alberta.

Plan of Arrangement

In July 2015, the Company entered into an Arrangement Agreement with TNX Maverick Inc. ("TNX") (formerly Kidani Capital Partners Inc.) and 1033143 BC Ltd. ("1033143"). TNX is a reporting issuer in the provinces of Alberta and British Columbia

In October 2015, the shareholders of the Company, TNX and 1033143, executed the Arrangement as follows:

- a) 1033143 acquired all of the issued and outstanding common shares of the Company from TNX for consideration of the Purchase Price of \$1,000 on the Closing of the Plan of Arrangement (the “Purchase Shares”);
- b) 1033143 and the Company exchanged securities on a 1:1 basis such that 396,600 common shares of 1033143 were exchanged by their holders for 396,600 common shares of the Company;
- c) TNX and the Company exchanged on a 1:1 basis, such that TNX issued one common share to the Company and the Company issued one common share to TNX (collectively, the “Exchange Shares”); and
- d) The Purchase and the Exchange Shares were then cancelled.

Following completion of the Arrangement Agreement, the Company became a reporting issuer.

A transaction fee of \$6,932 was recorded as a result of the Arrangement.

As a result of the Arrangement Agreement, the former shareholders of 1033143, for accounting purposes, are considered to have acquired control of the Company. Accordingly, the Arrangement has been accounted for as a reverse takeover that was not a business combination and effectively a capital transaction of the Company. As 1033143 is deemed to be accounting acquirer for accounting purposes, its assets and liabilities and operations since incorporation on June 19, 2015 are included in the consolidated financial statements at their historical carrying value. The financial statements are a continuation of 1033143 in accordance with IFRS 3, Business Combinations. The Company’s results of operations are included from October 29, 2015 onwards.

Letter of Intent

On August 18, 2017, the Company entered into a letter of intent (the “LOI”) relating to the acquisition of eXeBlock Technology Inc. (“eXeBlock”), a private corporation existing under the laws of Canada (the “Acquisition”). The Acquisition will be effected through an exchange of securities with all of the securityholders of eXeBlock (the “Transaction”). The principal business carried on by eXeBlock is the development and operation of blockchain software, also known as decentralized applications or DAPP.

The LOI includes:

- a) The Company will acquire all of the issued securities of eXeBlock. The intent of the parties being that all common shares of eXeBlock prior to the closing of the Transaction will be exchanged for common shares of the Company on the basis of two shares of the Company for each eXeBlock share. eXeBlock currently has 19,050,000 shares outstanding with no warrants or options. The Company will issue 38,100,000 common shares to the shareholders of eXeBlock, representing approximately 87.2% of

the issued and outstanding common shares of the Company after completion of the Acquisition. The Company currently has 5,596,000 shares outstanding and 2,600,000 share purchase warrants.

b) The Company will change its corporate name to eXeBlock Technology Inc. Upon closing of the Transaction, the Board of Directors will consist of four (4) directors, comprised of three (3) nominees from eXeBlock and one (1) nominee from the Company.

c) Post closing, eXeBlock intends to complete a non-brokered private placement. The investment will be led by the Toronto-based PowerOne Capital Group and include Halifax-based Numus Capital for up to 10,000,000 common shares of eXeBlock at a price of \$0.35, to raise aggregate gross proceeds of up to \$3,500,000 (the “Private Placement”). The net proceeds from the Private Placement will be used by eXeBlock to fund its software development. In connection with the Private Placement, eXeBlock will pay to arm’s length finders a finder’s fee comprised of cash fee equal to 7.5% of funds related to investments in eXeBlock and warrants representing 7.5% of the number of shares issued as introduced by finders in the Private Placement of eXeBlock.

d) eXeBlock plans to complete an initial listing on the Canadian Securities Exchange (the “Exchange” or “CSE”), pending Exchange and regulatory approval.

Selected Annual Information

	July 31, 2017	July 31, 2016	July 31, 2015
Total assets	\$ 308	\$ 1	\$ 1
Total liabilities	\$ 11,370	\$ 2,750	\$ -
Revenue	\$ -	\$ -	\$ -
Total expenses	\$ 8,312	\$ 10,682	\$ -
Net loss	\$ (8,312)	\$ (10,682)	\$ -
Loss per share	\$ (0.02)	\$ (0.04)	\$ -

Results of Operations

For the year ended July 31, 2017, the Company incurred a loss of \$8,312 compared to a loss of \$10,682 in 2016. The loss included accounting and audit fees of \$4,642, management and corporate services of \$3,205, office and miscellaneous costs of \$749. Most of these amounts were recorded in the final quarter ended July 31, 2017. In the last quarter of the previous year only \$1,700 of such fees were incurred.

During 2016, the Company incurred transaction fees of \$6,932 related to the Plan of Arrangement.

Selected Quarterly Information

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements. All dollar amounts are in Canadian dollars.

Quarter Ended	Loss (Income) for the period	Loss (Income) per Share (Basic & Diluted)	Total Assets	Interest Income
July 31, 2017	\$8,657	\$0.02	\$308	\$Nil
April 30, 2017	\$(645)	\$(0.00)	\$Nil	\$Nil
January 31, 2017	\$150	\$0.00	\$Nil	\$Nil
October 31, 2016	\$150	\$0.00	\$Nil	\$Nil
July 31, 2016	\$1,700	\$0.01	\$Nil	\$Nil
April 30, 2016	\$450	\$0.00	\$Nil	\$Nil
January 31, 2016	\$450	\$0.00	\$Nil	\$Nil
October 31, 2015	\$8,082	\$0.98	\$Nil	\$Nil

In the quarter ended April 30, 2017, the Company recorded a recovery of certain costs recorded in the quarter ended October 31, 2015. In this quarter, the Company incurred certain professional fees in association with a potential acquisition pursuant to a letter of intent, which subsequently expired.

Financial Condition, Liquidity and Capital Resources

The Company's working capital deficiency position at July 31, 2017 was \$11,062 including cash of \$Nil. The Company does not currently have an active business generating positive cash flows. The Company is reliant on equity financing or shareholder loans to provide the necessary cash to acquire or participate in an active business. As of July 31, 2017, the Company did not have sufficient cash to meet its business objectives and day-to-day operation needs. Subsequent to July 31, 2017, the Company closed a non-brokered financing of 5,200,000 units at \$0.03 per unit for gross proceeds of \$156,000. Each unit consists of a common share and a one-half share purchase warrant, with each whole warrants entitles the holder thereof to acquire an additional common share of the Company at a price of \$0.05 per share for a period of 3 years. On completion of the financing, the Company had sufficient cash to fund its business objectives and day-to-day operation needs for at least six months. There can be no assurance that equity financings will continue to be available to the Company in the future that will be obtained on terms satisfactory to the Company.

The Company has not entered into any off-balance sheet arrangements.

Related Party Transactions

During the year ended July 31, 2017, the Company paid and/or accrued accounting and management fees of \$5,705 (2016 - \$Nil) to a company controlled by Eugene Beukman, an officer and director of the Company.

Included in accounts payable and accrued liabilities at July 31, 2017 is \$6,966 (2016 - \$Nil) owed to a company controlled by Eugene Beukman, an officer and director of the Company.

Financial Instruments and Risk Management

Fair Values

The fair values of cash and equivalents, receivables and trade payables approximate their book values because of the short-term nature of these instruments.

(a) *Financial Risk Management*

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

(b) *Financial Instrument Risk Exposure*

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

Credit Risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company's receivables consist primarily of tax receivables due from federal government agencies. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Market risk

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

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency risk

The Company is not exposed to foreign currency risk on fluctuations in exchange rates.

(c) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Contingencies

The Company is not aware of any contingencies or pending legal proceedings as of September 11, 2017.

Additional share information

As at July 31, 2017 the Company had 396,601 common shares outstanding.

On August 14, 2017, the Company closed a non-brokered financing of 5,200,000 units at \$0.03 per unit for gross proceeds of \$156,000. Each unit consists of a common share and one-half of one share purchase warrant, with each whole warrant entitles the holder thereof to acquire an additional common share of the Company at a price of \$0.05 per share for a period of 3 years.

As at the date of this report, the Company had 5,596,601 common shares and 2,600,000 warrants outstanding.

Financial and Disclosure Controls and Procedures

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for establishing and maintaining appropriate information systems, procedures and

controls to ensure that information used internally and disclosed externally is complete, reliable and timely. They are also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's consolidated financial statements for the year ended July 31, 2017 (together the "Annual Filings").

The Chief Executive Officer and Chief Financial Officer of the Company have filed the Venture Issuer Basic Certificate with the Interim and Annual Filings on SEDAR at www.sedar.com.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company, which can be accessed at www.sedar.com. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

Cautionary Statement on Forward Looking Information

Certain statements contained in this document constitute "forward-looking statements". Such forward-looking statements involve 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 expressly stated or implied by such forward-looking statements.

SCHEDULE "C"

FINANCIAL STATEMENTS OF EXEBLOCK TECHNOLOGY INC.

Audited financial statements for the period from incorporation on July 11, 2017 to August 31, 2017

[inserted as separate pages]

Financial Statements of

EXEBLOCK TECHNOLOGY INC.

For the period from incorporation on July 11, 2017 to August 31, 2017

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Board of Directors of eXeBlock Technology Inc.

We have audited the accompanying financial statements of eXeBlock Technology Inc., which comprise the statement of financial position as at August 31, 2017, and the statement of loss and comprehensive loss, statement of changes in equity and statement of changes in cash flows for the period from incorporation on July 11, 2017 to August 31, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of eXeBlock Technology Inc. as at August 31, 2017, and its financial performance and its cash flows for the period from incorporation on July 11, 2017 to August 31, 2017 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion we draw attention to Note 1 of the financial statements, which indicates that eXeBlock Technology Inc. incurred a net loss of \$162,445 during the period from incorporation on July 11, 2017 to August 31, 2017 and has an accumulated deficit of \$162,445. This condition, along with other matters as set forth in Note 1, indicates the existence of material uncertainties that may cast significant doubt about eXeBlock Technology Inc.'s ability to continue as a going concern.

/s/ Deloitte LLP

Chartered Professional Accountants
Halifax, Canada
November 9, 2017

eXeBlock Technology Inc.
Statement of Financial Position
as at August 31, 2017

Expressed in Canadian dollars

	\$
Assets	
Current assets	
Cash	615,407
Accounts receivable	16,406
Prepaid expenses	<u>11,000</u>
Total assets	<u>642,813</u>
Liabilities	
Current liabilities	
Accounts payable and accrued liabilities	<u>200,595</u>
Total liabilities	<u>200,595</u>
Equity	
Shareholders' equity	<u>442,218</u>
Total liabilities and equity	<u>642,813</u>

Nature of operations and going concern (note 1)
Commitments and contingencies (note 7)

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board of Directors on November 9, 2017.

"Paul Thomson"
Director

"Ian Klassen"
Director

eXeBlock Technology Inc.
Statement of Loss and Comprehensive Loss
Period from incorporation on July 11, 2017 to August 31, 2017

Expressed in Canadian dollars

	\$
Expenses	
Audit fees	5,000
Cloud hosting and related costs (note 5)	100
Consultancy fees (note 5)	76,065
Contract developer costs	61,898
Employee salaries, wages and benefits	1,472
Key management salaries and benefits	5,000
Professional fees	6,812
Rent and administrative costs (note 5)	3,004
Securities and regulatory fees	3,094
Loss before income taxes	162,445
Income taxes (note 4)	-
Net loss and comprehensive loss for the period	162,445
Loss per share – basic and diluted	0.02
Weighted-average number of common shares outstanding Basic and diluted	8,134,314

The accompanying notes are an integral part of these financial statements.

eXeBlock Technology Inc.
Statement of Changes in Equity
Period from incorporation on July 11, 2017 to August 31, 2017

<i>Expressed in Canadian dollars</i>	Number of Common Shares	Common Shares	Deficit	Total
		\$	\$	\$
Balance, July 11, 2017	1	1	-	1
Net loss and comprehensive loss for the period	-	-	(162,445)	(162,445)
Shares issued pursuant to private placement (note 3)	19,050,000	615,494	-	615,494
Share issuance costs (note 3)	-	(10,832)	-	(10,832)
Balance, August 31, 2017	19,050,001	604,663	(162,445)	442,218

The accompanying notes are an integral part of these financial statements.

eXeBlock Technology Inc.
Statement of Changes in Cash Flows
Period from incorporation on July 11, 2017 to August 31, 2017

Expressed in Canadian dollars

	\$
Operating activities	
Net loss for the period	(162,445)
Increase in accounts receivable	(16,405)
Increase in prepaid expenses	(11,000)
Increase in accounts payable and accrued liabilities	<u>200,595</u>
Net cash provided from operating activities	<u>10,745</u>
Financing activities	
Proceeds received upon the completion of private placement (note 3)	615,494
Share issuance costs associated with private placement (note 3)	<u>(10,832)</u>
Net cash provided by financing activities	<u>604,662</u>
Increase in cash	615,407
Cash, beginning of period	<u>-</u>
Cash, end of period	<u>615,407</u>

The accompanying notes are an integral part of these financial statements.

eXeBlock Technology Inc.

Notes to the Financial Statements

Period from incorporation on July 11, 2017 to August 31, 2017

1. NATURE OF OPERATIONS AND GOING CONCERN

eXeBlock Technology Inc. (the “Company” or “eXeBlock Inc.”) was incorporated on July 11, 2017 under the laws of the Canada Business Corporations Act. The Company is in the business of developing and marketing decentralized applications (“DApps”). eXeBlock Inc.’s head office is located at 47 Lockheed Crescent, Debert, Nova Scotia, Canada, B0M 1G0. The registered office of eXeBlock Inc. is located at Suite 1100, 1959 Upper Water Street, Halifax, Nova Scotia, Canada, B3J 3N2.

The Company’s operations have been financed through the sale of common shares. The Company has incurred significant operating losses since inception and has an accumulated deficit of \$162,445 as at August 31, 2017.

These financial statements have been prepared on a going-concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. For the period ended August 31, 2017, the Company incurred a net loss of \$162,445. The Company has no revenue from operations. In addition to its working capital requirements, the Company must secure sufficient funding to develop its decentralized applications and to fund its general operating costs. The Company has a planning and budgeting process to monitor operating cash requirements, including amounts projected for capital expenditures, which are adjusted as input variables change. These variables include, but are not limited to, the ability of the Company to generate revenue from current and prospective customers, general and administrative requirements of the Company and the availability of capital markets. As these variables change, liquidity risks may necessitate the need for the Company to issue equity or obtain debt financing. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern. Management is evaluating alternatives to secure additional financing so that the Company can continue to operate as a going concern. Nevertheless, there can be no assurance that these initiatives will be successful or sufficient.

The Company’s ability to continue as a going concern is dependent upon its ability to fund its working capital and operating requirements and eventually to generate positive cash flows from operations. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption determined to be inappropriate and these adjustments could be material.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently in these financial statements, except as discussed below.

a) Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The Board of Directors approved these financial statements for issue on November 9, 2017.

b) Basis of presentation

These annual financial statements are presented in Canadian dollars, the Company’s functional currency, and have been prepared on the historical costs basis.

eXeBlock Technology Inc.

Notes to the Financial Statements

Period from incorporation on July 11, 2017 to August 31, 2017

c) Critical accounting judgments and estimates

The preparation of the financial statements in conformity with IFRS requires management to make judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical accounting judgments and estimates in applying accounting policies that have the most significant impact on the amounts recognized in the financial statements are outlined below.

Valuation and amortization of internally generated intangible assets

The Company will capitalize certain costs incurred for the development of its DApps. Estimates are used in order to determine the point in time whereby the recognition criteria are met and the allocation and nature of costs to capitalize in accordance with IAS 38, *Intangible Assets*. The capitalized costs may include the cost of direct labour and other costs directly attributable to preparing the intangible asset for its intended use. Management will then estimate the expected term over which the Company will receive benefits from the software application. A change in these estimates may have a significant impact on the carrying value of an intangible asset and the amortization and expenses recognized in the statements of loss and comprehensive loss.

d) Intangible asset

Expenditures on research activities undertaken with the prospect of gaining new technical knowledge and understanding is recognized in the statements of loss and comprehensive loss as an expense as incurred.

The intangible asset may consist of internally generated applications. The development costs of the applications will be capitalized as they can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable and the Company intends to, and has sufficient resources to, complete development and to use or sell the product. Expenditures capitalized may include the cost of labour and other costs that are directly attributable to preparing the asset for its intended use.

The intangible asset will be amortized based on the cost of the asset less its residual value. Amortization will be charged to the statements of loss and comprehensive loss on a straight-line basis over the estimated useful economic life, from the date the asset is available for use.

e) Income taxes

Current income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in the statements of changes in equity and not in the statements of loss and comprehensive loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The Company recognizes interest and penalties, if any, related to uncertain tax positions in income tax expense.

eXeBlock Technology Inc.

Notes to the Financial Statements

Period from incorporation on July 11, 2017 to August 31, 2017

Deferred income taxes

Deferred income taxes are calculated using the liability method on temporary differences between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses, can be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted, or substantively enacted, at the reporting date. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside of profit or loss is recognized outside of profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive loss or directly in equity.

f) Leases

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

g) Cash

Cash is comprised of cash on hand and current operating bank accounts.

h) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument. Financial assets and financial liabilities are initially measured at fair value.

Financial assets are classified into one of the following specified categories: fair value through profit or loss (“FVTPL”), held-to-maturity, available-for-sale (“AFS”) and loans and receivables. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified as FVTPL) are added to or deducted from the fair value of the financial assets or

eXeBlock Technology Inc.
Notes to the Financial Statements
Period from incorporation on July 11, 2017 to August 31, 2017

financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognized immediately in the statement of loss.

The Company's financial instruments are classified and subsequently measured as follows:

Asset / liability	Classification	Subsequent measurement
Cash	Loans and receivables	Amortized cost
Accounts receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

Financial Assets

Subsequent to initial recognition, loans and receivables are measured at amortized cost.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated fair value of the financial asset has declined.

Financial Liabilities

Financial liabilities are classified as other financial liabilities and are measured at amortized cost subsequent to initial measurement at fair value.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported on the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

i) Loss per share

Loss per share is calculated based on the weighted average number of shares outstanding during the year. The Company follows the treasury method of calculating diluted earnings per share. This method assumes that any proceeds from the exercise of stock options and other dilutive instruments would be used to purchase common shares at the average market price during the year.

j) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period and are discounted to present value where the effect is material. There were no material provisions recorded within the financial statements as at August 31, 2017.

k) Standards, interpretations and amendments to published standards that are not yet effective

IFRS 9, Financial Instruments ("IFRS 9")

IFRS 9, issued on July 24, 2014, is the IASB's replacement of IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 includes requirements for recognition and measurement, impairment, de-recognition and general hedge accounting of financial instruments. IFRS 9 is mandatorily effective for periods beginning on or after January 1, 2018 with early adoption permitted. Management is currently assessing the impact

eXeBlock Technology Inc.

Notes to the Financial Statements

Period from incorporation on July 11, 2017 to August 31, 2017

of the adoption of IFRS 9 on the financial statements of the Company and does not intend to early adopt this standard.

IFRS 15, Revenue from contracts with customers (“IFRS 15”)

In May 2014, the IASB issued IFRS 15. IFRS 15 replaces IAS 18, *Revenue*, IAS 11, *Construction Contracts*, and some revenue related Interpretations. IFRS 15 establishes a new control-based revenue recognition model and provides a comprehensive framework for recognition, measurement and disclosure of revenue from contracts with customers, excluding contracts within the scope of the standards on leases, insurance contracts and financial instruments. The new standard is effective for annual periods beginning on or after January 1, 2018 and is to be applied retrospectively. IFRS 15 allows for early adoption, but the Company does not intend to do so at this time. Management is currently assessing the impact of the adoption of IFRS 15 on the financial statements of the Company.

IFRS 16, Leases (“IFRS 16”)

IFRS 16 was issued on January 13, 2016 and replaces the current guidance in IAS 17, *Leases* (“IAS 17”). IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16’s approach to lessor accounting substantially unchanged from IAS 17. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted. The Company does not intend to early adopt this standard.

3. SHARE CAPITAL

a) Common shares

Authorized share capital of the Company consists of an unlimited number of fully paid common shares without par value.

	<u>Number of shares</u>	<u>Amount</u>
		\$
Outstanding, July 11, 2017	1	1
Shares issued pursuant to private placement	19,050,000	615,494
Share issuance costs	-	(10,832)
Outstanding, August 31, 2017	<u>19,050,001</u>	<u>604,663</u>

The common shares of the Company owned by Directors and Offices will be subject to an escrow agreement. The escrowed shares will be released at a rate of 10% upon listing. The remaining escrowed shares will be released at a rate of 15% every six months thereafter.

Private Placement Financing

During the period ended August 31, 2017, the Company completed a non-brokered private placement financing for aggregate gross proceeds of \$615,494. The Company issued 19,050,000 common shares at prices ranging from \$nil to \$0.10 per share. Total costs associated with the private placement, consisting of professional fees, were \$10,832.

eXeBlock Technology Inc.
Notes to the Financial Statements
Period from incorporation on July 11, 2017 to August 31, 2017

4. INCOME TAXES

The provision for income taxes reported differs from the amounts computed by applying the applicable income tax rates to the net loss before tax provision due to the following:

	August 31, 2017
	\$
Loss before income taxes	(162,445)
Statutory rate	31.0%
Tax recovery at statutory rate	(50,358)
Tax recovery on losses and deductible temporary differences not recognized in the current period	50,358
Income tax recovery	-

5. RELATED PARTY TRANSACTIONS

During the period ended August 31, 2017, the Company incurred rent costs from a related party, Fallout Complex Inc. (“Fallout”), a company controlled by a former officer and director of eXeBlock Inc., in the amount of \$2,904 and advances for rent related costs of \$4,000 included in prepaid expenses. As at August 31, 2017, the amount owing to Fallout was \$7,804 included in accounts payable and accrued liabilities.

During the period ended August 31, 2017, the Company incurred cloud hosting and related fees from a related party, Data Security Node Inc. (“Data Security”), a company controlled by a former officer and director of eXeBlock Inc., in the amount of \$100 and advances for annual cloud hosting servers in the amount of \$7,000 included in prepaid expenses. As at August 31, 2017, the amount owing to Data Security was \$8,065 included in accounts payable and accrued liabilities.

During the period ended August 31, 2017, the Company incurred consultancy fees from a related party, Numus Financial Inc. (“Numus”) in the amount of \$76,065. As at August 31, 2017, the amount owing to Numus was \$91,073 included in accounts payable and accrued liabilities.

During the period ended August 31, 2017, directors of the Company subscribed to an aggregate of 5,250,001 common shares of the non-brokered private placement financing for gross proceeds of \$5,008 included in accounts payable and accrued liabilities.

6. FAIR VALUE OF FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Capital Management

The Company manages its capital to ensure that it will be able to continue as a going-concern while maximizing the return to stakeholders through the optimization of debt and equity balances.

The capital of the Company consists of items included in equity, net of cash, as follows:

	August 31, 2017
	\$
Equity	442,218
Less: cash	(615,407)
	(173,189)

eXeBlock Technology Inc.

Notes to the Financial Statements

Period from incorporation on July 11, 2017 to August 31, 2017

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue equity or return capital to shareholders.

b) Fair Values of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The carrying amounts reported in the statement of financial position for cash, accounts receivable and accounts payable and accrued liabilities approximate their fair values based on the immediate or short-term maturities of these financial instruments.

c) Financial Risk Management Objectives

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk and interest rate risk. Where material, these risks are reviewed and monitored.

d) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date.

Cash is held with reputable banks in Canada. The long-term credit rating of these banks, as determined by Standard and Poor's, was A+.

e) Liquidity Risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they become due. Refer to note 1 for further details related to the ability of the Company to continue as a going concern.

The Company is currently pursuing financing alternatives. There can be no assurance that additional future financings will be available on acceptable terms or at all. If the Company is unable to obtain additional financing when required, the Company may have to substantially reduce or eliminate planned expenditures.

Accounts payables and accrued liabilities are paid in the normal course of business generally according to their terms.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the remaining contractual maturities of the Company's financial liabilities as at August 31, 2017:

	<u>Within 1 year</u>	<u>2-3 years</u>	<u>4-5 years</u>	<u>Over 5 years</u>	<u>Total</u>
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	200,595	-	-	-	200,595

f) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk exposure arises from the Company entering into transactions which are denominated in currencies other than its functional currency.

eXeBlock Technology Inc.
Notes to the Financial Statements
Period from incorporation on July 11, 2017 to August 31, 2017

The Company is exposed to currency risk on its accounts payable and accrued liabilities that are held in currencies that are not in the transacting entity's functional currency. As at August 31, 2017, a 5% decrease in the exchange rate between the functional currency and foreign currencies would decrease the net loss by approximately \$3,000; a 5% increase would increase the net loss by approximately \$3,000. The Company currently does not hedge its currency risk.

g) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

An immaterial amount of interest rate exposure exists in respect of cash balances on the statement of financial position. As a result, the Company is not exposed to material cash flow interest rate risk on its cash balances.

h) Fair Value Measurements Recognized in the Statement of Financial Position

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

At August 31, 2017, the Company had no financial instruments that were measured and recognized on the statement of financial position at fair value. In addition, there were no transfers between levels during the period.

7. COMMITMENTS AND CONTINGENCIES

As at August 31, 2017, the Company has a management services agreement with Numus for the provision of management services at a fee of \$20,000 per month, continuing until both parties mutually agree to terminate.

As at August 31, 2017, the Company has committed to spending a total of \$84,075 on recruitment efforts over the next 36 months.

The Company leases its office in Debert, Nova Scotia under an operating lease agreement which commenced on August 1, 2017 for a term of five and a half years. The Company's commitments under the operating lease, in the form of non-cancellable future lease payments are not reflected as a liability on its statement of financial position. Non-cancellable lease payments as at August 31, 2017 are:

Within 1 year	2-3 years	4-5 years	Over 5 years
\$	\$	\$	\$
24,000	48,000	48,000	10,060

8. SUBSEQUENT EVENT

eXeBlock Inc. entered into a letter of intent (the "LOI") with 1040433 B.C. Ltd. On September 6, 2017, this LOI was formalized in a Share Exchange Agreement (the "Agreement"). Under the terms of the Agreement, 1040433 BC Ltd. acquired all of the issued and outstanding common shares of eXeBlock Inc. based on a two for one share exchange. The board of directors of both companies unanimously approved the terms which resulted in 38,100,002 shares of 1040433 B.C. Ltd. being issued in exchange for all of the outstanding shares (19,050,001) of eXeBlock

eXeBlock Technology Inc.
Notes to the Financial Statements
Period from incorporation on July 11, 2017 to August 31, 2017

Inc. Upon closing, eXeBlock Inc. shareholders hold approximately 87.2% of the outstanding shares of 1040433 B.C. Ltd. effective September 13, 2017, 1040433 B.C. Ltd. has changed its name to eXeBlock Technology Corporation (“eXeBlock Corp.”). (Collectively, the “Transaction”).

As a result of the Transaction, the former shareholders of eXeBlock Inc. will acquire control of eXeBlock Corp. and the Transaction will be treated as a reverse takeover transaction (“RTO”). As eXeBlock Corp. does not meet the definition of a business under IFRS 3, *Business combinations* (“IFRS 3”) the Transaction will be accounted for in accordance with IFRS 2, *Share-based compensation* (“IFRS 2”) whereby eXeBlock Inc. acquires eXeBlock Corp.’s net assets and its status as a reporting issuer. The entity going forward will represent a continuation of eXeBlock Inc.

Subsequent to August 31, 2017, eXeBlock Corp. has completed a non-brokered private placement issuing a total 17,707,429 common shares at a price of \$0.35 per share to raise aggregate gross proceeds of \$6,197,600. A 7.5% finder’s fee will be payable on the financing and eXeBlock Corp. will also issue 7.5% brokers’ warrants to acquire common shares at an exercise price of \$0.35 for two years. The finder’s fee and fair value of the brokers’ warrants will be recorded as share issue costs. The funds will be available upon the completion of eXeBlock Corp.’s listing on a recognized Exchange. The Company has filed a Prospectus in association with its initial listing application on the Canadian Securities Exchange (“CSE”).

SCHEDULE "D"

MANAGEMENT DISCUSSION AND ANALYSIS OF EXEBLOCK TECHNOLOGY INC.

Period from incorporation on July 11, 2017 to August 31, 2017

[inserted as separate pages]

eXeBlock Technology Inc.

Period from incorporation on July 11, 2017 to August 31, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") provides a review of the performance of eXeBlock Technology Inc. ("eXeBlock Inc." or the "Company") and should be read in conjunction with the audited financial statements of eXeBlock Inc. (the "Financial Statements") for the period ended August 31, 2017, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The information presented in this MD&A is as of November 9, 2017. The reporting currency for eXeBlock Inc. is the Canadian dollar. All of the financial information presented herein is expressed in Canadian dollars, unless otherwise stated. United States dollars are indicated by the symbol "US\$". This MD&A contains "forward-looking statements" that are subject to risk factors set out in a cautionary note contained herein. The reader is cautioned not to place undue reliance on forward-looking statements.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

This MD&A contains "forward-looking information", as such term is defined in applicable Canadian securities legislation. Forward-looking information is necessarily based on a number of estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies. All statements other than statements which are reporting results as well as statements of historical fact set forth or incorporated herein by reference, are forward looking information that may involve a number of known and unknown risks, uncertainties and other factors, many of which are beyond eXeBlock Inc.'s ability to control or predict. Forward-looking information can be identified by the use of words such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "intends", "continue", or the negative of such terms, or other comparable terminology.

This information includes, but is not limited to, comments regarding:

- the development plans for the applications;
- the Company's business strategy;
- the Company's strategy for protecting its intellectual property;
- the Company's ability to obtain necessary funding on favorable terms or at all;
- the Company's plan and ability to secure revenues;
- the risk of competitors entering the market;
- the Company's hiring and retention of skilled staff;
- the ability to obtain financing to fund future expenditure and capital requirements; and
- the impact of adoption of new accounting standards.

Although eXeBlock Inc. believes that the plans, intentions and expectations reflected in this forward-looking information are reasonable, eXeBlock Inc. cannot be certain that these plans, intentions or expectations will be achieved. Actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward-looking information contained in this report. Disclosure of important factors that could cause actual results to differ materially from eXeBlock Inc.'s plans, intentions or expectations is included in this report under the heading *Risk Factors*.

Forward-looking information inherently involves risks and uncertainties that could cause actual results to differ materially from the forward-looking information. Factors that could cause or contribute to such differences include, but are not limited to, unexpected changes in business and economic conditions, including the global financial and capital markets; changes in interest and currency exchange rates; changes in operating revenues and costs; political or economic instability, either globally or in the countries in which eXeBlock Inc. operates; local and community impacts and issues; labour disputes; environmental costs and risks; competitive factors;

availability of external financing at reasonable rates or at all; and the factors discussed in this MD&A under the heading *Risk Factors*. Many of these factors are beyond eXeBlock Inc.'s ability to control or predict. These factors are not intended to represent a complete list of the general or specific factors that may affect eXeBlock Inc. eXeBlock Inc. may note additional factors elsewhere in this MD&A. All forward-looking statements and information speak only as of the date made. All subsequent written and oral forward-looking statements attributable to eXeBlock Inc., or persons acting on eXeBlock Inc.'s behalf, are expressly qualified in their entirety by these cautionary statements. Readers are cautioned not to put undue reliance on forward-looking information due to the inherent uncertainty therein. eXeBlock Inc. disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.

COMPANY OVERVIEW

eXeBlock Inc. was incorporated on July 11, 2017 under the laws of the Canada Business Corporations Act. eXeBlock Inc.'s operating office is located at 47 Lockheed Crescent, Debert, Nova Scotia, Canada, B0M 1G0. The registered office of eXeBlock Inc. is located at Suite 1100, 1959 Upper Water Street, Halifax, Nova Scotia, Canada, B3J 3N2.

Operational overview

eXeBlock Inc. intends to capitalize on the vast opportunities available in blockchain technology development. The Company intends to create new decentralized applications ("DApps" or "applications") for the blockchain community that are massively scalable and financed through a variety of sources ranging from traditional equity or under contract from third-parties.

eXeBlock Inc.'s business model and strategy is based on identifying and developing blockchain related applications and services. From a la carte services to turn-key project delivery, eXeBlock Inc. will have the technical and financial capacity to successfully enter the blockchain ecosystem by conceptualizing, developing and launching DApps privately or for third parties. Funds raised through traditional equity markets and consulting fees will be used to cover development and marketing costs incurred by eXeBlock Inc. directly or on behalf of clients. Blockchain's built by eXeBlock Inc. will earn recurring 'by use' revenue as the developer of the decentralized application. eXeBlock Inc. may share in the profits earned from the DApp. Investors in eXeBlock Inc. will be exposed to multiple blockchain applications.

BUSINESS OBJECTIVES

eXeBlock Inc. plans to use its financial resources for the following key business objectives:

- ongoing development of various DApps initially include (1) eXe50/50 Draw which is a multi-language, multi-jurisdictional platform utilizes blockchain technology and will be used by charitable groups and fundraising organizations around the globe. Users will input their database and lottery particulars into eXe50/50 Draw enabling efficient, low cost, multi-jurisdiction on-demand fundraising. The platform is designed to service numerous clients simultaneously; and (2) Freedom Ledger which is a blockchain based technology that will facilitate transactions for users/customers that do not hold a cryptocurrency account. Freedom Ledger will enable consumers with a traditional currency account to utilize various DApps. This technology will significantly expand the consumer base for blockchain based DApps and will be marketed to DApp developers worldwide;
- increase the awareness of the blockchain technology and eXeBlock Inc.'s DApps through marketing efforts with the goal of securing development contracts and further expanding within its current user base and continuously sourcing development opportunities; and
- expansion of the development, marketing and creative team needed to develop and market the DApps

Recent developments

On August 21, 2017, 1040433 B.C. Ltd. announced that it has entered into a letter of intent dated August 18, 2017 (the "LOI") relating to the acquisition of eXeBlock Inc., a private corporation existing under the laws of Canada (the "Acquisition"). The Acquisition will be effected through an exchange of securities with all of the securityholders of eXeBlock Inc. (the "Transaction").

SELECTED ANNUAL INFORMATION

Expressed in thousands of Canadian dollars, except for per common share amounts, and prepared in accordance with IFRS:

	August 31, 2017
	\$
Total expenses	(162)
Total loss	(162)
Total loss per common share	(0.02)
Cash dividends per common share	Nil
Total assets	643
Total non-current financial liabilities	Nil

eXeBlock Inc. expects to record losses until such time as it further develops its DApps and secures users for them. See the *Risk Factors* section of this MD&A and note 1, *Nature of operations and going concern*, of the audited financial statements for the period ended August 31, 2017 for further details.

RESULTS OF OPERATIONS

Period ended August 31, 2017

During the period from incorporation on July 11, 2017 to August 31, 2017, the Company recorded a net loss before income taxes of \$162,445. The operating expenses for the period can be attributed mainly to the following items:

- Consultancy fees of \$76,065 relate to management service fees and consulting services provided by Numus Financial Inc. ("Numus"). See "Related Party Transactions".
- Contract developer costs of \$61,898 relate to the costs associated with development the DApps.
- Professional fees of \$6,812 relating to legal fees and related incorporation costs.
- Key management salaries and benefits of \$5,000 relating to the salary of the Chief Executive Officer
- Audit fees of \$5,000 relating to the annual audit of the financial statements.
- Rent and administrative costs of \$3,004
- Securities and regulatory fees of \$3,094 relate to costs associated with operating a public company.

LIQUIDITY AND CAPITAL RESOURCES

eXeBlock Inc.'s liquidity depends on existing cash reserves, to be supplemented as necessary by equity and/or debt financings. As of August 31, 2017, eXeBlock Inc. had cash of \$615,407. Due primarily to the cash received from the issuance of shares, the working capital balance at August 31, 2017 was \$442,218.

During the period ended August 31, 2017, eXeBlock Inc. received net cash of \$10,745 from operating activities. In addition, eXeBlock Inc. raised funds through financing activities of \$604,662 during the period ended August 31, 2017 through the issuance of shares.

eXeBlock Inc. has relied on funding through the issuance of common shares.

Liquidity risk is the risk that the Company will not meet its financial obligations as they become due. The Company has a planning and budgeting process to monitor operating cash requirements, including amounts projected for capital expenditures and DApp development costs, which are adjusted as input variables change. These variables include, but are not limited to, the ability of the Company to generate revenue from current and prospective customers, general and administrative requirements of the Company and the availability of capital markets. As these variables change, liquidity risks may necessitate the need for the Company to issue equity or obtain debt financing.

COMMITMENTS AND CONTINGENCIES

In the normal course of business, eXeBlock Inc. enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the remaining contractual maturities of the Company's liabilities. The amounts included in this table may not result in an actual obligation of eXeBlock Inc. as the requirement to settle certain of these amounts is contingent on the occurrence of certain events that may or may not transpire:

	Payments due by period as of August 31, 2017				
	Within 1 year	2-3 years	4-5 years	Over 5 years	Total
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	200,595	-	-	-	200,595
Operating leases	24,000	48,000	48,000	10,060	130,060
Recruitment costs	28,025	56,050	-	-	84,075
	252,620	104,050	48,000	10,060	414,730

As at August 31, 2017, the Company has a management services agreement with Numus for the provision of management services at a fee of \$20,000 per month, continuing until both parties mutually agree to terminate.

OFF-BALANCE SHEET ARRANGEMENTS

eXeBlock Inc. has no off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to eXeBlock Inc.

OUTSTANDING SHARE INFORMATION

The Company has authorized an unlimited number of common shares without par value. As of August 31, 2017, the Company had 19,050,001 common shares outstanding.

eXeBlock Inc. entered into a letter of intent (the "LOI") with 1040433 B.C. Ltd. On September 6, 2017, this LOI was formalized in a Share Exchange Agreement (the "Agreement"). Under the terms of the Agreement, 1040433 BC Ltd. acquired all of the issued and outstanding common shares of eXeBlock Inc. based on a two for one share exchange. The board of directors of both companies unanimously approved the terms which resulted in 38,100,002 shares of 1040433 B.C. Ltd. being issued in exchange for all of the outstanding shares (19,050,001) of eXeBlock Inc. Upon closing, eXeBlock Inc. shareholders hold approximately 87.2% of the outstanding shares of 1040433 B.C. Ltd. effective September 13, 2017, 1040433 B.C. Ltd. has changed its name to eXeBlock Technology Corporation ("eXeBlock Corp."). (Collectively, the "Transaction").

As a result of the Transaction, the former shareholders of eXeBlock Inc. will acquire control of eXeBlock Corp. and the Transaction will be treated as a reverse takeover transaction ("RTO"). As eXeBlock Corp. does not meet the definition of a business under IFRS 3, *Business combinations* ("IFRS 3") the Transaction will be accounted for in accordance with IFRS 2, *Share-based compensation* ("IFRS 2") whereby eXeBlock Inc. acquires eXeBlock Corp.'s net assets and its status as a reporting issuer. The entity going forward will represent a continuation of eXeBlock Inc.

Subsequent to August 31, 2017, eXeBlock Corp. has completed a non-brokered private placement issuing a total 17,707,428 common shares at a price of \$0.35 per share to raise aggregate gross proceeds of \$6,197,600. A 7.5% finder's fee will be payable on the financing and eXeBlock Corp. will also issue 7.5% brokers' warrants to acquire common shares at an exercise price of \$0.35 for two years. The finder's fee and fair value of the brokers' warrants will be recorded as share issue costs. The funds will be available upon the completion of eXeBlock Corp.'s listing on a recognized Exchange. The Company has filed a Prospectus in association with its initial listing application on the Canadian Securities Exchange ("CSE").

RELATED PARTY TRANSACTIONS

During the period ended August 31, 2017, the Company incurred rent costs from a related party, Fallout Complex Inc. ("Fallout"), a company controlled by Jonathan Baha'i, a former officer and director of eXeBlock Inc., in the amount of \$2,000 of rent per month and advances for a security deposit and last month's rent of \$4,000. The term of the operating lease agreement is five and a half years. As at August 31, 2017, the amount owing to Fallout was \$7,804.

During the period ended August 31, 2017, the Company incurred cloud hosting and related fees from a related party, Data Security Node Inc. ("Data Security"), a company controlled by Jonathan Baha'i, a former officer and director of eXeBlock Inc., in the amount of \$100 and advances for annual cloud hosting servers in the amount of \$7,000. There is no ongoing commitment beyond one year. As at August 31, 2017, the amount owing to Data Security was \$8,065.

During the period ended August 31, 2017, the Company incurred consultancy fees from a related party, Numus Financial Inc. in the amount of \$76,065 for the development of a business plan, budgeting process and other corporate materials. As at August 31, 2017, the amount owing to Numus was \$91,073.

During the period ended August 31, 2017, two of the directors and one officer of the Company subscribed to an aggregate of 5,400,001 common shares of the non-brokered private placement financing for gross proceeds of \$5,023. Jonathan Baha'i subscribed to 5,000,000 common shares, Paul Thomson subscribed to 250,001 common shares and Rob Randall subscribed to 150,000 common shares.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Market Risk

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk exposure arises from the Company entering into transactions which are denominated in currencies other than its functional currency.

The Company is exposed to currency risk on its accounts payable and accrued liabilities that are held in currencies that are not in the transacting entity's functional currency. As at August 31, 2017, a 5% decrease in the exchange rate between the functional currency and foreign currencies would decrease the net loss by approximately \$3,000; a 5% increase would increase the net loss by approximately \$3,000. The Company currently does not hedge its currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

An immaterial amount of interest rate exposure exists in respect of cash balances on the statement of financial position. As a result, the Company is not exposed to material cash flow interest rate risk on its cash balances.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date.

Cash is held with reputable banks in Canada. The long-term credit rating, as determined by Standard and Poor's, was A+.

RISK FACTORS

The Common Shares should be considered highly speculative due to the nature of the Company's business and the present stage of its development. In evaluating the Company and its business, investors should carefully consider, in addition to the other information contained in this MD&A, the following risk factors. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with the Company's operations. There may be other risks and uncertainties that are not known to the Company or that the Company currently believes are not material but which also may have a material adverse effect on its business, financial condition, operating results or prospects. In that case, the trading price of the Common Shares could decline substantially, and investors may lose all or part of the value of the Common Shares held by them. An investment in securities of the Company should only be made by persons who can afford a significant or total loss of their investment. There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased.

Risk Factors Related to the Common Shares

There is currently no public trading market for the Common Shares

Currently there is no public market for the Common Shares of the Company and there can be no assurance that an active market for the Common Shares will develop or be sustained.

Risk Factors Associated with eXeBlock's Business

Limited Operating History

eXeBlock Inc. has limited operating history. 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 operate profitably.

No Profits to Date

eXeBlock Inc. has not made profits since its incorporation and it is expected that it will not be profitable for foreseeable future. Its future profitability will, in particular, depend upon its success in developing and managing a significant number of cryptocurrency internet platforms and to the extent to which any of these platforms themselves are able to generate significant revenues. Because of the limited operating history, the changes in the business and the uncertainties regarding the development of the cryptocurrency market and blockchain technology, management does not believe that the operating results to date should be regarded as indicators for eXeBlock Inc.'s future performance.

Additional Requirements for Capital

Substantial additional financing may be required if the Company is to be successful develop its blockchain business. 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 expansion.

Negative Operating Cash Flow

eXeBlock Inc. does not generate operating revenue and both have negative cash flow from operating activities. It is anticipated that the Company will continue to have negative cash flow in the foreseeable future. Continued losses may have the following consequences:

- (a) increasing the Company's vulnerability to general adverse economic and industry conditions;
- (b) limiting the Company's ability to obtain additional financing to fund future working capital, capital expenditures, operating costs and other general corporate requirements; and
- (c) limiting the Company's flexibility in planning for, or reacting to, changes in its business and industry.

Development of Cryptocurrencies

Cryptocurrency and blockchain technology is a young and rapidly growing business area. Although it is widely predicted that cryptocurrency will become a leading 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, it can't be ruled out that 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 bitcoins and other cryptocurrencies;
- (b) Regulations by governments and/or by organizations directing governmental regulations (such as the European Union) regarding the use and operation of and access to bitcoins and 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 the Company's business. Failure or delays in obtaining necessary approvals could have a materially adverse effect on the Company's financial condition and results of operations. Furthermore, changes in government, regulations and policies and practices could have an adverse impact on the Company's 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 and may trigger regulatory action by the BCSC or other securities regulators.

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 Third Party Relationships

The Company is highly dependent on a number of third party relationships to conduct its business and implement expansion plans. It cannot be assured that all of these partnerships will turn out to be as advantageous as currently anticipated or that other partnerships would not have proven to be more advantageous. In addition, it is impossible to assure that all associated partners will perform their obligations as agreed or that any strategy agreement will be specifically enforceable by the Company.

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

The success as a 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

The only significant intellectual property rights are certain domain names which eXeBlock owns as well as the licenses which have to be in accordance with certain industry standards. The Company does not believe that it is dependent on any of these intellectual property rights; however, the loss of several of them at any one time could harm its business, results of operations and its financial condition. Although the Company is not aware of violating commercial and other proprietary rights of third parties, there can be no assurance that its products do not violate proprietary rights of third parties or that third parties will not assert or claim that such violation has occurred. Although no legal disputes in this respect or perceptible detrimental effects on eXeBlock Inc.'s business have arisen to date, any such claims and disputes arising may result in liability for substantial damages which in turn could harm the Company's 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 price might show 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 demands 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:

- (a) 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;
- (b) Investor's expectations with respect to the rate of inflation;
- (c) Interest rates;
- (d) Currency exchange rates, including exchange rates between cryptocurrency and fiat currency;
- (e) Fiat currency withdrawal and deposit policies on cryptocurrency exchanges and liquidity on such cryptocurrency exchanges;
- (f) Interruption of services or failures of major cryptocurrency exchanges;
- (g) Large investment and trading activities in cryptocurrency

- (h) Monetary policies of governments, trade restrictions, currency devaluations and revaluations;
- (i) Regulatory measures restricting the use of cryptocurrency as a form of payment or the purchase of cryptocurrency;
- (j) Global or regional political, economic or financial events and situations, including increased threat of terrorist activities; and/or
- (k) 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. So far, even the largest cryptocurrency exchanges have been subject to operational interruptions or even collapse (Mt. Gox). 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 in 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 in 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 in 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 computer 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.

Competition

The market for blockchain technology and DApps is highly competitive on both a local and a national level. The Company believes that the primary competitive factors in this market are:

- product features, functionality and ease of use;
- ongoing product enhancements;
- price;
- quality service and support; and
- reputation and stability of the vendor.

The current marketplace in Canada is dominated by and the Company will face substantial competition from and other established competitors, which have greater financial, technical, and marketing resources than it does. The Company's competitors may also have a larger installed base of users, longer operating histories or greater name recognition than the Company will.

There can be no assurance that the Company will successfully differentiate its DApps from the products of its competitors, or that the marketplace will consider the Company's DApps to be superior to competing products.

Key Personnel

The future success of the Company will depend, in large part, upon its ability to retain its key management personnel and to attract and retain additional qualified marketing, sales and operational personnel to form part of its technical and customer services support center. The Company may not be able to enlist, train, retain, motivate and manage the required personnel. Competition for these types of personnel is intense. Failure to attract and retain personnel, particularly marketing, sales and operational personnel as well as consultants, could make it difficult for the Company to manage its business and meet its objectives.

Failure to manage growth successfully may adversely impact the Company's operating results. The growth of the Company's operations places a strain on managerial, financial and human resources. The Company's ability to manage future growth will depend in large part upon a number of factors, including the ability to rapidly:

- (a) build and train development, sales and marketing staff to create an expanding presence in the evolving marketplace for the Company's products;
 - (b) attract and retain qualified technical personnel in order to administer technical support required for customers located in Canada, the United States and other countries around the world;
 - (c) develop customer support capacity as sales increase, so that customer support can be provided without diverting resources from product sales efforts; and
 - (d) expand internal management and financial controls significantly, so that control can be maintained over operations as the number of personnel and size of the Company increases.
- (e) Inability to achieve any of these objectives could harm the business and operating results of the Company.

Management of Growth

The Company may be subject to growth-related risks including pressure on its internal systems and controls. The Company's ability to manage its growth effectively will require it to continue to implement and improve its operational and financial systems. The inability of the Company to deal with this growth could have a material adverse impact on its business, operations and prospects. While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, the Company may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for the Company's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Company will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate and manage its employees. There can be no assurance that the Company will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Company's operations or that the Company will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

Conflicts of interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. Conflicts, if any, will be subject to the procedures and remedies as provided under the BCBCA.

To the best of the Company's knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest between the Company and its directors and officers except that certain of the directors and officers may serve as directors and/or officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

Currency Risk

To the extent that the Company expands its business into the United States and Europe, the Company will be exposed to foreign currency fluctuations to the extent that certain operations are located in the United States and Europe and therefore certain expenditures and obligations are denominated in US dollars and Euros, yet the Company is headquartered in Canada, has applied to list its Common Shares on a Canadian stock exchange and typically raises funds in Canadian dollars. As such, the Company's results of operations are subject to foreign currency fluctuation risks and such fluctuations may adversely affect the financial position and operating results of the Company.

No dividend history

No dividends have been paid by the Company to date. The Company anticipates that for the foreseeable future it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of the board after taking into account many factors, including the Company's financial condition and current and anticipated cash needs.

CRITICAL ACCOUNTING POLICIES

eXeBlock Inc.'s significant accounting policies and new accounting standards issued but not yet effective are disclosed in note 2, *Summary of Significant Accounting Policies*, of the financial statements for the period-ended August 31, 2017. No disclosure is considered more critical than others for additional disclosure.

SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements in conformity with IFRS requires management to make judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates. Estimates are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical accounting judgments and estimates in applying accounting policies that have the most significant impact on the amounts recognized in the consolidated financial statements are outlined below.

Valuation and amortization of internally generated intangible assets

The Company will capitalize certain costs incurred for the development of its DApps. Estimates are used in order to determine the point in time whereby the recognition criteria are met and the allocation and nature of costs to capitalize in accordance with IAS 38, *Intangible Assets*. The capitalized costs may include the cost of direct labour and other costs directly attributable to preparing the intangible asset for its intended use. Management will then estimate the expected term over which the Company will receive benefits from the software application. A change in these estimates may have a significant impact on the carrying value of an intangible asset and the amortization and expenses recognized in the statements of loss and comprehensive loss.

OTHER INFORMATION

Additional information regarding the Company is available on the Company's website at www.exeblock.com

SCHEDULE "E"

**PRO FORMA FINANCIAL STATEMENTS
GIVING EFFECT TO THE TRANSACTION**

As at July 31, 2017

[inserted as separate pages]

EXEBLOCK TECHNOLOGY CORPORATION
(formerly, 1040433 B. C. Ltd.)

UNAUDITED PRO-FORMA
Consolidated Statement of Financial Position
(Prepared by Management)
(Expressed in Canadian dollars)

July 31, 2017

EXEBLOCK TECHNOLOGY CORPORATION
UNAUDITED PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JULY 31, 2017

	eXeBlock Technology Corporation as at July 31, 2017	eXeBlock Technology Inc. as at August 31, 2017	No t e s	Pro-forma Adjustments	Pro-forma Consolidated
ASSETS					
Current assets					
Cash	\$ -	\$ 615,407	3(a) 3(d) 3(d) 3(e)	\$ 156,000 6,197,600 (514,820) (215,000)	\$ 6,239,187
Receivables	308	16,406		-	16,714
Prepaid expenses and deposits	-	11,000		-	11,000
	<u>\$ 308</u>	<u>\$ 642,813</u>		<u>\$ 5,623,780</u>	<u>\$ 6,266,901</u>
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	<u>\$ 11,370</u>	<u>\$ 200,595</u>		<u>\$ -</u>	<u>\$ 211,965</u>
SHAREHOLDERS' EQUITY (note 4)					
Share capital	7,932	604,663	3(a) 3(b) 3(c) 3(d) 3(d) 3(d)	156,000 559,660 (163,932) 6,197,600 (514,820) (316,546)	6,530,557
				<u>5,917,962</u>	
Contributed surplus	-	-	3(b) 3(d)	203,297 316,546	519,843
				<u>519,483</u>	
Deficit	(18,994)	(162,445)	3(b) 3(b) 3(b) 3(c) 3(e)	144,938 (559,660) (203,297) 18,994 (215,000)	(995,464)
				<u>(814,025)</u>	
	<u>(11,062)</u>	<u>442,218</u>		<u>5,623,780</u>	<u>6,054,936</u>
	<u>\$ 308</u>	<u>\$ 642,813</u>		<u>\$ 5,623,780</u>	<u>\$ 6,266,901</u>

The accompanying notes are an integral part of this unaudited pro-forma consolidated statement of financial position.

EXEBLOCK TECHNOLOGY CORPORATION

NOTES TO THE UNAUDITED PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JULY 31, 2017

1. PROPOSED TRANSACTION

eXeBlock Technology Corporation, formerly 1040433 B.C. Ltd. (the “Company”) and eXeBlock Technology Inc. (“eXeBlock Inc.”), a private company involved in the business of software development specializing in the development of blockchain decentralized applications (“DApps”), have entered into a letter of intent dated August 18, 2017. On September 6, 2017, the Company and eXeBlock Inc. entered into a Share Exchange Agreement (the “Agreement”) under which the proposed transaction will be completed. Under the terms of the Agreement, the Company will acquire all of the issued and outstanding common shares of eXeBlock Inc. based on two shares of the Company for each share of eXeBlock Inc. The Company will also complete a non-brokered private placement issuing 17,707,428 common shares at a price of \$0.35 per share to raise aggregate gross proceeds of \$6,197,600. (the “Transaction”).

The Company recently completed a private placement financing to raise gross proceeds of \$156,000 (the “Subsequent Financing”) by the issuance of 5,200,000 common shares and 2,600,000 common share purchase warrants at \$0.03 per unit. The common share purchase warrants have an exercise price of \$0.05 per warrant and expire on August 14, 2020.

The boards of directors of the Company and eXeBlock Inc. have each unanimously approved the terms of the Transaction. As a result, the Company will issue a total of 38,100,002 common shares to the shareholders of eXeBlock Inc. It is anticipated that upon closing, eXeBlock Inc. shareholders will hold approximately 87.2% of the outstanding shares of the Company.

The Transaction will be subject to certain customary conditions including approval of the Company and eXeBlock Inc.’s shareholders and various regulatory approvals.

The Company intends to adopt a financial year end of August 31 effective on the closing of the Transaction.

2. BASIS OF PRESENTATION

The unaudited pro-forma consolidated statement of financial position of the Company gives effect to the Transaction as described above. In substance, the Transaction involves eXeBlock Inc. shareholders obtaining control of the Company and accordingly the Transaction will be considered a reverse takeover transaction (“RTO”) with eXeBlock Inc. acquiring the Company. As the Company does not meet the definition of a business under International Financial Reporting Standards (“IFRS”), the consolidated financial statements of the combined entity will represent the continuation of eXeBlock Inc. The Transaction has been accounted for as a share-based payment, in accordance with IFRS 2, by which eXeBlock Inc. acquired the net assets and the Company’s status as a Reporting Issuer. Accordingly, the accompanying unaudited pro-forma consolidated statement of financial position of the Company has been prepared by management using the same accounting policies as described in eXeBlock Inc.’s audited financial statements for the period ended August 31, 2017. There are no differing accounting policies between the Company and eXeBlock Inc.

The unaudited pro-forma consolidated statement of financial position is not necessarily indicative of the Company’s consolidated financial position on closing of the Transaction had the Transaction closed on the dates assumed herein.

The unaudited pro-forma consolidated statement of financial position has been compiled from information derived from and should be read in conjunction with the following information, prepared in accordance with IFRS:

- the Company’s audited annual financial statements as at and for the year ended July 31, 2017;
- eXeBlock Inc.’s audited financial statements as at August 31, 2017 and for the period of Incorporation on July 11, 2017 to August 31, 2017; and
- the additional information set out in Note 3 of this unaudited pro-forma consolidated statement of financial position that are directly attributable to the Transaction or factually supportable.

EXEBLOCK TECHNOLOGY CORPORATIONNOTES TO THE UNAUDITED PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JULY 31, 2017**3. UNAUDITED PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS**

The unaudited pro-forma consolidated statement of financial position gives effect to the completion of the Transaction, incorporating the assumptions within Note 1, as if it had occurred on the date presented, July 31, 2017. Consequential adjustments to the accumulated deficit are based on the Transaction equation described in Note 3(b).

The unaudited pro-forma consolidated statement of financial position has been prepared based on the following assumptions:

- a) On August 14, 2017, the Company completed a private placement financing to raise gross proceeds of \$156,000 (the "Subsequent Financing") by the issuance of 5,200,000 common shares and 2,600,000 common share purchase warrants at \$0.03 per unit. The common share purchase warrants have an exercise price of \$0.05 per common share and expire on August 14, 2020.
- b) As consideration for 100% of the outstanding common shares of eXeBlock Inc., the Company will issue 38,100,002 common shares in exchange for all of outstanding common shares of eXeBlock Inc.

As a result of the share exchange, the former shareholders of eXeBlock Inc. will acquire control of the Company and the Transaction will be treated as an RTO. The Transaction will be accounted for as an acquisition of the net assets and the Company's status as a Reporting Issuer by eXeBlock Inc. via a share based payment. The excess of the estimated fair value of the equity instruments that eXeBlock Inc. is deemed to have issued to acquire the Company, plus the transaction costs (both the "Consideration") and the estimated fair value of the Company's net assets, will be recorded as a charge to the accumulated deficit as a cost of obtaining the Company's status as a Reporting Issuer.

For the purposes of the pro-forma consolidated statement of financial position, management has estimated the fair value of the equity instruments deemed to be issued in regards to the Company. The fair value of the 5,596,601 common shares amounted to \$559,660, based on the recent eXeBlock Inc. private placement financing of \$0.10 per share. The fair value of the 2,600,000 warrants, exercisable at \$0.05 per share for two years, amounted to \$203,297. The fair value of the warrants was estimated using the Black-Scholes option pricing model applying a market price of \$0.10 per share, an exercise price of \$0.05 per share, a risk free rate of 1%, an expected volatility of 140% and an expected dividend yield of 0%. The fair value of the equity instruments is recorded as a listing fee expense.

The allocation of the Consideration for the purposes of the pro-forma consolidated statement of financial position is as follows:

Net assets acquired

Cash	\$ 156,000
Receivables	308
Accounts payable and accrued liabilities	<u>(11,370)</u>
Net assets acquired	144,938
Consideration	<u>(977,957)</u>
Cost of Company's status as a Reporting Issuer charged to deficit	<u>\$ 833,019</u>

Consideration:

Common shares deemed to be issued	\$ 559,660
Warrants deemed to be issued	203,297
Legal and other transaction costs	<u>215,000</u>
	<u>\$ 977,957</u>

EXEBLOCK TECHNOLOGY CORPORATION**NOTES TO THE UNAUDITED PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JULY 31, 2017****3. UNAUDITED PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS (continued)**

- c) As a result of the acquisition, there will be an elimination of the Company's pre-acquisition share capital, including the Subsequent Financing, of \$163,932 and the accumulated deficit of \$18,994.
- d) The pro-forma statement of financial position assumes the Company completes its private placement financing for gross proceeds of \$6,197,600 at a price of \$0.35 per common share, resulting in the issuance of 17,707,428 common shares. A 7.5% finder's fee of \$464,820 will be payable on the financing and eXeBlock Inc. has accrued an additional \$50,000 for other share issue costs. eXeBlock Inc. issued broker's warrants to acquire 1,328,057 common shares at an exercise price of \$0.35 for two years with a fair value of \$316,546. The fair value was estimated using the Black-Scholes option pricing model applying a market price of \$0.35, an exercise price of \$0.35, a risk free rate of 1%, an expected volatility of 140% and an expected dividend yield of 0%. The finder's fee and fair value of the brokers' warrants will be recorded as a share issue cost.
- e) The Company and eXeBlock Inc's legal and other transaction costs are estimated to be \$215,000 which will be recorded as an additional listing expense.

4. PRO-FORMA SHAREHOLDERS' EQUITY

As a result of the Transaction and the pro-forma assumptions and adjustments, the Shareholders' Equity of the combined entity as at July 31, 2017 is comprised of the following:

		<u>Share Capital</u>						
	Notes	# of Shares	Capital Stock	# of Warrants	Contributed Surplus	Deficit	Total	
eXeBlock Inc. balances prior to transactions below		19,050,001	\$ 604,663	-	-	\$ (162,445)	\$ 442,218	
Common shares of the Company exchanged for common shares of eXeBlock Inc.	3(a)	(19,050,001)	-	-	-	-	-	
	3(a)	38,100,002	-	-	-	-	-	
Shares deemed to be issued re the Company	3(b)	5,596,601	559,660	-	-	(559,660)	-	
Warrants deemed to be issued re the Company	3(b)	-	-	2,600,000	203,297	(203,297)	-	
Net liability position assumed re the Company	3(b)	-	-	-	-	144,938	144,938	
Shares issued in financing	3(d)	17,707,428	6,197,600	-	-	-	6,197,600	
Share issue costs	3(d)	-	(514,820)	-	-	-	(514,820)	
Share issue costs	3(d)	-	(316,546)	1,328,057	316,546	-	-	
Transaction costs - cash	3(e)	-	-	-	-	(215,000)	(215,000)	
		61,404,031	\$ 6,530,557	3,928,057	\$ 519,843	\$ (995,464)	\$ 6,054,936	

5. INCOME TAXES

The effective income tax rate applicable to the consolidated operations is estimated to be 31%.

SCHEDULE "F"

AUDIT COMMITTEE CHARTER

Purpose of the Committee

The purpose of the audit committee (the “**Audit Committee**”) of the directors of the Company (the “**Board**”) is to provide an open avenue of communication between management, the Company’s independent auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Company’s financial reporting and disclosure practices;
- the Company’s compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Company’s independent auditor.

The Audit Committee will also perform any other activities consistent with this Charter, the Company’s articles and governing laws as the Audit Committee or Board deems necessary or appropriate.

The Audit Committee shall consist of at least three directors. Members of the Audit Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Audit Committee shall elect a Chairman from among their number. A majority of the members of the Audit Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the Audit Committee is a majority of the members who are not officers or employees of the Company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Audit Committee may determine its own procedures.

The Audit Committee’s role is one of oversight. Management is responsible for preparing the Company’s financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board. Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor’s responsibility is to audit the Company’s financial statements and provide its opinion, based on its audit conducted in accordance with IFRS, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with IFRS.

The Audit Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Company’s financial statements, preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditor. The Audit Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Audit Committee.

Authority and Responsibilities

In addition to the foregoing, in performing its oversight responsibilities the Audit Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.
2. Review the appointments of the Company’s Chief Financial Officer and Chief Executive Officer and any other key financial executives involved in the financial reporting process.

3. Review with management and the independent auditor the adequacy and effectiveness of the Company's accounting and financial controls and the adequacy and timeliness of its financial reporting processes.
4. Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.
5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.
6. Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditor's judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the independent auditor without the presence of management.
8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.
9. Pre-approve all non-audit services to be provided to the Company by the independent auditor.
10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Company and all non-audit work performed for the Company by the independent auditor.
11. Establish and review the Company's procedures for the:
 - receipt, retention and treatment of complaints regarding accounting, financial disclosure,
 - internal controls or auditing matters; and
 - confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.
12. Conduct or authorize investigations into any matters that the Audit Committee believes is within the scope of its responsibilities. The Audit Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.
13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of National Instrument 52-110 of the Canadian Securities Administrators, the Business Corporations Act (British Columbia) and the articles of the Company.

CERTIFICATE OF THE ISSUER

Date: November 9, 2017

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by eXeBlock Technology Corporation as required by the securities legislation of British Columbia.

(signed) "*Ian Klassen*"

Ian Klassen

Chief Executive Officer and President

(signed) "*Robert Randall*"

Robert Randall

Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "*Paul Thomson*"

Paul Thomson

Director

(signed) "*Carl Sheppard*"

Carl Sheppard

Director

CERTIFICATE OF THE PROMOTER

Date: November 9, 2017

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by eXeBlock Technology Corporation as required by the securities legislation of British Columbia.

(signed) "*Jonathan Baha'i*"

Jonathan Baha'i

Promoter

Schedule B
Form 2A Listing Statement Disclosure – Additional Information

All terms used but not defined in this Schedule B have the meanings given to them in the Issuer's final non-offering prospectus dated November 9, 2017 (the "**Prospectus**") attached to this Listing Statements as Schedule B.

14. CAPITALIZATION

14.1 Issued Capital

Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non- diluted)	% of Issued (fully diluted)
<u>Public Float</u>				
Total outstanding (A)	61,404,031	65,332,088 ⁽²⁾	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	27,500,002	28,510,948	44.8%	43.6%
Total Public Float (A-B)	33,904,029	36,821,140	55.2%	56.4%
<u>Freely-Tradeable Float</u>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	43,388,680 ⁽¹⁾	46,188,680	70.66%	70.7%
Total Tradeable Float (A-C)	18,015,351	19,143,408	29.34%	29.3%

Notes:

- (1) Includes 12,650,002 common shares held in escrow by Related Persons, 17,707,428 common shares issued in exchange for subscription receipts, 5,025,000 common shares from the Company's August 14, 2017 financing and 9,806,250 common shares subject to voluntary pooling arrangements.
- (2) Assumes that all 2,600,000 Warrants are exercised prior to the August 14, 2020 expiry date and all 1,328,057 Finder's Warrants are exercised prior to their expiry date which is two years after the issuance of same.

Public Securityholders (Registered)

Class of Security		
Size of Holding	Number of holders	Total number of securities
1 – 99 securities	1	1
100 – 499 securities	0	0
500 – 999 securities	146	87,600
1,000 – 1,999 securities.....	0	0
2,000 – 2,999 securities.....	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	134	48,657,428
TOTAL	280	48,745,028

Public Securityholders (Beneficial)

Class of Security		
Size of Holding	Number of holders	Total number of securities
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	15	9,000
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	0	0
TOTAL	15	9,000

Non-Public Securityholders (Registered)

Class of Security		
Size of Holding	Number of holders	Total number of securities
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	4	12,650,002
TOTAL		12,650,002

14.2 Convertible/Exchangeable Securities

Description of Security (include conversion/exercise terms, including conversion/exercise price)	Number of convertible/exchangeable securities outstanding	Number of listed securities issuable upon conversion/exercise
Warrants	2,600,000 ⁽¹⁾	2,600,000 Common Shares/\$0.05
Finder's Warrants	1,328,057 ⁽²⁾	1,328,057 Common Shares/\$0.35

Note:

(1) These Warrants are exercisable until August 14, 2020.

(2) These Finder's Warrants are exercisable for two years following the date of issuance.

14.3 Other Listed Securities

The Issuer has no other listed securities reserved for issuance that are not included in section 14.1 or 14.2.

24. OTHER MATERIAL FACTS

24.1 Exchange of Subscription Receipts for Shares

On October 4 and October 6, 2017, the Issuer completed the Financing, which raised total gross proceeds of \$6,197,600 by the issuance of 17,707,428 Subscription Receipts at a price of \$0.35 per Subscription Receipt. The Subscription Funds paid to the Issuer were deposited into escrow with the Issuer's legal counsel to be held in escrow until the Issuer had received all required regulatory approvals including, without limitation, a final receipt for a non-offering prospectus and conditional approval of the listing of the Common Shares on the CSE (the "**Release Conditions**"). On November 9, 2017, the Release Conditions were met. On November 14, 2017, the Subscription Receipts were automatically exchanged for 17,707,428 Common Shares and the Subscription Funds were released to the Issuer.


CERTIFICATE OF THE ISSUER

Date: November 15, 2017


Pursuant to a resolution duly passed by its Board of Directors, eXeBlock Technology Corporation hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to eXeBlock Technology Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.



Ian Klassen
Chief Executive Officer and President



Robert Randall
Chief Financial Officer



Paul Thomson
Director



Carl Sheppard
Director