

NOTICE OF ANNUAL AND SPECIAL MEETING  
AND  
MANAGEMENT INFORMATION CIRCULAR  
OF  
THE STREETWEAR CORPORATION  
FOR THE ANNUAL AND SPECIAL MEETING  
TO BE HELD ON JUNE 26, 2015  
TO CONSIDER THE PROPOSED ACQUISITION OF  
MEZZACAP GMBH AND RELATED MATTERS  
DATED MAY 22, 2015 AND REVISED DECEMBER 21, 2015

The management information circular of The Streetwear Corporation (now named "BitRush Corp.") (the "Company") dated May 22, 2015 has been revised to include (i) an updated narrative description of the business, (ii) restated audited financial statements of MezzaCap GmbH for the financial year ended December 31, 2014 (and the management's discussion and analysis related thereto), (iii) unaudited interim financial statements of MezzaCap GmbH for the periods ended March 31, 2015 and June 30, 2015 (and the management's discussion and analysis related thereto), (iv) unaudited interim financial statements of The Streetwear Corporation for the period ended June 30, 2015 (and the management's discussion and analysis related thereto), (v) the pro-forma statements for the period ended June 30, 2015, (vi) revised risk factors under the heading "Item 31 – Risk Factors", and (vii) corresponding changes throughout the management information circular that are necessary to reflect the above-noted changes.

Except as described above, the revised management information circular remains unchanged from the management information circular of the Company dated May 22, 2015. The revised management information circular replaces and supersedes the management information circular of the Company dated May 22, 2015.

Shareholders may contact the Company by telephone at (416) 603-2114, by mail to the Company's principal office at 133 Richmond St. West, Suite 403, Toronto, Ontario M5H 2L3 or by email at [office@bitrush.co](mailto:office@bitrush.co) to request free printed copies of the revised management information circular.

**BITRUSH CORP.**

*"Peter Lukesch"*  
Chief Executive Officer

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## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS GIVEN that the annual and special meeting of the holders of common shares of The Streetwear Corporation (“**Streetwear**” or the “**Corporation**”) will be held at Streetwear’s corporate headquarters at 133 Richmond Street West, Suite 403, Toronto, Ontario M5H 2L3, on Friday, June 26, 2015, commencing at 10:00 a.m. (Toronto time), for the following purposes, each as described in the management information circular accompanying this notice of meeting:

1. to receive the financial statements of the Corporation for the year ended December 31, 2014 and the auditor’s report thereon;
2. to appoint Wasserman Ramsay LLP Chartered Accountants as auditor of the Corporation for the financial year ended December 31, 2015, and authorize the board of directors to fix the remuneration of the auditor;
3. to approve the Corporation’s stock option plan for the ensuing year;
4. to set the number of directors to be elected at five;
5. to elect the board of directors;
6. to amend the Articles of Incorporation to consolidate the issued and outstanding common shares by issuing one common share for three of the issued and outstanding common shares of the Corporation;
7. to approve the acquisition of MezzaCap GmbH as described in detail in the management information circular accompanying this notice of meeting as well as to approve the name change of the Corporation to be Bitrush Corp.; and
8. to transact such other business as may be properly brought before the meeting or any adjournment thereof.

The board of directors has fixed May 22, 2015, as the record date (“**Record Date**”) for the determination of shareholders entitled to notice of and to vote at the meeting and at any adjournment thereof. Only shareholders of record on the Record Date are entitled to receive notice of and to vote at the meeting.

A registered shareholder may appoint a proxyholder to attend and act at the meeting in accordance with the shareholder’s instructions. A shareholder wishing to appoint a proxyholder should complete, date and sign the enclosed form of proxy and deposit it with Capital Transfer Agency Inc, 121 Richmond Street West, Suite 401, Toronto, Ontario M5H 2K1. Proxies must be deposited with Capital Transfer Agency Inc at least 48 hours, excluding Saturdays, Sundays and holidays, preceeding the meeting.

There are also procedures, described in the accompanying management information circular, for beneficial owners of shares to give voting instructions to the registered owners of those shares.

DATED at Toronto, Ontario, May 22, 2015.

By Order of the Board of Directors

*(signed) Peter Lukesch*  
Chairman and Chief Executive Officer

## **FORWARD LOOKING STATEMENT**

The content of this Filing Statement contain statements which, to the extent that they are not recitation of historical fact may constitute “forward-looking statements” within the meaning of the applicable securities legislation. Forward-looking statements may include financial and other projections, as well as statements regarding future plans, objectives or economic performance, or the assumption underlying any of the foregoing. This Filing Statement uses words such as “may”, “would”, “could”, “will”, “likely”, “except”, “anticipated”, “believe”, “intend”, “plan”, “forecast”, “project”, “estimate”, and other similar expressions to identify forward-looking statements. Forward-looking statements involve certain risks, assumptions, uncertainties and other factors that may cause actual future results or anticipated events to differ materially from those expressed or implied in any forward-looking statement. In any case, these factors principally relate to the risks associated with the industry in which MezzaCap operates. For more detailed discussion of some of these risk factors, reference is made to the disclosures regarding risks as set out in “Risk Factors” in section 5.4. The Streetwear Corporation does not intend, nor undertake any obligation to update or revise any forward-looking statements to reflect subsequent information, events, results, circumstances or otherwise.

## GLOSSARY

Unless otherwise indicated or context otherwise indicates, the following definitions are used in this Filing Statement. Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Exchange policies and applicable securities law.

**“Acquisition”** mean the Transaction as described below.

**“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:

- (c) voting securities of the Company are held, other than by way of security only, by or for the benefit of that Person; and
- (d) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Company.

A Person beneficially owns securities that are beneficially owned by:

- (e) a Company controlled by that Person; or
- (f) 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:

- (g) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;
- (h) any partner of the person or company;
- (i) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity;
- (j) in the case of a person, a relative of that person, including:
  - (i) that person’s spouse or child; or
  - (ii) any relative of the person or of his spouse who has the same residence as that person;

but,

- (k) where the Exchange determines that two persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company.

**“CAD”** or **“\$”** means the Canadian Dollar.

**“Company”** unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

**“Completion of the Transaction”** means the date the Final Exchange Bulletin is issued by the Exchange.

**“Control Person”** means any person or company that holds or is one of a combination of persons or companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

**“Corporation”** means The Streetwear Corporation, a company incorporated under the *Business Corporations Act* (Ontario), also referred to as **“Streetwear”** or **“Issuer”**.

**“EUR”** or **“€”** means Euro, the common currency of the European Union.

**“Exchange”** means the Canadian Securities Exchange or the CSE.

**“Final Exchange Bulletin”** means the Exchange Bulletin which is issued following closing of the Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Transaction.

**“Insider”** if used in relation to an Issuer, means:

- (l) a director or senior officer of the Issuer;
- (m) a director or senior officer of the Company that is an Insider or subsidiary of the Issuer;
- (n) a Person that beneficially owns or controls, directly or indirectly, Voting Shares carrying more than 10% of the voting rights attached to all outstanding Voting Shares of the Issuer; or
- (o) the Issuer itself if it holds any of its own securities.

**“Majority of the Minority Approval”** means the approval of the Transaction by the majority of the votes cast by shareholders, other than:

- (p) Non Arm’s Length Parties to the Corporation;
- (q) Non Arm’s Length Parties to the Transaction; or
- (r) in the case of a Related Party Transaction:
  - (i) if the Corporation holds its own shares, the Corporation; and
  - (ii) a Person acting jointly or in concert with a Person referred to in paragraph (a) or (b) in respect of the transaction,at a properly constituted meeting of the common shareholders of the Corporation.

**“MezzaCap”** means MezzaCap GmbH, a company incorporated on October 15, 2013 in Austria (registered with FN 405032 k on November 12, 2013, at Commercial Court Vienna) pursuant to the laws of Austria having its registered office at Mooslackengasse 17, A-1190 Vienna, Austria

**“MobileUp”** means Mobileup GmbH, a company incorporated on February 9, 2011 in Austria (registered with FN 359035 v on February 18, 2011, at District Court of Korneuburg) pursuant to the laws of Austria having its registered office at Foehrengasse 10A, A-2102 Bisamberg, Austria

**“Non Arm’s Length Party”** means in relation to a Company, a promoter, officer, director, other Insider or Control Person of that Company (including an Issuer) and any Associates or Affiliates of any of such



Persons. In relation to an individual, means any Associate of the individual or any Company of which the individual is a promoter, officer, director, Insider or Control Person.

**“Non Arm’s Length Parties to the Transaction”** means the Vendor(s), any Target Company(ies) and includes, in relation to Significant Assets or Target Company(ies), the Non Arm’s Length Parties of the Vendor(s), the Non Arm’s Length Parties of any Target Company(ies) and all other parties to or associated with the Transaction and Associates or Affiliates of all such other parties.

**“Non Arm’s Length Transaction”** means a proposed Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the Corporation and in relation to the Significant Assets which are to be the subject of the proposed Transaction.

**“Person”** means a Company or individual.

**“Resulting Issuer”** means BitRush Corp. that was formerly the Corporation that exists upon issuance of the Final Exchange Bulletin.

**“Shareholder”** means a holder of common shares of the Corporation.

**“Significant Assets”** means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the Corporation, together with any other concurrent transactions, would result in the Corporation meeting the minimum listing requirements of the Exchange.

**“Sponsor”** has the meaning specified in Exchange Policy 2.2 – Sponsorship and Sponsorship Requirements.

**“Target Company”** means MezzaCap GmbH, a Company to be acquired by the Corporation as its Significant Asset pursuant to the Transaction.

**“Transaction”** means the proposed Acquisition as described below.

**“Vendors”** means one or all of the beneficial owners of the Significant Assets (other than the Target Company(ies)).

## SUMMARY OF THE PROPOSED TRANSACTION

*The following is a summary of information relating to The Streetwear Corporation (the “Corporation” or “Streetwear”), MezzaCap GmbH. (“MezzaCap”), and the resulting issuer MezzaCap Corporation (the “Resulting Issuer”) (assuming the completion of the proposed acquisition of MezzaCap (the “Proposed Acquisition” or “Transaction”)) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Management Information Circular and the Exhibits attached hereto.*

Change of Business:	The corporation will change its business from mining and minerals exploration to the development and operation of bitcoin/cryptocurrency projects as well as the hosting, development and operation of bitcoin and cryptocurrency related websites and online services.
Consolidation of Streetwear’s share Capital:	It is recommended to amend the Articles of Incorporation to consolidate the issued and outstanding common shares whereby one (1) common share will be issued for every three (3) pre-consolidation shares issued and outstanding.
Interests of Insiders, promoters or Control Persons:	There are no insiders or promoters or Control Persons of Streetwear with the exception of Peter Lukesch, Andrew McQuire, Franz Kozich, Warren Hawkins and Alfred Dobias who control directly 20,589,617 pre-consolidation (6,863,205 post-consolidation) common shares of Streetwear before Closing. Upon the Acquisition Alfred Dobias who is the beneficial owner of the Target Company will control indirectly an additional 83,287,265 post-consolidation common shares.
Arm’s Length Transaction	The Acquisitions are not a Non-Arm’s Length Transaction.
Selected Pro-Forma Financial Information:	The total capitalization before giving effect of the Transaction as of the filing date is 90,105,188 pre-consolidation (30,034,101 post-consolidation) fully diluted shares of which 74,021,098 pre-consolidated (24,672,738 post-consolidated) shares are issued and outstanding in addition to 16,084,090 pre-consolidation (5,361,363 post-consolidation) share purchase warrants and Nil options. After the Acquisition, the finder’s fee and the maximum financing the total capitalization will be up to 142,018,602 fully diluted post-consolidation shares (120,307,239 shares issued, up to 12,711,363 share purchase warrants, 9,000,000 options). Shareholders’ equity is \$156,599 as per December 31, 2014.
Exchange Listings:	The Securities of the Corporation have been trading on

the Canadian Securities Exchange since September 2014 (CUSIP: 863303103, ISIN: CA8633031031, Ticker Symbol: ARP). In February 2015 the Securities of the Corporation have commenced trading on the Boerse-Frankfurt (Securities Identification Number: A110VM, Ticker Symbol: OXS).

Conflicts of Interest:

There are no conflicts of interest in respect to the Transaction.

## PROXY RELATED INFORMATION

### Solicitation of Proxies

This management information circular (the “**Management Information Circular**”) is furnished in connection with the solicitation by and on behalf of the management of Streetwear of proxies to be used at the Annual and Special Meeting of Shareholders of the Corporation (the “**Meeting**”) to be held at the time and place and for the purposes set forth in the accompanying notice of meeting (the “**Notice of Meeting**”). It is expected that such solicitation will be primarily by mail. Solicitations may also be supplemented by telephone or other means of telecommunications or personally by directors, officers or designated agents of the Corporation. The Corporation may also pay brokers, investment dealers, custodians or nominees holding common shares in their names or in the names of their principals for their reasonable expenses in forwarding proxy solicitation material to their principals who are beneficial holders of common shares of the Corporation. The cost of solicitation by management or on behalf of management of the Corporation will be borne by the Corporation.

No person is authorized to give any information or to make any representations other than those contained in this Management Information Circular and, if given or made, such information must not be relied upon as having been authorized.

### Effective Date

Unless otherwise noted herein, all information contained in this Management Information Circular herein is as of December 31, 2014 (the “**Effective Date**”).

### Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy represent management of the Corporation. **A shareholder desiring to appoint some other person to represent him or her at the meeting may do so** by filling in the name of such person in the blank space provided in the proxy or by completing another proper form of proxy and, in either case, depositing the completed proxy with the Corporation’s transfer agent and registrar, on or before 10:30 AM (Toronto time) on the second business day prior to the meeting or if the meeting is adjourned, at least 48 hours prior to the time set for the adjourned meeting, or delivering it to the Chairman of the meeting prior to the commencement of the meeting or any adjournment thereof. A proxy should be executed by the shareholder or his or her attorney duly authorized in writing, or if the shareholder is a corporation, by an officer or attorney thereof duly authorized.

In addition to any other manner permitted by law, a proxy may be revoked before it is exercised by instrument in writing executed in the same manner as a proxy and deposited at the registered office of the Corporation at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, at which the proxy is to be used or with the Chairman of the meeting on the day of such meeting or any adjournment thereof and thereupon the proxy is revoked.

A shareholder executing the enclosed form of proxy has the power to revoke it at any time before it is exercised. The *Business Corporations Act* (Ontario) (“**BCAO**”) sets out a procedure for revoking proxies by the deposit of an instrument in writing at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournments thereof at which the proxy is to be used or, with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof or in any other manner permitted by law.

### **Advice to Beneficial Shareholders**

The non-registered shareholders of the Corporation should review the information set forth in this section carefully. Shareholders who do not hold their shares in their own name (referred to in this Management Information Circular as “Beneficial Shareholders”) should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation’s registrar and transfer agent as registered holders of shares will be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a shareholder by a broker, those shares will, in all likelihood, not be registered in the shareholder’s name. Such shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such shares are registered in the name of CEDE & Co. (the registration name for The Depository Trust Company, which acts as nominee for many U.S. brokerage firms). Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

National Instrument 54-101 of the Canadian Securities Administrators requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the form of proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to ADP Investor Communications (“**ADPIC**”) in Canada. ADPIC typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to ADPIC, or otherwise communicate voting instructions to ADPIC (by way of the Internet or telephone, for example). ADPIC then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Beneficial Shareholder who receives an ADPIC voting instruction form cannot use that form to vote shares directly at the Meeting. The voting instruction forms must be returned

to ADPIC (or instructions respecting the voting of shares must otherwise be communicated to ADPIC) well in advance of the Meeting in order to have the shares voted. If you have any questions respecting the voting of shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting shares registered in the name of his or her broker (or an agent of such broker), a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their shares as proxyholder for the registered shareholder, should enter their own names in the blank space on the proxy form provided to them by their broker (or the broker's agent) and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or the broker's agent).

### **Exercise of Discretion by Proxies**

Proxies received in favour of management will be voted and where a choice is specified, will be voted in accordance with the choice so specified in the proxy. **Where no choice is specified, the proxy will be voted in favour of all of the matters set out in the accompanying proxy, all the more particularly described in the Management Information Circular.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting and with respect to other matters which may properly come before the meeting. At the time of printing of this Management Information Circular the management of the Corporation knows of no such amendments, variations or other matters to come before the meeting other than the matters referred to in the notice of meeting. **However, if other matters which are not known to the management should properly come before the meeting the accompanying proxy will be voted on such matters in accordance with the best judgment of the person or persons voting.**

### **Voting of Shares and Principal Holders Thereof**

As of the Effective Date, the Corporation had 74,021,098 common shares issued and outstanding, each of which carries one (1) vote.

Holders of common shares of Corporation at the close of business on May 22, 2015 (the "**Record Date**") will be entitled to one vote for each share held by them except to the extent that a person has transferred any common shares after the Record Date and the transferee of such common shares established proper ownership and demands, not less than 10 days before the Meeting, to be included in the list of shareholders entitled to vote at the Meeting, in which case the transferee will be entitled to vote such common shares.

To the knowledge of the directors and senior officers of the Corporation as of the Effective Date, there is no person beneficially owning, directly or indirectly, or exercising control or discretion over the voting securities carrying in excess of 10% of the voting rights attached to the securities of the Corporation with the exception of Peter Lukesch, Chief Executive Officer.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **Appointment of Auditors**

Wasserman Ramsay LLP, Chartered Accountants, have been the auditors of the Corporation since October 2013. Shareholders of the Corporation are asked to vote in favour of the appointment of Wasserman Ramsay LLP, Chartered Accountants, as the Corporation's auditors, to hold office until the close of the next annual meeting of shareholders of the Corporation and have the remuneration to be fixed by the board of directors of the Corporation.

Unless a proxy specifies that the shares it represents should be withheld from voting in the appointment of auditors, the proxy holders named in the accompanying proxy intend to use it to vote FOR the appointment of Wasserman Ramsay LLP, Chartered Accountants, as auditors of the Corporation, to hold office until the close of the next annual meeting of shareholders.

### **Special Business –Stock Option Plan**

Management is asking the shareholders of the Corporation to approve the stock option plan (the “**Plan**”), authorizing the issuance of incentive stock options to directors, officers, employees and consultants of up to 10% of the issued and outstanding shares of the Corporation, from time to time.

The material terms of the Plan are as follows:

The Plan is administered by the board of directors or by a committee appointed by the board in accordance with terms of the Plan.

The term of any options granted under the Plan will be fixed by the board of directors at the time such options are granted, provided that the options will not be permitted to exceed a term of five (5) years.

The exercise price of any options granted under the Plan will be determined by the board of directors, in its sole discretion, but shall not be less than the last closing price of the Corporation's common shares on the day before the date on which the directors grant such options less the maximum discount permitted under the policies of the Exchange.

All options will be non-assignable and non-transferable except (i) as permitted by applicable securities laws, or (ii) as otherwise specifically provided in the Plan.

No more than (i) 5% of the issued shares may be granted to any one individual in any 12 month period; and (ii) 2% of the issued shares may be granted to a consultant, or an employee performing investor relations activities, in any 12 month period.

If the option holder ceases to be a director, officer consultant or employee of the Corporation or ceases to be employed by the Corporation (other than by reason of disability, death or termination for cause), as the case may be, then the option granted shall expire on no later than the 90<sup>th</sup> day following the date that the option holder ceases to be a director, officer, consultant, or employee or ceases to be employed by the Corporation, subject to terms and conditions set out in the Plan. However, if the option holder is engaged in investor relations activities the options must expire within 30 days after the option holder ceases to be employed by the Corporation to provide investor relations activities, in accordance with the policies of the Exchange.

Options will be subject to anti-dilution provisions in the event of any consolidation, subdivision conversion or exchange of the Corporation's common shares.

Reference should be made to the full text of the Plan attached hereto as "**Schedule D**". The Plan is subject to receipt of Exchange acceptance.

Attached to this Circular as "**Schedule C**" is the resolution to be considered by the Corporation's shareholders implementing the Stock Option Plan requiring the approval of a majority of the votes cast by shareholders who vote in respect of the resolution. **In the absence of a contrary instruction, the persons designated by management of the Corporation in the enclosed form of proxy intend to vote proxies received by the Corporation in favour of the resolution approving the Plan.** Management does not contemplate any amendment to the resolution, but if such an amendment should occur at or prior to the Meeting, the common shares represented by proxies received in favour of management nominees will be voted in accordance with the discretion of such nominees.

### **Special Business - Number of Directors**

In order to elect the five (5) Proposed Directors, as is set out in the section entitled Election of Directors below, the shareholders will first be asked to consider and, if thought advisable, pass, with or without variation, a special resolution, the full text of which is attached to this Management Information Circular as "**Schedule E**", to fix the numbers of directors at five (5) and to empower the board of directors to determine from time to time the number of directors of the Corporation, such determination to be made by resolution of the board of directors. Approval of such special resolution requires the affirmative vote of not less than two thirds of the votes cast by shareholders of the Corporation who vote in respect thereof, in person or by proxy, at the Meeting.

### **Election of Directors**

Subject to approval by the shareholders of the Corporation at the Meeting, the number of directors to be elected at the Meeting is five (5) directors. The persons named in the enclosed form of proxy intend to vote for the election of those nominees whose names are set forth below (the "**Proposed Directors**"). All of the Proposed Directors are now members of the board of directors and have been so since the dates indicated. Management does not contemplate that any of the Proposed Directors will be unable to serve as a director, but if such an event should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion, unless authority to vote the proxy for the election of directors has been withheld. Each director elected will hold office until the next annual meeting of shareholders, until their resignation, or until their successor is duly elected, unless the office is earlier vacated in accordance with the by-laws of the Corporation.

The following table and the notes thereto state the names of all the Proposed Directors to be nominated by the Nominating Committee for the election as directors, all other positions and offices with the Corporation now held by them, their principal occupations or employments, the period or periods of service as directors of the Corporation and the approximate number of voting securities of the Corporation beneficially owned, directly or indirectly, or over which control of direction is exercised by each of them as of the date hereof.

Name of Director and present position with the Issuer	Position held with Issuer since	Current Principle Occupations	Number of pre-consolidation shares owned, controlled or directed at the date hereof
Peter Lukesch <sup>(1), (2) &amp; (3)</sup> Chairman of the Board, and Chief Executive Officer	30-Oct-13	CEO of Streetwear Private Consultant	11,561,499
Andrew McQuire <sup>(1), (2)</sup>	30-Oct-13	Private Consultant	Nil
Franz Kozich <sup>(3)</sup> Director, and Corporate Secretary	24-Nov-14	CEO of Richmond Minerals Inc.	6,528,118
Warren Hawkins <sup>(1), (2) &amp; (3)</sup> Director	30-Oct-13	Consulting Geologist	1,000,000
Alfred Dobias Director	26-Jun-15	Private Consultant	1,500,000

Notes:

- (1) Denotes member of the Audit Committee.
- (2) Denotes members of the Corporate Governance and Nomination Committee.
- (3) Denotes members of the Compensation Committee.

The directors will devote their time and expertise as required by the Corporation, however, it is not anticipated that any director will devote 100% of his time.

The term of office of each director will be from the date of the Meeting at which the director is elected until the resignation of such director, the next annual meeting of shareholders of the Corporation, or until his successor is elected or appointed.

Proxies received in favour of management will be voted for the election of the above-named nominees, unless the shareholder has specified in the proxy that his or her shares are to be withheld from voting in respect thereof. Management has no reason to believe that any of the nominees will be unable to serve as a director but, if a nominee is for any reason unavailable to serve as a director, proxies in favour of management will be voted in favour of the remaining nominees and may be voted for a substitute nominee unless the shareholder has specified in the proxy that his or her shares are to be withheld from voting in respect of the election of directors.



### **Special Business – Approval of Amendment of Articles for a Consolidation of Shares**

Management seeks approval of a special resolution to amend the Articles of Incorporation for a share consolidation by changing up to three (3) of the issued and outstanding common shares into one (1) common share (the “**Consolidation**”). For the Consolidation to be approved in accordance with applicable law, the special resolution must be approved by the affirmative vote of not less than two-thirds of the votes cast at the annual meeting by the shareholders present in person or by proxy.

The board believes that the Consolidation is beneficial to the Corporation and its ability to attract financing and it is appropriate and in the best interest for the Corporation to approve the Consolidation.

### **Special Business – Approval of the Proposed Acquisition of MezzaCap**

Management seeks the approval of a special resolution to acquire 100% of MezzaCap constituting a fundamental change in accordance with CSE Policy 8. The business of MezzaCap is described in detail under Part II of this Management Information Circular.

The board believes that the Acquisition is beneficial to the Corporation and will enhance shareholder value and it is appropriate and in the best interest for the Corporation to approve the Acquisition.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

The Corporation’s compensation policy is consistent with a junior issuer.

The Corporation’s process for determining executive compensation is very simple. Due to the Corporation’s early stage of development and small size of its management team and board, the Board’s Nominating and Compensation Committee has maintained the Corporation’s practice of not compensating executives or board members, other than the reimbursement of direct expenditures.

### **Summary Compensation Table**

The following table (presented in accordance with Form 51-102F6 – Statement of Executive Compensation (“**Form 51-102F6**”) under National Instrument 51-102 – Continuous Disclosure Obligations) sets forth all direct and indirect compensation for, or in connection with, services provided to the Corporation and its subsidiaries for the three financial years ended December 31, 2014 in respect of the Chief Executive Officer, the Chief Financial Officer and the Corporate Secretary of the Corporation (the “**Named Executive Officers**”)

Name and Principle Position	Year	Salary (\$)	Share - based Awards (\$)	Options Granted (#)	Option-based Awards (\$)	Non-equity Incentive Plan Compensation		All other Compensation (\$)	Total Compensation (\$)
						Annual Incentive Plans (\$)	Long-term Incentive Plans (\$)		
Peter Lukesch CEO	2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil	\$30,000	\$30,000
Andrew McQuire CFO	2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Franz Kozich Corp. Secr.	2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil	\$30,000	\$30,000

### Incentive Plan Awards

The Corporation does not currently have any issued and outstanding Incentive Stock Options

The following table (presented in accordance with Form 51-102F6) sets forth for the Named Executive Officer all awards outstanding at the end of the most recently completed financial year ended December 31, 2014, including awards granted before the most recently completed financial year.

Name (a)	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#) (b)	Option exercise price (\$) (c)	Option expiration date (d)	Value of unexercised in-the-money options (\$) (e)	Number of shares or units of shares that have not vested (#) (f)	Market or payout value of share-based awards that have not vested (\$) (f)
Peter Lukesch, Andrew McQuire, Franz Kozich	Nil	N/A	N/A	Nil	Nil	Nil

### Incentive Plan Awards – Value Vested or earned During the Year

There have not been any incentive stock option grants during the most recently completed financial year ended December 31, 2014 to the Named Executive Officers.

Name (a)	Option-based awards -Value vested during the year (\$) (b)	Share-based awards - Value vested during the year (\$) (c)	Non-equity incentive plan compensation - Value earned during the year (\$) (d)
Peter Lukesch, Andrew McQuire, Franz Kozich	Nil	Nil	Nil

### Pension Plan Benefits

The Corporation does not current have any pension plans for the benefit of its directors, officers or employees.

### Termination and Change of Control

There is no employment agreement, compensatory plan or other arrangement in place with the Named Executive Officers, nor are there any agreements between the Corporation and the Named Executive Officers that provide for payment to the Named Executive Officers in connection with any termination, resignation, retirement, change in control of the Corporation or change in responsibilities of the Named Executive Officers.

### Remuneration of Directors

During the financial period ended December 31, 2014, directors were not paid any compensation. Outside directors are entitled to be reimbursed for their direct out of pocket expenses incurred to attend each board of directors meeting or subcommittee meeting which they attend.

### Incentive Plan Awards

The following table (presented in accordance with Form 51-102F6) sets forth for each Non-executive director all awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year.

Name (a)	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#) (b)	Option exercis e price (\$) (c)	Option expiration date (d)	Value of unexercised in- the-money options (\$) (e)	Number of shares or units of shares that have not vested (#) (f)	Market or payout value of share-based awards that have not vested (\$) (f)
Warren Hawkins	Nil	N/A	N/A	\$ Nil	Nil	Nil

## Directors' and Officers' Liability Insurance

The Corporation does not currently maintain insurance for the benefit of its directors and officers against certain liabilities incurred by them in their capacity as directors or officers of the Corporation. However, it is anticipated that upon completion of the proposed Qualifying Transaction, the Corporation may purchase such insurance policy.

## Stock Options

Renewal of the Corporation's Stock Option Plan (the "**Plan**") is being presented to the shareholders for their approval at the Meeting. Please see "**Approval of the Stock Option Plan**" herein. The Plan permits the Corporation to issue stock options to directors, officers, employees and consultants upon approval by the Compensation Committee. The purpose of issuing stock options will be to provide incentives to certain of the Corporation's directors, officers, employees and consultants.

	Number of common shares to be issued upon exercise of outstanding options	Weighted average exercise price of outstanding options (\$)	Number of post-consolidated common shares remaining available for future issuance under the plan
Equity Compensation Plans Approved By Shareholders - Stock Option Plan	Nil	Nil	2,467,214 <sup>(1)</sup>
Equity Compensation Plans Not Approved By Shareholders	Nil	Nil	9,563,510
Total	Nil	Nil	12,030,724 <sup>(2)</sup>

Notes:

- (1) Based on 10% of the issued and outstanding common shares as at December 31, 2014 for a total of 24,672,738 post-consolidated (74,021,098 pre-consolidated) common shares.
- (2) Based on 10% of the issued and outstanding common shares as at December 21, 2015 for a total of 120,307,239 post-consolidated common shares.

## APPOINTMENT OF AUDITORS

Management of the Corporation intends to seek the reappointment of Wasserman Ramsey as the auditor of the Corporation. Wasserman Ramsey, LLP was first appointed as auditor of the Corporation in 2013. There were no reservations in the auditor's reports of April 24, 2015 and no reportable event has occurred. The Reporting Package prescribed in NI 51-102 Continuous Disclosure Obligations is attached hereto as Exhibit H. Shareholders are asked to appoint Wasserman Ramsey LLP as auditor of the Corporation to hold office until the next annual meeting of the shareholders.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF WASSERMAN RAMSEY LLP, CHARTERED ACCOUNTANTS, AS AUDITORS OF THE CORPORATION TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR

REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.

### **AUDITED FINANCIAL STATEMENTS**

The audited financial statements for the fiscal year ended December 31, 2014 and the report of the auditors thereon will be submitted to the meeting of shareholders. Receipt at such meeting of the auditors' report and the Corporation's financial statements for its last completed fiscal period will not constitute approval or disapproval of any matters referred to therein

### **OTHER MATTERS WHICH MAY COME BEFORE THE MEETING**

Management knows of no matters to come before the meeting of shareholders other than as set forth in the notice of meeting. HOWEVER, IF OTHER MATTERS WHICH ARE NOT KNOWN TO THE MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE ACCOMPANYING PROXY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE PROXY APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy represent management of the Corporation. A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE CORPORATION, TO REPRESENT HIM/HER AT THE MEETING MAY DO SO by filling in the name of such person in the blank space provided in the proxy or by completing another proper form of proxy. A shareholder wishing to be represented by proxy at the meeting or any adjournment thereof must, in all cases, deposit the completed proxy with the Corporation's transfer agent and registrar, Capital Transfer Agency Inc., 121 Richmond Street West, Suite 401, Toronto, Ontario, M5H 2Y2, on the second business day prior to the meeting or if the meeting is adjourned, at least 48 hours prior to the time set for the adjourned meeting, or deliver it to the chairman of the meeting on the day of the meeting or any adjournment thereof prior to the time of voting. A proxy should be executed by the shareholder or his or her attorney duly authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized.

In addition to any other manner permitted by law, a proxy may be revoked before it is exercised by instrument in writing executed in the same manner as a proxy and deposited at the registered office of the Corporation at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, at which the proxy is to be used or with the chairman of the meeting on the day of such meeting or any adjournment thereof and thereupon the proxy is revoked.

A shareholder attending the meeting has the right to vote in person and, if he does so, his or her proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the meeting or any adjournment thereof.

### **AUDIT COMMITTEE**

The audit committee is currently comprised of the following members: Mr. Peter Lukesch, Mr. Andrew McQuire, and Mr. Warren Hawkins. Each of the members of the audit committee is financial literate as per Multilateral Instrument 52-110. Mr. Lukesch and Mr. McQuire are officers of the Corporation, Mr. Hawkins is an independent director.

Below are the fees paid for the fiscal years ended on January 31, 2014, 2013 and 2012.

	2014	2013	2012
Audit Fees			
Wasserman Ramsay LLP	\$ 9,500.00	\$ 4,000.00	Nil
Audit-related Fees	Nil	Nil	Nil
Tax Fees			
Leonard Goldberg LLP	\$ 2,394.84	Nil	Nil
All Other Fees	Nil	Nil	Nil

#### **CORPORATE GOVERNANCE AND NOMINATING COMMITTEE**

A corporate governance and nominating committee meets on governance matters as and when required.

#### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

The Corporation does not provide loans to its directors, executive officers or any of their associates or affiliates. No directors, executive officers or any of their associates or affiliates are indebted to the Corporation.

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No director, senior officer or associate of a director or senior officer nor, to the best of the knowledge of the directors and senior officers of the Corporation after having made reasonable inquiry, any person or company who beneficially owns, directly or indirectly, more than 10% of the outstanding voting securities of the Corporation as at the date hereof, or any associate or affiliate thereof, has any interest in any transaction, or in any proposed transaction, which in either such case has materially affected or will materially affect the Corporation, except as otherwise stated herein.

#### **ADDITIONAL INFORMATION**

Information for the most recently completed financial year is provided in the Corporation's financial statements attached to this Management Information Circular. Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com) or by contacting the Corporation at via telephone at 647-932-5002, courier at 101 West Beaver Creek, Suite 103, Markham, Ontario L4B 1M6 or email at: [office@the-streetwear.co](mailto:office@the-streetwear.co).

## **EXERCISE OF DISCRETION BY PROXIES**

The shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and, if a shareholder specifies a choice with respect to any matter to be acted upon at the meeting, the shares represented by the proxy shall be voted accordingly. WHERE NO CHOICE IS SPECIFIED, THE PROXY WILL CONFER DISCRETIONARY AUTHORITY AND WILL BE VOTED FOR THE ELECTION OF DIRECTORS, FOR THE APPOINTMENT OF AUDITORS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION AND FOR EACH ITEM OF SPECIAL BUSINESS, AS STATED ELSEWHERE IN THIS MANAGEMENT INFORMATION CIRCULAR. THE ENCLOSED FORM OF PROXY ALSO CONFERS DISCRETIONARY AUTHORITY UPON THE PERSONS NAMED THEREIN TO VOTE WITH RESPECT TO ANY AMENDMENTS OR VARIATIONS TO THE MATTERS IDENTIFIED IN THE NOTICE OF MEETING AND WITH RESPECT TO OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING IN SUCH MANNER AS SUCH NOMINEE IN HIS JUDGMENT MAY DETERMINE. At the time of printing this Management Information Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the meeting.

## BOARD APPROVAL

The undersigned hereby certifies that the contents herein, and the sending hereof, of the Management Information Circular have been approved by the board of directors of the Corporation for mailing to the shareholders entitled to receive notice of the Meeting, to each director of the Corporation and to the auditors of the Corporation.

The undersigned hereby certifies that the contents of and the sending of this information circular has been approved by the Board of Directors of the Corporation.

DATED at Toronto, Ontario this 22<sup>nd</sup> day of May, 2015 and again on December 21, 2015.

/s/ "Peter Lukesch"

Peter Lukesch  
Director

/s/ "Andrew McQuire"

Andrew McQuire  
Director



## **PART I - INFORMATION CONCERNING STREETWEAR**

### **ITEM 1: CORPORATE STRUCTURE**

#### **1.1 Name and Incorporation**

The Streetwear Corporation (the “**Corporation**”) was incorporated pursuant to articles of amalgamation dated January 21, 1999 under the Business Corporations Act (Ontario). The principal and registered office of the Corporation is located at 133 Richmond Street West, Suite 403, Toronto, Ontario.

The Corporation was created by the amalgamation of The Streetwear Corporation and Conquest Capital Corp. continuing under the name of The Streetwear Corporation (“**Streetwear**” or the “**Corporation**”). The amalgamation was consummated on January 21, 1999.

The share capital of the Corporation consists of an unlimited number of Common Shares. As of the date hereof, there are 74,021,098 common shares of the Corporation that are issued and outstanding, in addition there are 16,084,090 share purchase warrants.

The Corporation is a reporting issuer in Ontario, and its common shares were previously quoted on the Canadian Dealer Network under the symbol WEAR, which ceased trading in July 2000. After the acquisition of the privately owned ARC Exploration Inc (“**ARC**”), a minerals exploration company in September 2014. Streetwear resumed trading on the Canadian Securities Exchange (“**CSE**”) in September 2014 under the symbol ARP. In February 2015 TSC started trading at the Boerse Frankfurt under the symbol OXS.

### **ITEM 2: GENERAL DEVELOPMENT OF THE BUSINESS**

#### **2.1 History of The Corporation**

The Corporation which was originally in the merchandising and manufacturing business of knitted apparel having ceased its operations in 2004 acquired in December 2013 the privately owned ARC Exploration Inc., a minerals exploration company owning a 100% interest in 57 mining claims called Lac Colombet. Currently, the Corporation’s only subsidiary is ARC Exploration Inc.

#### **2.2 Voting Securities and Principal Holders of Voting Securities**

On May 22, 2015, the Corporation has outstanding 74,021,098 pre-consolidated common shares, each of which carries one vote. To the knowledge of the directors and officers of the Corporation, the only persons or corporations beneficially owning, directly or indirectly, or exercising control or direction over securities carrying in excess of 10% of the voting rights attached to any class of outstanding voting securities of the Corporation is Peter Lukesch owning 11,561,499 pre-consolidated common shares of the Corporation.

### **2.3 Proposed Requalification following a Fundamental Change by acquiring MezzaCap**

In conjunction with the Acquisition of MezzaCap the Corporation will consolidate its capital whereby one (1) common share will be issued for every three (3) pre-Consolidation shares issued and outstanding.

Immediately following the Consolidation of the common shares the corporation has agreed to acquire 100% of the issued and outstanding common shares of MezzaCap whereby Streetwear will issue 83,287,265 post-consolidated common shares to the sole shareholder of MezzaCap, MobileUp, which is owned 100% by Alfred Dobias, having its registered office at Foehrengasse 10A, A-2102 Bisamberg, Austria. Upon acceptance of the option MobileUp will own approximately 77% of the issued and outstanding shares of the Corporation. Such acquisition will constitute a fundamental change pursuant to CSE Policy 8 and is also referred to in this listing statement as “**Transaction**” or “**Acquisition**”.

MezzaCap’s principal business is the development and operation of bitcoin/cryptocurrency projects as well as the hosting, development and operation of bitcoin and cryptocurrency related websites and online services. MezzaCap has never been a reporting issuer and its common shares never traded or were quoted on a stock exchange or quotation system.

### **2.4 Financing**

In conjunction with the Transaction, the Corporation proposes to complete an equity financing of up to 5,000,000 Units at a price of CA\$0.10 per unit, where each unit consist of one post-consolidated common share of the Corporation and one share purchase warrant at a price of CA\$0.15 per share for a period of 24 months from the closing, for gross proceeds of up to CA\$500,000 (the “**Offering**”). The net proceeds of this Offering will be used to provide general working capital to the Resulting Issuer and possible acquisitions of companies offering bitcoin and cryptocurrency related services. Completion of the Transaction is not conditional on any minimum level of funds being raised pursuant to the Offering, but the Resulting Issuer must meet minimum listing requirements of the Exchange.

Subsequent note as of December 21, 2015: The Offering was oversubscribed as the Corporation actually raised \$725,000 at above terms and conditions.

### **ITEM 3: SELECTED CONSOLIDATED FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION AND ANALYSIS**

#### **3.1 Financial Information**

The following information is a summary of selected financial information for the Corporation:

	December 2014	December 2013	January 2013
Revenues	\$ Nil	\$ Nil	\$ Nil
Operating income	(180,505)	(107,534)	(79,062)
Net income	(180,505)	(637,732)	(81,018)
Total assets	230,606	359,204	143,128
Total liabilities	74,007	122,837	151,422
Shareholders' equity	156,599	236,679	(8,293)
Loss per share	0.00	0.02	0.00
Dividends per share	0.00	0.00	0.00

#### **3.2 Management's Discussion and Analysis**

Please refer to PART VI, SCHEDULE H, EXHIBIT 2 of this Management Information Circular.

### **ITEM 4: DESCRIPTION OF THE SECURITIES**

The Corporation is authorized to issue an unlimited number of common shares without nominal or par value, of which, as at the date of this Information Circular, 74,021,098 are issued and outstanding as fully paid and non-assessable. There are no incentive stock options or compensation options that were previously granted and remain outstanding. In addition, there are 16,084,090 share purchase warrants that were previously issued and remain outstanding.

The holders of the Corporation's common shares are entitled to dividends as and when declared by the board of directors of the Corporation, to one vote per share at meetings of shareholders of the Corporation and, upon liquidation, to receive such assets of the Corporation as are distributable to the holders of such common shares. All of the common shares to be outstanding on completion of this offering will be fully paid and non-assessable.

### **ITEM 5: STOCK OPTION PLAN**

The Corporation has adopted an incentive stock option plan which provides that the board of directors of the Corporation may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers and employees of and technical consultants to the Corporation non-transferable options to purchase common shares of the Corporation provided that the number of common shares of the Corporation reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Corporation. Such options will be exercisable for a period of up to 5 years from the date of grant. In connection with the foregoing, the number of common shares of the Corporation reserved for issuance to: (a) any individual director or officer will not exceed 5% of the

issued and outstanding common shares of the Corporation; (b) all technical consultants will not exceed 2% of the issued and outstanding common shares of the Corporation. Options may be exercised no later than 90 days following cessation of the optionee's position with the Corporation, provided that if the cessation of office, directorship or technical consultation arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

For further information please refer to PART VI, SCHEDULE D of this Management Information Circular.

As of December 21, 2015, there are 9,000,000 incentive stock options issued to acquire common shares of the Corporation.

## **ITEM 6: PRIOR SALES AND STOCK PRICE**

### **6.1 Stock Exchange Price**

The common shares of the Corporation have started trading in February 2015 and were halted in March 2015. In September 2015 the stock resumed trading after the completion of the Transaction. As of December 21, 2015 the stock is trading at 9 cents per post-consolidated share.

## **ITEM 7: ARM'S LENGTH TRANSACTIONS**

The Proposed Transaction is not a Non-Arm's Length Transaction.

## **ITEM 8: LEGAL PROCEEDINGS**

To the knowledge of the directors of the Corporation, there is no legal proceeding or legal proceedings known to be contemplated, that are material to the Corporation or to which any of its property is or may be subject to.

## **ITEM 9: AUDITOR, TRANSFER AGENTS AND REGISTRARS**

The auditors of the Corporation are Wasserman Ramsay LLP, 3601 Highway 7, Suite 1008, Markham, Ontario, L3R 0M3.

The registrar and transfer agent of the Corporation is Capital Transfer Agency Inc., 121 Richmond Street West, Suite 401, Toronto, Ontario, M5H 2K1.

## **ITEM 10: MATERIAL CONTRACTS**

The Corporation has not entered into any material contracts and will not enter into any material contracts prior to the closing of the Transaction, other than:

- (1) The Transfer Agency and Registrar Agreement dated August 30, 2013 between the Corporation; and
- (2) The Agreement in Principle between the Corporation and MobileUp dated May 15, 2015
- (3) After the Transaction, on July 31, 2015, the Share Exchange Agreement between the Corporation and MezzaCap Investment Ltd., the successor company of MobileUp was signed.

The material contracts described above may be inspected at 133 Richmond Street West, Toronto, Ontario M5H 2L3 during ordinary business hours until the closing of the Transaction and for a period of thirty days thereafter.

## PART II - INFORMATION CONCERNING MEZZACAP

### ITEM 11: CORPORATE STRUCTURE

MezzaCap GmbH (“**MezzaCap**” or “**Target Company**”) is a limited liability company incorporated on October 15, 2013 in Austria (registered with FN 405032 k on November 12, 2013, at Commercial Court Vienna) pursuant to the laws of Austria having its registered office at Mooslackengasse 17, A-1190 Vienna, Austria

The sole owner of MezzaCap is MobileUp GmbH (“**MobileUp**”), a company incorporated on February 9, 2011 in Austria (registered with FN 359035 v on February 18, 2011, at Commercial Court Korneuburg) pursuant to the laws of Austria having its registered office at Foehrengasse 10A, A-2102 Bisamberg, Austria. The owner of MobileUp is Alfred Dobias, a businessman residing in Austria.

The Target Company is not a reporting issuer and its common shares have never traded or been quoted on a stock exchange or quotation system.

#### 11.1 Inter-corporate Relationships

MezzaCap has one 100% owned subsidiary called Campus Loosdorf GmbH, located in Wachaustrasse 8, A-3382 Loosdorf, Austria and registered under FN 411662 k at Commercial Court St. Poelten. This company was subsequently renamed into Lucky Symbols Entertainment GmbH to operate as joint venture with Airwin Informationstechnologie GmbH.

### ITEM 12: GENERAL DEVELOPMENT OF THE BUSINESS

MezzaCap activities are the cryptocurrency and block chain technology business. The market segment of cryptocurrency is currently one of the fastest growing segments within the so-called Financial Technologies (FinTech). Many startups and investors are engaged in this field in order to develop new and safe payment methods that are suitable for the digital economy. The target Company is positioned as investment and business incubator company for cryptocurrency projects and startups. Particular areas of interest of the Corporation within the cryptocurrency segment are *cryptocurrency payment services* as well as *entertainment and gaming* projects. MezzaCap operates its own portals sites and websites as well as its “start-it affiliate network”. While the portal sites are positioned as *traffic aggregators* (attract many visitors), the “start-it affiliate network” is positioned to deliver *enabling services* to startups. This “two-sided” strategy is proven and has a successful role model in Amazon. Amazon on one hand offers goods and services to consumers (B2C) and also provides services (like AWS) for corporations (B2B services).

Currently MezzaCap operates more than 20 cryptocurrency sites and portals with a total traffic of more than 40 million page views and more than 8 million Bitcoin transactions per month.

The Corporation intends to raise in a concurrent financing \$500,000, of which approximately \$400,000 will be used to acquire bitcoin and cryptocurrency related services and \$100,000 will be used for regular expenses. It is the Corporation’s objective to become cash neutral after a 6 – 12 months start-up period with strong positive cash flows in subsequent periods.

### ITEM 13: NARRATIVE DESCRIPTION OF THE BUSINESS

For the purpose of this Item 13 only the Corporation will be also referred to as BitRush Corp. (“BitRush”) which the Resulting Issuer was renamed to on September 2, 2015. When the present tense instead of the future tense is used to describe the BitRush activities it is implied that MezzaCap has started to develop future aspects of the BitRush business activities already. The business of BitRush will be based on the current MezzaCap business expanding its business activities as further described below.

The core business of BitRush is “Services related to the Blockchain” concentrating its activities on transactions involving bitcoins and cryptocurrencies applying to the blockchain and a proprietary technology (“BitCore”),

BitRush proposes to be a development-stage internet technology business that will operate a variety of Bitcoin and *blockchain* related websites as well as a blockchain/sidechain based portal for users. The portal is hosted on the domain [www.bitrush.co](http://www.bitrush.co) and is positioned as a platform to offer blockchain related services to users. At a conceptual level the BitRush.Land portal has to be regarded as an evolution of the “Bitcoin Faucet Ecosphere”. BitRush will be an early business leader in the “Bitcoin Faucet Ecosphere” using its existing user base and market share to expand its business onto the next level.

The blockchain is a *peer-to-peer network* based on the Bitcoin protocol. The Bitcoin protocol is not just about sending bitcoins from one wallet to another. It has many features and opens many possibilities that are needed for the next generation internet. Leading companies like IBM believe that blockchain may be the future of internet. Large financial institutions like Goldman Sachs, Bank of England or UBS are investigating the possibilities of blockchain and Bitcoin protocol for financial innovations.

The blockchain is a *shared public ledger* on which the entire Bitcoin network relies. All confirmed transactions are included in the blockchain. The integrity and the chronological order of the blockchain are enforced with cryptography.

BitRush uses the Bitcoin protocol to innovate e-commerce and entertainment services. MezzaCap has already developed a portfolio of Bitcoin (cryptocurrency) related entertainment websites. Several surveys were done via these websites to explore user behavior and market expectations around Bitcoin.. Thus, BitRush may be regarded as Bitcoin pioneer in terms of using the Bitcoin protocol for new products and services. The next step is to develop an internet portal to present a variety of e-commerce and entertainment services to users via a single point of contact on [www.bitrush.land](http://www.bitrush.land). Those services are built either by BitRush and/or by BitRush affiliates (startup companies). For those affiliates BitRush offers a portfolio of incubating and supporting services. BitRush operates in two reportable synergetic segments:

- **Advertising Services**
- **BitRush Land**

### 13.1 ADVERTISING SERVICES

Online Advertising is one of the large market segments within the digital economy. Like in the traditional media business website owners as publishers of content need to finance their business or part of it by selling ad space on their websites to advertisers. Advertising is the single most important source of income for great majority of websites. Hence the brokerage of ad spaces is an attractive business that is related with digital asset management (ad spaces on websites) and payment services.

Cryptocurrencies and blockchain technologies provide the opportunity to innovate the traditional online ad business as they make digital asset management as well as clearing and payment much more efficient.

BitRush entered the ad brokerage market segment when it invested into the development of Coinadvert.net ([www.coinadvert.net](http://www.coinadvert.net)) in spring of 2015. CoinAdvert has been designed to work as a Twitter-like ad network, allowing advertisers to publish real-time text messages on the sites of the attached publishers. The associated payment transactions between advertisers and publishers are cleared real-time in Bitcoins via the blockchain at very low costs.

As part of the Corporation's strategy to position itself as a leading blockchain based cryptobusiness services provider it has acquired all of the assets of the advertising platform adbit ([www.adbit.co](http://www.adbit.co)), one of the leading ad networks (ad broker services) within the Bitcoin ecosphere ("AdBit"). AdBit has been acquired in a cash transaction. Pursuant to this transaction, BitRush acquired the domain [www.adbit.co](http://www.adbit.co) along with the platform applications and the business itself.

The acquisition of AdBit strengthens BitRush's market position in the blockchain ecosphere in the area of ad brokerage and related payment & clearing services. AdBit is a strong brand with a good reputation among the Bitcoin audience. The people behind AdBit will become part of the BitRush network. AdBit has been co-developed by the Canadian software company IronClad Web Technologies, a driving force in the Canadian blockchain technology scene.

In general, Bitcoins and the blockchain have an advantage over traditional ad networks like Google AdSense: Payments to publishers are made real-time with minimal costs. Google AdSense, for example, pays once a month with significant fees for the publishers. Another advantage of blockchain related ad networks is the complete transparency which is not provided by services like Google AdWords or Google AdSense.

The beta version of CoinAdvert was well received in the Bitcoin scene. Within a few weeks, more than 1,000 advertisers registered at CoinAdvert and bought ad spaces at more than 1,200 registered websites. Based on the experiences with CoinAdvert, BitRush decided to expand the business and the market shares by acquiring other ad networks. AdBit is the first step within this strategy to become a significant force in the blockchain based cryptobusiness services market.

AdBit, with up to 40 million ad impressions per day and 32,000 active registered advertisers and publishers AdBit is an important factor in this new market. Like Google AdWord, AdBit works with a dynamic and real-time functioning auction algorithm. Advertisers can bid for ad spaces on



the connected websites. Within a rotational approach the ads of the highest bidders will show up more often on the ad space than other ads. Unlike Google, however, the bids are transparent, i.e. advertisers know how often they are switched at a certain bid on a particular advertising space.

Currently CoinAdvert and AdBit are primarily deployed by website publishers within the blockchain ecosphere. However, it is expected that because of the simple, fast and inexpensive payment with Bitcoins traditional websites outside of the blockchain ecosphere will start to use those services too. Accordingly, there is an attractive market potential for Bitcoin based ad network/ad brokerage services.

## 13.2 BITRUSH.LAND

Based on its proprietary BitCore technology BitRush.Land ([www.bitrush.land](http://www.bitrush.land)) is positioned as an online portal for consumers offering a “single wallet sign-on” opportunity for a broad portfolio of e-commerce, gaming, entertainment, financial and infotainment services. For affiliate partners the BitRush.Land portal mainly is a marketing channel to present and market their services to a global audience. Users can use these multi-vendor services via their BitRush.Land wallet. The BitRush portal is built around BitRush’s own flagship services like the “Reward for Activity” program and flagship sites like Pink Tussy’s Coinworld, a Bitcoin quiz site. These flagship sites and services are already online revenue generating. The BitRush portal have been launched in a private invitation mode in September 2015 to collect feedback and experience and will be re-launched in March 2016 with a mobile front-end (app and browser). The portal business generates revenues through license agreements, sponsorship revenues and referral commissions.

The BitRush.Land portal is an innovative and evolutionary development based on the highly successful faucet websites phenomenon within the bitcoin ecosphere. The idea behind the faucet websites is to pay registered users bitcoins (or micro fractions of it) for doing easy tasks like solve a captcha, making ratings, reviewing products, visiting ad banners or playing funny games. In a few words – users are paid for their time and attention. The faucet sites in turn earn advertising revenue from Google AdSense and other advertisers. BitRush has been and still is one of the most important players within these faucet websites ecosphere showing up to 1,000,000 unique users per day on its websites, doing quizzes, surveys, reviews or bets. The advertising revenues received for the tasks performed exceed the acquisitions costs for the users by far (representing billions of Satoshis (one Satoshi is one hundred millionth of a Bitcoin)).

BitRush regards this faucet ecosphere as the single most important way to bring Bitcoin and other cryptocurrencies into mainstream.

The BitRush.Land portal is based on this already successful *faucet strategy* and now plans to offer the entertainment and lifestyle services to the registered users to offer them possibilities to spend the received bitcoins. Based on the broad experience of the Corporation a significant part of the existing user base can be converted into paying customers.

BitRush uses blockchain and the Bitcoin protocol to innovate entertainment services based on the already existing user base. The Corporation has already developed a portfolio of Bitcoin (cryptocurrency) related websites. Some of those early Bitcoin websites of the Corporation are fairly successful within the global

internet ecosphere. Thus, the BitRush may be regarded as Bitcoin pioneer in terms of using the blockchain for new products and services. Among those already up and running websites are:

Name Website	Domain	Alexa Ranking	Short Description
CoinCheckIn	<a href="http://www.coincheckin.com">www.coincheckin.com</a>	93,000	Bitcoin gaming site
CoinDigger	<a href="http://www.coindigger.co">www.coindigger.co</a>	95,000	Bitcoin gaming site
Pink Tussy Coinworld	<a href="http://www.pinktussy.co">www.pinktussy.co</a>	69,000	Bitcoin quiz and gaming site
MezzaBank	<a href="http://www.mezzabank.co">www.mezzabank.co</a>	88,000	free Bitcoin site
JokerTimes	<a href="http://www.jokertimes.co">www.jokertimes.co</a>	250,000	Bitcoin Lottery & Betting site
CoinAdvert	<a href="http://www.coinadvert.net">www.coinadvert.net</a>	265,000	Bitcoin Ad Broker
Coins4America	<a href="http://www.coins4america.com">www.coins4america.com</a>	540,000	free Bitcoin site

The above listed websites are still in an early stage but already generate advertising revenue as well (see item 13.2 *Advertising Services*). Bitrush's websites show up to 1,000,000 unique users per day with up to 2.5 Mio pageviews per day. The listed sites have been optimized for mobile use (responsive design).

Based on those already up and running websites BitRush developed an internet portal to present a variety of additional entertainment services as a single point of contact on [www.bitrush.land](http://www.bitrush.land).

Those services are developed/provided either by BitRush and/or by BitRush affiliates (startup companies). For affiliate partners the BitRush.Land portal is a cryptocurrency based market place and an efficient marketing channel to present and market their services to a global audience. Users can use these multi-vendor services via their BitRush.Land wallet.

The portals revenue streams consist of

- advertising income (Google AdSense, CoinAdvert, AdBit and other advertisers – see 13.2 *Advertising Services* below),
- referral fees and commissions from affiliated partner sales,
- merchandising revenues and
- sales of BitRush services and products (licensing agreements).

The BitRush portal is built around BitRush's own flagship services like the "Reward for Activity" program and flagship sites like Pink Tussy's Coinworld, a Bitcoin quiz site. The flagship sites and services are already online generating revenues. The BitRush portal will be launched in March 2016.

The Corporation and its management team are engaged in developing the international cryptocurrency ecosphere. The founders and managers of BitRush are supporting members of Vienna based *FinTech Academy*, a non-profit organization that, among other activities, has set up the Vienna Bitcoin Conference.

## Features and Services

- **Rewards for Activity:** BitRush.Land provides earning opportunities to users. Users can select activities from a broad activity portfolio and they are paid in bitcoins (or fractions of Bitcoin) for

successfully conducting these activities. These activities include, for example ratings of products, writing reviews or participation in surveys. Companies can offer their products and services for the rating and review on a fee basis. Companies can also carry out paid surveys via BitRush. BitRush is taking a 30% commission for all Rewards for Activities.

- **Entertainment Services:** BitRush.Land provides users with a number of entertainment services such as quizzes, games, lotteries and lifestyle news. BitRush operates its own flagship services like quizzes and facilitates services of affiliate partners against commissions.
- **Financial Services:** BitRush.Land offers a range of cryptocurrency payment and investment services. The services provided are carried out by the affiliate partners of BitRush.Land. In this regard BitRush.Land is just the facilitator and gets commissions from those affiliated parties. BitRush.Land intensively cooperates with leading cryptocurrency payment services provider like FaucetBOX.com to offer leading edge services.
- **Single Wallet Sidechain Feature:** BitRush has developed a kind of “sidechain technology” as crucial part of its BitCore application framework (see Item 13.4 Proprietary Technology and Product Development Strategy). A user registers with his Bitcoin address once and can use all services available on the portal. He can receive or send Bitcoins (or fractions of it) in real-time without having to wait for the blockchain confirmation.
- **BitRush Mobile Application:** BitRush is developing a mobile application, which is expected to be launched by Q1 2016.

### 13.3 CORPORATE MILESTONES AND FUNDING

#### 13.3.1 MILESTONES AND FUNDING

The Corporation has made the following investments so far:

- In September 2015 the assets from “*Bitcoin Obmen*” (intellectual property rights, technology, know how), a Ukraine based cryptocurrency exchange and consumer-to-consumer payment services start-up were acquired to be implemented into a newly formed joint venture called *CoinEx Ltd.* (“CoinEx”). The asset acquisition, including initial funding of CoinEx was made by BitRush’s wholly owned subsidiary Start-It Ltd., based in Manchester, United Kingdom (“Start-It”) and amounted to about \$7,000 in cash. The operator of CoinEx is the management personnel of Bitcoin Obmen
- In October 2015 BitRush acquired the cryptocurrency platform AdBit as described in more detail under section 13.2 *Advertising Services* for \$80,000 in cash.
- Also in October 2015 Start-It was funded with \$70,000 providing this subsidiary with enough funds to operate both CoinEx and AdBit for about 12 months.
- In November 2015 a cooperation with Airwin GmbH, Vienna, was formed to integrate Airwins patented gaming technology with BitRush’s proprietary BitCore technology to be able to work on a gaming sub-segment on the BitRush.Land portal. The initial funding amounting to approximately \$70,000 will be used to develop a joint gaming platform for cryptocurrency based games which in turn will attract visitors and traffic to the portal.

### 13.3.2 AVAILABLE FUNDS

As most of the existing websites have been online since early 2015 and some other projects like AdBit and Lucky Symbols Gaming App have been operative since October 2014 the Corporation is currently, as of December 2015, cash neutral, i.e. revenues and costs are about even (except for the transaction costs) BitRush anticipates generating sufficient cash flow from advertising revenues and fees to pay for its operating cost for the next 12 months.

The working capital as of September 30, 2015 was \$448,000 which has decreased by almost \$150,000 during the 4<sup>th</sup> quarter 2015 due to investments in AdBit, LSE, corporate expenses and transactions costs.

### 13.4. PROPRIETARY TECHNOLOGY AND PRODUCT DEVELOPMENT STRATEGY

BitRush has invested substantial time, effort and financial resources on the development of a variety of cryptocurrency related websites and its strategic application platform BitCore, representing its technical infrastructure including scalable hosting, transaction processing, web reporting engine, and software.

The Corporation has assembled a team of skilled engineers and computer scientists with broad technical expertise to develop and maintain BitCore. BitCore is a blockchain based application.

- The trade secrets associated with BitCore are protected via copyright.
- The BitCore source code is maintained at BitRush's head office in Toronto. BitRush intends to grow by continuing to invest in its technology platform and enhancing customer services. BitRush is advancing multiple patent applications that relate to various aspects of BitRush's products and technology. It is expected that future research and development will focus on enhancing existing products and services and on developing new products, including enhanced mobile capabilities.
- BitCore is the development environment and runtime for BitRush.Land portal that is hosted on the domain [www.bitrush.land](http://www.bitrush.land). As described above, BitCore was built for scale. A "single sign on wallet services" across all services, simple-to-navigate personal interface enables users to execute transactions, track past transactions, BitRush wallet account, and track the value digital currencies through internet connected personal computers, tablets, mobile devices. The platform is multi-lingual. At the time of the scheduled launch [www.bitrush.land](http://www.bitrush.land) will be offered in English and Russian.

Based on comprehensive application architecture the Corporation decided to deploy a "2-way development strategy":

- **Easy, fast and open front-ends:** For the development of single websites and certain front end modules of BitCore the Corporation uses open source software and the open source platform WordPress. This allows the Corporation to use existing open source software modules (free and fee) as well as personal resources of the open source ecosphere. Open source software is usually inexpensive, of high quality and broadly accepted. BitRush works very closely together with leading WordPress and other open source software developers.

- **Complex, leading edge and proprietary core technology:** The core technology of BitCore is developed by BitRush's own developers and freelancers in a proprietary way. This gives BitRush a competitive advantage over other companies.

BitCore is to be regarded as an application framework that engages leading open source software front-end modules and BitRush's proprietary core application. The centerpiece of BitCore is kind of a "sidechain module" that enables BitRush to work with transaction outside the blockchain (off-chain), thus, making transactions very fast without the need to wait for confirmations. Deploying this sidechain approach BitRush can transact bitcoins (or micro-fractions of it) with a simplified payment verification proof. The sidechain is separate-but-connected with the blockchain that has its Proof of Work and value entangled with Bitcoin. This is done via a mechanism called "pegging" which means that the sidechain's security and scarcity is tied directly to (backed by) Bitcoin's blockchain. The Corporation believes that BitCore is an innovative technology giving the Corporation a sustainable competitive advantage.

BitRush believes that this investment has resulted in a competitive advantage. BitRush is committed to further enhancing its technology and believes that it will be an important component of its continued success in retaining and attracting new customers.

Important features include:

- **Updates:** BitCore is updated regularly, system development and enhancement is a core activity at BitRush. Significant investments in product and feature development, data and security management technologies, and scalable infrastructure are made as follows:
- **Product and Feature Development:** Ongoing innovation is the product development philosophy of BitRush. The Corporation continuously improves and enhances existing products and develops new products for users. The objective is to enable customers to securely hold and manage their assets with features and functionality which maximize the user experience.
- **Data Management Technologies:** To provide each user with a fluid experience, BitRush's systems must process and analyze a vast amount of data that will enable users to instantly convert digital value or cash payments into gold and back again, provide real-time quotes for the spot price and gold and corresponding exchange rates, and instantaneously credit or debit accounts when transactions are completed.
- **Scalable Infrastructure:** BitCore products and affiliate products (BitCore applications) are built on a shared computing infrastructure. BitCore's applications are hosted on dedicated server at 1 & 1 in Munich, Germany. 1 & 1 is one of the leading data center companies in Western Europe, maintaining a high security environment and cloud computing facilities. The partnership with 1 & 1 provides a secure and stable environment for BitRush's global expansion.

## 13.5 SALES, MARKETING AND GROWTH

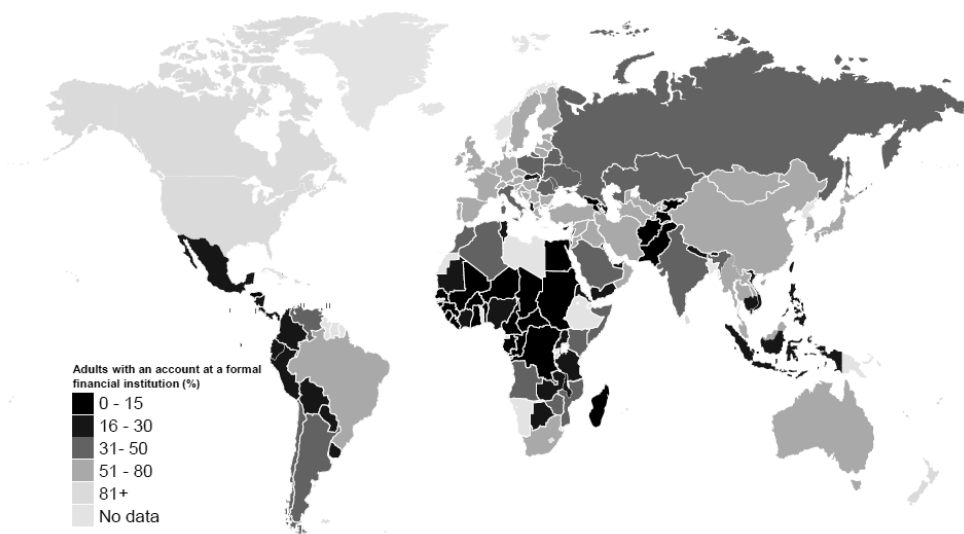
### 13.5.1 TARGET MARKETS

BitRush is offering its services in both business segments on a global scale with a special focus on the promising markets in the BRICS countries (Brazil, Russia, India, China and South Africa) and Asia

Pacific regions. According to a Goldman Sachs study BRICS countries are among the fastest growing economies. The company believes that those emerging markets are among the early acceptors of cryptocurrency and provide a market potential of more than 2 billion people.

About 80 percent of Bitcoin volume is now driven by the Chinese yuan, according to data from Goldman Sachs. The U.S. dollar is the second most used currency for transactions, followed by the euro, the bank said in a new report. Four out of the five largest Bitcoin exchanges are located in China (Source: [www.Bitcoinity.org](http://www.Bitcoinity.org), June 2015). According to World Bank statistics less than 50% of the adults in those emerging markets have an account at a formal financial institution which, in turn, is an additional growth factor the usage of Bitcoin and other cryptocurrencies.

Adults with an account at a formal financial institution



Source: World Bank

According to Bitrush's website usage data (based on Google Analytics) about 80% of the up to 250,000 unique users per day on BitRush websites are coming from BRICS and Asia Pacific countries. Based on the available market data, market reports and its own data the company is convinced that these emerging markets will see the fastest adoption rates for bitcoins and other cryptocurrencies. Therefore the company will put its strategic focus on those markets.

### 13.5.2 MARKET TRENDS

According to a report from Goldman Sachs (*The Future of Finance: Redefining The Way We Pay in the Next Decade, March 2015*) Bitcoin and cryptocurrencies are part of a technology "megatrend" that could change the fundamental mechanics of transactions. Bitcoin, along with improved payment security, 'big data' analytics and faster payment networks are the components of a technology trend that will disrupt the payments ecosystem, the report says.

The disruption of the \$1.2tn global payments industry will be also be driven by converging trends in regulation, global demographics and the rise of markets outside the United States.

Trends affecting BitRush include market demand for bitcoins and other cryptocurrencies as a means of payment.

### *13.5.3 MARKETING PLANS AND STRATEGIES*

BitRush employs online marketing strategies to raise awareness around its offer to users (BitRush Portal Business) and startups (start-it Incubator and Investment Business). Marketing programs are designed and executed by marketing professionals employed by BitRush, and outside consultants, as required. BitRush also seeks to expand through strategic partnerships.

- **Reward for Activity Program:** The portal BitRush.Land offers registered users the possibility to earn Bitcoins and other cryptocurrencies in exchange for small tasks like product ratings, writing reviews or participate in online surveys. The company has a broad experience in this kind of marketing and acquired a large part of its more than 250,000 registered users with such programs.
- **Affiliate Programs:** BitRush markets its brand and services in both business segments through online affiliate programs offering referral commissions to affiliates that publish links on their websites that refer their users to BitRush websites and services.
- **Event Marketing and Lobbying:** BitRush, its founders and management team are actively engaged in the cryptocurrency ecosphere. The company is committed to actively contribute to the cryptocurrency ecosphere and dedicates resources to support non-profit organizations and industry events.
- **Strategic Partnerships:** BitRush seeks to acquire users by establishing a network of partnerships with brand leaders in the area of lifestyle and entertainment.

### *13.5.4 ANALYTICS AND MARKETING CAMPAIGN CALIBRATION*

The BitRush marketing strategy uses quantitative metrics to optimize the cost per acquisition of a customer compared to the estimated customer lifetime value, or CLV, seeking an attractive return on investment while also optimizing the long term value provided to users. BitRush will also invest in infrastructure such as data, analytics, and technology on the platform to help ensure that success metrics are in line and each marketing channel reports a return on investment.

### *13.5.5 STRATEGIC PARTNERSHIPS*

BitRush pursues strategic partnerships with other compatible cryptocurrency companies and established lifestyle and entertainment companies. Such partnerships will enable these partners to enhance the functionality of their offerings, while offering BitRush increased exposure and rapid, low-cost user acquisition opportunities.

### *13.5.6 ACQUISITIVE GROWTH*

BitRush may consider growth by acquisition of businesses that are complementary to BitRush's existing business and are accretive to shareholder value.

### *13.5.7 PROJECTED COSTS*

During the next 12 months, BitRush expects to incur the following marketing expenditures:

Brand Development	\$ 55,000
Affiliate Program	225,000
Reward Program	125,000
Free Bitcoin Program	25,000
Social Media Campaigns	25,000
Conferences and Events	50,000
Total Marketing	\$510,000

### 13.6 SECURITY AND TRANSPARENCY

BitRush invests in technology, processes, and people as part of its commitment to safeguarding users' information. BitRush uses a variety of techniques to protect the data that it is entrusted with, and it relies on multiple layers of network segregation using firewalls to protect against attacks or unauthorized access. BitRush also employs proprietary technologies to protect users.

### 13.7 SPECIALIZED SKILL AND KNOWLEDGE

Most aspects of BitRush's business require specialized skill and knowledge. Such skills and knowledge include software engineering, marketing, finance, accounting, and investment. BitRush meets its needs for such specialized skills and knowledge through the expertise of its directors, officers, and employees. To the extent that additional specialized skills and knowledge are required, the Corporation retains outside consultants.

### 13.8 COMPETITIVE CONDITIONS

The market for the blockchain technologies is still in its early stage. A lot of startups conduct experiments with innovative technologies and new business models. Given the global size of the market and its early stage the competitive environment is not an aggressive one. The company believes that this will change in a 12-month time frame once business leaders have evolved in the different market segments. BitRush's goal is to establish itself as business leader in the segments of entertainment and lifestyle.

BitRush will face competition on a global scale from other startup companies engaged in the blockchain and cryptocurrency related entertainment and lifestyle business. BitRush also faces competition from traditional entertainment, gaming and lifestyle companies. Principal competitors include websites like Admiralcoin.com, a cryptocurrency based gaming company operated by a traditional entertainment and gaming company (Novomatic), FreeBitco.in, an internet-based gaming provider and several other smaller Bitcoin and cryptocurrency-based websites. BitRush may become subject to additional competition as it introduces new products, as BitRush's existing services evolve, or as other companies introduce products and services similar to those provided by BitRush.

The areas in which BitRush competes include:

- **Users:** Competition to attract, engage and retain users. BitRush competes based on its unique "Reward for Activity" program, ease of use, performance and quality of its product offerings.



- **Affiliates:** Competition to attract and retain affiliate partners to cover the potential and existing markets. BitRush competes for potential partners by providing attractive referral commissions and affiliate packages.
- **Platform:** Competition to attract and retain developers to build quality software programs and platforms for BitRush's products. BitRush competes in this area primarily based on the value of the tools and application program interfaces (APIs) it constructs for customer use.
- **Talent:** Competition to attract and retain highly talented individuals, including software engineers and designers, sales and marketing personnel and senior management. BitRush competes for these potential employees by providing a work environment that fosters and rewards creativity and innovation and by providing compensation packages that BitRush believes will attract and retain key employees.

BitRush believes that it enjoys significant competitive advantages that enable it to compete favorably in these areas, including:

- **Uniqueness of services:** BitRush is not aware of any competing service that offers "single wallet-login" portal with programs like "Reward based Activities" for users. If BitRush is able to effectively carry out its marketing plan, it anticipates enjoying a "first mover" advantage.
- **Superior user experience:** BitRush's service platform is designed to integrate seamlessly into users' everyday financial transactions and investment activities by mirroring functionality offered by traditional financial service providers with fiat currencies, including mobile and web-based applications, a debit card, and ATM deposits, when all features are deployed.
- **Strong management and employee team:** BitRush has built a management team with extensive experience in capital markets, technology, marketing and financial and non-financial compliance, and employs a team of experts in advanced computer programming, digital security to develop, maintain and grow the BitRush platform.
- **Advisors and industry partners:** BitRush has built relationships with reputable industry partners in legal, payments, auditing, storage and online authentication.

## 13.9 OPERATIONS

### 13.9.1 EMPLOYEES

As of the date of this Application, BitRush/MezzaCap has 6 employees working for it on a full time level. The staffing level is expected to increase. The persons are engaged in sales, management, computer programming and administration (primarily at the head office). Geographically, one person is located in Toronto, Canada, and three are located in Vienna, Austria and 2 are located in Kiev, Ukraine. Management of BitRush believes its relationship with its employees is excellent. None of the employees are represented by a union or are subject to a collective bargaining agreement.

### 13.9.2 FACILITIES

BitRush leases office facilities in Toronto, Ontario, Vienna, Austria, London, United Kingdom and Kiev, Ukraine. The high secure data center facilities are located at 1 & 1 in Munich, Germany.

### *13.9.3 ECONOMIC DEPENDENCE*

BitRush is not substantially dependent on any individual contract.

### *13.9.4 INTANGIBLE PROPERTIES*

BitRush's success depends in part upon its ability to protect the core technology and intellectual property. To establish and protect proprietary rights, BitRush relies on a combination of trademarks, copyrights, trade secrets, including know-how, license agreements, confidentiality procedures, non-disclosure agreements with third parties, employee disclosure and invention assignment agreements, and other contractual rights.

BitRush generally controls access to and use of its proprietary technology and other confidential information through the use of internal and external controls, including contractual protections with employees, contractors, customers, and partners, and BitRush's software is protected by Canadian and international copyright laws. Despite efforts to protect trade secrets and proprietary rights through intellectual property rights, licenses, and confidentiality agreements, unauthorized parties may still copy or otherwise obtain and use BitRush's software and technology. In addition, if BitRush expands its international operations, effective patent, copyright, trademark and trade secret protection may not be available or may be limited in foreign countries.

Companies in the internet-technology, and media industries own large numbers of patents, copyrights, trademarks, and trade secrets and frequently enter into litigation based on allegations of infringement, misappropriation, or other violations of intellectual property or other rights. From time to time, BitRush may expect allegations that it has infringed the trademarks, copyrights, patents, trade secrets and other intellectual property rights of third parties, including competitors and non-practicing entities. As the business grows and competition increases, the risk of claims of infringement will increase.

As of December 31, 2014 MezzaCap's financial statements showed carrying costs of \$ 254,454 for database rights and copyrights relating to specific creative database websites. Expenses involved modifications of the databases and websites amounting to \$121,619 for 2014 (2013: \$232,907) and were expensed as incurred shown in the business development expenses. Indefinite lifetime for such intellectual property is assumed as the Company keeps modifying the capitalized databases by defining its business as a new set of rights for each modification of the databases. All 98 websites operated by now by MezzaCap and BitRush are based on these acquired database rights.

When performing the impairment analysis at the end of the reporting period ending December 31, 2014 management verified that the carrying amount of the intellectual property recorded is exceeded by the recoverable values of the websites developed by the database rights. A specific allocation of the carrying amount of the database rights to the single websites (cash generating units) is not possible, thus, the total carrying amount is to be allocated to all the websites as a single unit (in accordance to IAS 36, Paragraph 134 a).

The recoverable value of the websites is based on the value of the domains as calculated by [www.urlrate.com](http://www.urlrate.com) ("Urlrate"), one of the leading online website calculators (in accordance to IAS 36, Paragraph 134 c). [www.Urlrate.com](http://www.Urlrate.com) calculates real-time discounted projected ad revenues achievable by

the actual numbers of visitors and page views of the single websites. Urrate does not apply any growth rates whatsoever and does not adjust the ad revenues projected for specific company measures. The value as stated by Urrate for the specific website is often considered as fair value (neglecting the associated selling cost) being used as basis for arm's length sales transactions. Urrate has built up a huge data base with respect to traffic and revenue potentials across thousands of websites providing market values referring to comparable websites. Specifically, management constantly verifies the Urrate values for the then (at the date of the impairment testing) most popular websites operated by MezzaCap.

As of December 31, 2014 the combined Urrate values of MezzaBank.com (asset value of value in use: USD 412,500) and pinktussy.com (asset value of value in use: USD 441,316) alone amounted to USD 853,816 evidencing that the actual number of visitors, as verified by Urrate, will be likely generating significant ad revenues and that the recoverable values of the intangibles assets considerably exceed their carrying values (CAD 254,454).

Hence, in accordance to IAS 36, Paragraph 134 d the values of the most significant cash generating websites as rated by Urrate should be sufficiently high enough showing that the recoverable amount of the intangible assets still exceeds the carrying amount.

The Urrate rating method is accepted as the most encompassing method to value income producing websites as they are using 8 different criteria (page rank, host information, Alexa data, social data, search engine data, etc.) to rate a website. This is why BitRush relies on Urrates methodology rather than on other rating companies reporting only a limited amount of criteria (such as the Alexa ranking or the number of unique users).

As of December 21, 2015 the recoverable amount according to Urrate for MezzaCap's income producing exceed by far the carrying value of the intangible assets as shown in MezzaCap's accounting records.

### 13.10 SECURITY AND TRANSPARENCY

BitRush invests in technology, processes, and people as part of its commitment to safeguarding users' information. BitRush uses a variety of techniques to protect the data that it is entrusted with, and it relies on multiple layers of network segregation using firewalls to protect against attacks or unauthorized access. BitRush also employs proprietary technologies to protect users. BitRush's security team actively scans for security vulnerabilities using commercial tools, penetration tests, code security reviews, and internal and external audits. BitRush also takes measures to protect all information stored in its online databases.

## ITEM 14: SELECTED CONSOLIDATED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS ANNUAL INFORMATION

#### 14.1 Annual Information

The following table sets out selected historical information for MezzaCap for the fiscal periods ended December 31, 2014,. Such data has been derived from the financial statements of MezzaCap and should be read in conjunction with MezzaCap's financial statements and Management Discussion & Analysis (Schedule I, Exhibits 7 and 8)

	December 2014	December 2013
Revenues	\$ 72,655	\$ Nil
Operating income (loss) before interest, Taxes and Amortization	(19,499)	(61,342)
Net income (loss)	(47,085)	(63,174)
Total assets	266,819	277,676
Long term liabilities	262,816	245,625
Cash dividends declared	Nil	Nil

#### 14.2 Quarterly Information

Please refer to PART VI, SCHEDULE I, EXHIBITS 9 - 12.

#### 14.3 Foreign GAAP

MezzaCap's operations are primarily in Austria. The financial reporting or accounting records are subject to the International Financial Reporting Standards, which is currently applied in Canada, as of January 1, 2011.

#### 14.4 Trends

All significant trends have been discussed above under ITEM 13 NARRATIVE DESCRIPTION OF THE BUSINESS.

### ITEM 15: DESCRIPTION OF THE SECURITIES

The sole owner of MezzaCap until June 30, 2015 was MobileUp owning all outstanding and issued shares of MezzaCap. MobileUp's successor company is MezzaCap Investment Ltd. having assumed all of MobileUps rights and obligations per agreement of July 1, 2015.

### ITEM 16: CONSOLIDATED CAPITALIZATION

	Designation of Security and Authorized	Amount Outstanding or Authorized	Amount Outstanding as of December 31, 2014	Amount Outstanding as of May 15, 2015
--	--	----------------------------------	--	---------------------------------------

Convertible Debenture			\$310,902, Nil	\$299,409 Nil
Bank Debt	None	Nil		
Capital Stock	Partnership Interest	100%	100%	100%

## ITEM 17: PRIOR SALES

### 17.1 Prior Sales

This section is not applicable to a privately owned company.

### 17.2 Stock Exchange Price

MezzaCap is not a reporting issuer and its partnership interests have never traded or been quoted on a stock exchange or quotation system.

## ITEM 18: EXECUTIVE COMPENSATION

### 18.1 Disclosure

The following table sets out the annual compensation paid to the most highly paid executive officers for the fiscal periods ending December 31, 2014 and 2013.

Name and Principal Position	Year	Salary (\$)	Share- based Awards (\$)	Options Granted (#)	Option- based Awards (\$)	Non-equity Incentive Plan Compensation		All other Compensation (\$)	Total Compensation (\$)
						Annual Incentive Plans (\$)	Long- term Incentive Plans (\$)		
Alfred Dobias, Managing Director	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

### 18.2 Management Contracts

There are no management functions performed by personnel other than the senior management of the Company. Currently, MezzaCap has not entered in to any employment agreements with any of its key management personnel.

## ITEM 19: NON-ARM'S LENGTH PARTY TRANSACTIONS

MezzaCap has not been a party to any non-arm's length transactions.

#### **ITEM 20: LEGAL PROCEEDINGS**

To the knowledge of the directors of MezzaCap and its Management, there are no legal proceedings or legal proceedings known to be contemplated, that are material to MezzaCap or to which any of its property is or may be subject to.

#### **ITEM 21: AUDITOR**

The auditors of MezzaCap are Wasserman Ramsay LLC Chartered Accountants, .3601 Highway 7, Suite 1008, Markham, Ontario, L3R 0M3.

#### **ITEM 22: MATERIAL CONTRACTS**

MezzaCap has not entered into any material contracts and will not enter into any material contracts prior to the closing of the Transaction.

## PART III - INFORMATION CONCERNING THE RESULTING ISSUER

### ITEM 23: CORPORATE STRUCTURE

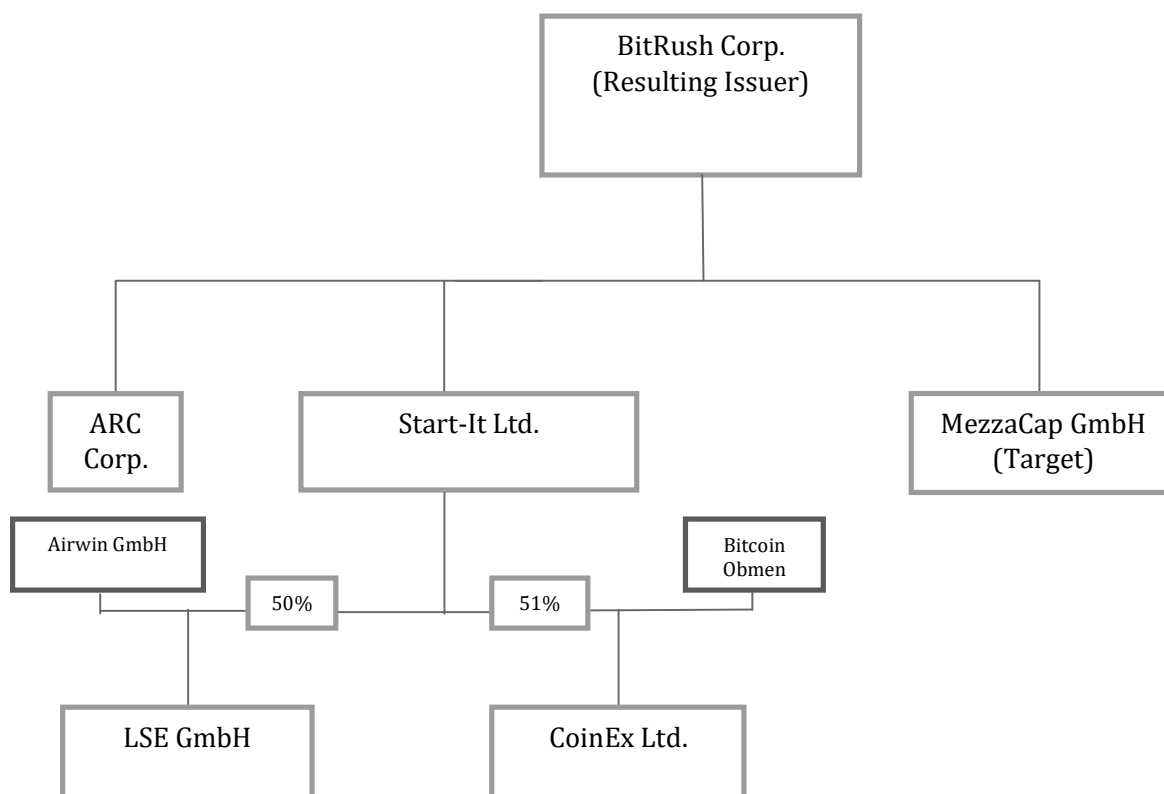
#### 23.1 Name and Incorporation

The Corporation changed its name to BitRush Corp. (the “**Resulting Issuer**”) when the Proposed Acquisition was completed. The Resulting Issuer continues to be incorporated pursuant to articles under the *Business Corporations Act* (Ontario). The registered office of the Resulting Issuer has been located at 133 Richmond Street West, Suite 403, Toronto, Ontario, M5H 2LR.

#### 23.2 Inter-corporate Relationships

The Resulting Issuer will have three wholly-owned subsidiaries:

- ARC Exploration Inc.: After the completion of the Acquisition all the assets of the company have been written off and the company remains as a corporate shell.
- MezzaCap GmbH: The Target including the business and assets as described in Item 13 above.
- Start-It Ltd: The incubator company, formed in October 2015, operating two joint ventures (LSE and CoinEx) so far.



## **ITEM 24: NARRATIVE DESCRIPTION OF THE BUSINESS**

The business of the Resulting Issuer will be the same as MezzaCap's Business described in Part II – Item 13 (NARRATIVE DESCRIPTION OF THE BUSINESS).

It is intended to liquidate ARC Exploration Inc, thus, concentrating on the Target Company's business.

## **ITEM 25: DESCRIPTION OF THE SECURITIES**

The share structure of the Resulting Issuer is the same as the share structure of the Corporation and the rights associated with each class of shares of the Resulting Issuer will be the same as the rights associated with each class of shares of the Corporation. (See "Part I - Item 4 Description of Securities").

Following the completion of the Transaction there are 120,307,239 post-consolidated common shares outstanding. In addition there will be sufficient common shares reserved for issuance of 24,361,363 warrants and options that will be outstanding and exercisable.

## **ITEM 26: PRO FORMA CONSOLIDATED CAPITALIZATION**

### **26.1 Pro Forma Consolidated Capitalization**

Please be referred to Part VI, Schedule J of this Management Information Circular.

### **26.2 Fully Diluted Share Capital**

Following the completion of the Transaction, the capitalization of the Resulting Issuer is as follows (post-consolidated):

Issuance	Common Shares
Common shares issued and outstanding per December 31, 2014	24,172,738
Private Placement (January 2015)	500,000
Shares issued upon the acquisition of 51% of the Mezzacap shares	83,287,265
Concurrent Financing	7,350,000
<b>Total shares issued after the completion of the Transaction</b>	<b>115,310,003</b>



Maximum shares issued as Finder's Fee (6% of all shares issued to MezzaCap)	4,997,236
<b>Total shares issued and outstanding after the Transaction, the Bonus Arrangement and the Finder's Fee</b>	<b>120,307,239</b>
Warrants issued per December 31, 2014	4,861,363
Warrants issued in January 2015	500,000
Warrants to be issued in conjunction with the Concurrent Financing	7,350,000
<b>Total warrants issued after the Transaction</b>	<b>15,361,363</b>
<b>Total options issued in September 2015 (pursuant to the Corporation's Stock Option Plan)</b>	<b>9,000,000</b>
<b>Fully diluted shares after the Transaction and the Finder's Fee</b>	<b>142,018,602</b>

#### ITEM 27: PRINCIPAL SECURITYHOLDERS

To the knowledge of the directors and senior officers of the Corporation and MezzaCap as of the date hereof, excluding securities depositories, none of the shareholders is anticipated to beneficially own, directly or indirectly, or exercise control or direction over voting securities carrying more than 5% of the voting rights attached to any class of voting securities of the Resulting Issuer, except the following person:

Name of Security Holder	Municipality of Residence of Security Holder	Type of Ownership	Number of post-consolidated Voting Shares After giving Effect to the Transaction	Percentage of Voting Shares owned Prior to giving Effect to the Transaction	Percentage of Voting Shares owned After giving Effect to the Transaction and the maximum shares issued
Alfred Dobias	Bisamberg, Austria	Direct	500,000	0.4%	67.7%
		Indirect	83,287,265		

## ITEM 28: DIRECTORS, OFFICERS AND PROMOTERS

Name of Director, municipality of residence and position to hold for the Resulting Issuer	Position held with Streetwear since	Current Principle Occupations	Past Principle Occupations	Number of post- consolidated Shares owned after the Completion of the Transaction	Number of Shares reserved under Option
Peter Lukesch (1), (2) & (3) Vienna, Austria Chairman of the Board, Chief Executive Officer	October 30, 2014	CEO of Streetwear; Private Consultant	CEO of Foccini International Ltd. President of Richmond Minerals Inc. President of ACI Industries Ltd.	3,853,833	2,500,000
Andrew McQuire (1), (2) Ontario, Canada Director, Chief Financial Officer	October 30, 2014	Private Consultant	President of Knomex Resources Ltd.; Senior Mining Engineer of Aaron Oil Corporation; Executive Vice President of Broad Oak Associates Ltd.	Nil	1,000,000
Franz Kozich (3) Ebenfurth, Austria Director, Corporate Secretary	October 30, 2014	CEO of Richmond Minerals Inc.	CEO of Vendome Resources Corp. Private Consultant	2,176,039	1,000,000
Warren Hawkins (1), (2) & (3) Toronto, Ontario Director	October 30, 2014	Private Consultant	President of Richmond Minerals Inc.	333,333	1,000,000
Alfred Dobias Bisamberg, Austria Director	N/A	Managing Director of MobileUp GmbH; Private Consultant	Private Consultant	83,787,265	1,500,000

### Notes:

- (1) Denotes member of the Audit Committee.
- (2) Denotes members of the Corporate Governance and Nomination Committee.
- (3) Denotes members of the Compensation Committee.

The directors will devote their time and expertise as required by the Corporation, however, it is not anticipated that any director will devote 100% of his time.

The directors and officers, as a group, beneficially will own and control 6,863,205 post-consolidated common shares, which represents 27.8% of the issued and outstanding post-consolidated common shares of the Corporation before giving effect to this offering.

The directors and officers, as a group, beneficially will own and control 90,150,470 common shares of the Resulting Issuer upon completion of the maximum share issuance, assuming no further common shares

are purchased by directors and officers under this offering, and before the exercise of the Incentive Stock Options representing 73.3% of the issued and outstanding common shares of the Resulting Issuer.

## **28.1 Management**

The following is a brief description of the principal occupations of the above named individuals during the last five years:

**Peter Lukesch**, PhD, graduated in 1975 with a master's degree in business administration and obtained a doctoral degree in economics in 1977 from the University of Economics in Vienna. From 1978 to 1984, he worked for Amax, Inc., a large mining, smelting and metals refining company in Greenwich, Conn., first as a financial analyst, then as a raw materials purchasing agent for two of Amax's facilities. Between 1984 and 1986, he was a metals trader for Wogen Resources in London, England and Norore Corporation in New York, N.Y. leading to the establishment of ACI Industries, Ltd, a metals trading and recovery company in Columbus, Ohio, specializing in metal scraps and residues; he served as the president of ACI Industries Ltd. until 1995 when the annual sales volume had reached \$8M. Also in 1986, he founded Traude Corporation, a real estate development company which continues to operate in Columbus, Ohio. In 1995, he became a partner in the Vienna, Austria based Circle Trade GmbH, a company trading in capital goods and commodities. From 2003 to 2005, Mr. Lukesch has served on the board of directors of Foccini International, a Vienna based merchandising company. Mr. Lukesch also has public company experience with Richmond Minerals Inc. (formerly Aavdex Corp.), where he served as President and a director from June to November of 2004. In 2005, he joined Batcon GmbH as partner; Batcon is involved in consulting and coaching activities for large Austrian corporations. 2011 he became a partner in Pindt & Partner Slovakia k.s., a management consulting firm specialized in the financing of small and medium enterprises. He is further acting as the European representative of Gateway International Group, a China based consulting and publishing company.

**Andrew L McGuire** has worked as a private consultant and is a director of a number of public companies since 1996. Currently, he is on the board of Richmond Minerals Inc., a minerals exploration company. In 1990 Mr. McGuire had joined Broad Oak Associates and remained as their Executive Vice President until 1996. Prior to this position he was a Senior Gold Analyst RCB Financial Group and a portfolio Manager for Sunlife Financial.

**Franz Kozich** studied communications in 1969. He spent one year in Cardiff, UK expanding his knowledge in electronics. In 1972, he received his trading business licenses and started a wholesale and retail business in the fashion and textile business. In early 1991, he started to focus on venture capital business in junior mining companies trading on the Toronto Stock Exchange and the TSX Venture Exchange. Since 2010, he has been serving on the board of Vendome Resources Corp. as Chief Executive Officer, and in 2011 he became the Chief Executive Officer of Richmond minerals after having served on its board since 2005. He is also a board member of ArtKing Engineering Ltd., a Hong Kong based mining exploration company, responsible for public relations.

**Warren Hawkins** is a Professional Geological Engineer and Qualified Person (QP) as defined by National Instrument 43-101. Mr. Hawkins graduated from the University of Waterloo in 1989 with a B.A.Sc in Geological Engineering. He has worked in the Canadian Investment Industry as an Investment advisor for 10 years. He presently works in the North American mining exploration industry as a QP managing exploration programs for several public companies.

**Alfred Dobias** is an experienced financial advisor, business angel and investor. He has successfully financed a number of startups and projects. Via his company MobileUp GmbH – shareholder of MezzaCap GmbH - he has focused his activities on the development and financing of Internet startups. He has extensive experience in digital payment systems.

As an early believer in cryptocurrency Alfred Dobias started to invest into Bitcoins in 2012. As founder and CEO of MezzaCap he established his focus on the development of startups in the cryptocurrency area. Alfred Dobias may be referred as cryptocurrency pioneer in the German speaking markets.

## 28.2 Promoters

The following persons may be considered to have been promoters of the Resulting Issuer, the Corporation, or MezzaCap for the preceding two years or as of the date of this Filing Statement.

Name	Period	Quantity of Shares of the Resulting Issuer (after Consolidation)	Percentage of Shares of the Resulting Issuer after the maximum issuance of shares	Annual remuneration received or to be Received by the Promoter
Franz Kozich	July 1, 2014 to Present	2,176,039	1.8%	\$60,000
Peter Lukesch	July 1, 2014 to Present	3,853,833	3.1%	\$60,000

## 28.3 Corporate Cease Trade Orders or Bankruptcies

During the past 10 years, none of the directors, officers, insiders or promoters of the Resulting Issuer or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, was a director, officer, insider or promoter of any other issuer that, while that person was acting in that capacity, was the subject of a cease trade order or similar order or an order that denied that issuer access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days, or 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 the assets of that person, except for Mr. Lukesch, who was a director of Foccini International Inc. (TSXV: FOI) when a cease trade order was issued against it by the Ontario Securities Commission and British Columbia Securities Commission in July 2005 for failure to file its audited and interim financial statements and related management's discussion and analysis within the required time period. These orders were revoked in November 2005 upon Foccini International Inc. filing such financial statements and related management's discussion and analysis.

## 28.4 Penalties or Sanctions

None of the directors, officers, insiders or promoters of the Resulting Issuer, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Resulting Issuer,

has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into settlement agreement with securities authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory or self-regulatory authority that would likely be considered important to a reasonable investor in making an investment decision, except for Mr. Hawkins, who was a junior broker for Research Capital Corp in 1997 failed to act as independent market maker for Findore Minerals, a junior exploration company listed on the Canadian dealing network. In May 2005 Mr. Hawkins reached a settlement agreement with the Ontario Securities Commission (OSC) involving his surrendering of his registration with the OSC for five years. In May 2010 Mr. Hawkins was eligible to reregister with the OSC.

## 28.5 Personal Bankruptcies

None of the directors, officers or promoters of the Resulting Issuer, nor a shareholder holding sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, nor a personal holding company of any such person has, within the past 10 years before the date of this Filing Statement, become bankrupt, made a proposal under or insolvency legislation or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

## 28.6 Conflicts of Interest

There are potential conflicts of interest to which directors, officers, insiders and promoters of the Resulting Issuer will be subject in connection with the operations of the Resulting Issuer. Some of the directors, officers, insiders and promoters have been and will continue to be engaged in the identification and evaluation, with a view to potential acquisitions, of interests in businesses and corporations on their own behalf and on behalf of other corporations, and situations may arise where some or all of the directors, officers, insiders and promoters will be in direct competition with the Resulting Issuer. Conflicts, if any, will be subject to the procedures and remedies prescribed by the *Business Corporations Act* (Ontario), the Exchange and applicable securities law, regulations and policies.

## 28.7 Other Reporting Issuer Experience

The proposed directors and proposed officers of the Resulting Issuer named in this Filing who have been directors, officers and/or promoters of other reporting issuers in Canada or the United States within the last five years prior to the date of this Filing, including the periods during which they have acted in such capacity, are:

Name	Name of Reporting Issuer	Name of Exchange or Market	Position	From	To
Peter Lukesch	Foccini International Inc.	TSXV	Director Chief Executive Officer	2003-03 2003-03	2005-08 2005-08
	Richmond Minerals Inc.	TSXV	Director President	2004-06 2004-06	2004-11 2004-11
Andrew McQuire	Crowflight Minerals Inc.	TSXV	Director	2003 – 10	2005 - 05
	Exploration Brex	TSXV	Director	1997-03	2006-04

Name	Name of Reporting Issuer	Name of Exchange or Market	Position	From	To
	Fort Chimo Minerals	TSXV	Director	2005 - 01	Present
	Hornby Bay Exploration	TSXV	Director	1999-06	2004-03
	Tandem Resources	TSXV	Director	1998-06	2006-04
	Richmond Minerals Inc. (formerly Aavdex Corporation)	TSXV	Director	2006 - 06	Present
	Vendome Resources Corp	TSXV	Director Chief Financial Officer	2010-04 2011-05	2013-11 2013-11
Franz Kozich	Richmond Mineral Inc	TSXV	Director Chief Executive Officer	2005-10 2011-05	Present Present
	Vendome Resources Corp	TSXV	Director Chief Executive Officer	2010-04 2010-04	2013-11 2013-11
Warren Hawkins	Richmond Minerals Inc.	TSXV	Director President	2006-03 2006-03	2007-07 2007-07

## ITEM 29: EXECUTIVE COMPENSATION

The following table sets out the proposed annual compensation to be paid for the 12 month period following the completion of the Transaction:

Name and Principal Position	Annual Compensation			Long-Term Compensation			Total Compensation (\$)
	Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards		Pay-outs	
				Options/SARs Granted (#)	Restricted Shares or Share Units (#)	LTIP Pay-out (\$)	
Peter Lukesch Chairman and CEO	Nil	Nil	60,000	Nil	Nil	Nil	Nil
Andrew McGuire Director and Chief Financial Officer	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Franz Kozich Director and Corporate Secretary	Nil	Nil	60,000	Nil	Nil	Nil	Nil
Warren Hawkins Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## ITEM 30: INDEBTEDNESS OF DIRECTORS AND OFFICERS

As of December 31, 2014 and the date hereof, no director or officer has any debt obligations to the Corporation or to MezzaCap.

## ITEM 31: RISK FACTORS

Investment in the Corporation must be considered highly speculative due to the fact that the Corporation's does not currently have any operations, and thus should be considered as a new company with limited operating history along with its current formative stage of development, its current financial position and its lack of an earnings record. The following is a summary of the risk factors to be considered:

- **Price Volatility of Publicly Traded Securities:** in recent years and especially in the recent months, the securities markets in Canada and the United States have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies.
- **Possible Failure to Realize Anticipated Benefits of Future Acquisitions:** the Corporation is seeking to complete acquisitions. Achieving the benefits of any future acquisitions depends, in part, on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as the Corporation's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with its own and other operations that it acquires subsequently.
- **Markets for Securities:** There can be no assurance that an active trading market in the Shares of the Corporation will be established and sustained. The market price for the Shares of the Corporation could be subject to wide fluctuations. Factors such as government regulation, interest rates, share price movements of the Corporation's peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of the Corporation.
- **Shareholder Structure:** Due to the fact that the Corporation changed its business several times during the past years there is a risk that the new business direction might not be in the best interest of some shareholders which may have an adverse effect on the development of the price for the securities of the Corporation.
- **Operational Risks:** as the Corporation does not currently have any operations it will need to established proper systems and controls as it completes its acquisition.
- **Substantial Capital Requirements; Liquidity:** the Corporation may have to make substantial capital expenditures for its acquisition in the future.
- **Issuance of Debt:** from time to time the Corporation may enter into transactions to acquire assets or shares of other corporations. These transactions may be financed partially or wholly through debt, which may increase debt levels above industry standards that it will be operating within.
- **Dilution:** the Corporation's common shares, including incentive stock options, rights, warrants, special warrants, subscription receipts and other securities to purchase, to convert into or to exchange into common shares of the Corporation, may be created, issued, sold and delivered on such terms and conditions and at such times as the board of the Corporation may determine.

- **Net Asset Value:** the Corporation's net asset value will vary dependent upon a number of factors which include but not limited to: number of common shares, value of the assets owned by the Corporation which would be based on the demand and supply of the assets owned by the Corporation.
- **Reliance on Management:** Shareholders of the Corporation will be dependent on the management of the Corporation in respect of the administration and management of all matters relating to the Corporation and its operations.
- **Conflicts of Interest:** Certain of the directors and officers of the Corporation may also be directors and officers of other reporting issuers involved in similar activities, and conflicts of interest may arise between their duties as officers and directors of the Corporation, as the case may be, and as officers and directors of such other companies.
- **No Dividends:** to date, the Corporation has not paid any dividends, and it is not anticipated that the Corporation will pay any dividends in the near future.
- **Changes in Legislation:** it is possible that the Canadian federal and provincial government or regulatory authorities could choose to change the Canadian federal income tax laws, royalty regimes, environmental laws or other laws applicable to Corporation and that any such changes could materially adversely affect the Corporation and the market value of the Corporation securities.
- **Early Stage Development Risks:** the Corporation has no certain history of operations.
- **Future Financing Requirements:** the Corporation may need additional financing to continue in business and there can be no assurance that such financing will be available or, if available, will be on reasonable terms.

The Corporation is mitigating its risks by having identified the acquisition of MezzaCap, an operating business that will facilitate the proposed concurrent financing as well as additional executives and directors to assist the Corporation in its development plans. However, the business of block chain technologies and providing payment services with cryptocurrencies carry their own risks which will be summarized as follows:

- **Limited Experience:** MezzaCap commenced operations in November 2013. Accordingly, the company only has a limited operating history. However, since incorporation, it has grown rapidly and the business model has changed significantly. 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 market.
- **No Profits to Date:** MezzaCap has not made profits since its incorporation and it is expected that it will not be profitable for the entire year 2015. 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, the company does not believe that the operating results to date should not be regarded as indicators for Mezzacap's future performance.



- **Changes in regulations:** Changes in or more aggressive enforcement of laws and regulations could adversely impact the Corporation's business. Failure or delays in obtaining necessary approvals could have a materially adverse effect on the Corporation's financial condition and results of operations. Furthermore, changes in government, regulations and policies and practices could have an adverse impact on the Corporation'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 BitRush Corp. and may trigger regulatory action by the Ontario Securities Commission or other regulators.

The legal status of bitcoins 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 bitcoins differently. An indicator of the directions of future regulations could be the “BitLicence” issued by the State of New York but there are no assurances that similar regulations will follow suit.

- **Right Enforcements:** The Corporation may be unable to enforce its legal rights in certain circumstances. In the event of disputes arising at or in respect of, the Corporation's foreign or domestic operations the Corporation may be subject to the exclusive jurisdiction of foreign or domestic courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada or other jurisdictions. The Corporation may also be hindered or prevented from enforcing its rights with respect to a governmental entity or instrumentality because of the doctrine of sovereign immunity.
- **Future profitability:** The Corporation has a limited operating history, and there is no assurance that it will be capable of consistently producing positive cash flows.
- **Identification of qualified personnel:** The Corporation's prospects depend on its ability to attract and retain key personnel. Recruiting and retaining qualified personnel is critical to the Corporation's success. The number of persons skilled in the development of cryptocurrency projects is limited and competition for such persons is intense. As the Corporation's business activity grows, it will require additional key financial, administrative, marketing and public relations personnel as well as additional staff on the operations side. Although the Corporation believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.
- **Difficulties of managing growth:** Since commencement of the operations, MezzaCap has experienced rapid growth of revenues and demand for its services and this growth is expected to continue in future years. Growth and expansion of the business places a continuous and significant strain on management, operational and financial resources. The Corporation's ability to continue to grow will depend on a number of factors, including the following:
  - To attract sufficient numbers of qualified management, technical and other personnel;
  - To establish and manage successfully business relationships with strategic partners, suppliers and customers;

- To maintain a competitive position through the further development and expansion of the Corporation's range of services;
- To penetrate new markets; and
- To finance such growth internally and externally.

It is not assured that the Corporation will be able to manage and control this expected growth effectively.

- **Development of cryptocurrencies:** It is intended to focus the business on the development and servicing of cryptocurrency-based platforms. Cryptocurrency 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. The future success of the Corporation 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:

- Worldwide adoption and usage of bitcoins and other cryptocurrencies;
  - 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.
  - Changes in consumer demographics and public behavior, tastes and preferences;
  - Redirection and liberalization of using fiat currencies as well as the development of other forms of publicly acceptable means of buying and selling goods and services;
  - General economic conditions and the regulatory environment relating to cryptocurrencies.
- **Dependence on Third Party Relationships:** The Corporation 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 Corporation.
  - **Corporate liability for online content; legal uncertainties:** There is a risk that claims may be made against either of these associated companies for defamation, negligence, copyright or trademark infringement, or other matters based on the nature, content, publication and distribution of information materials provided on their websites. These associated companies may also be exposed to claims made with respect to the offering of third party content that may be accessible through their websites. Even to the extent that any such claim does not result in liability to one of our associated companies, it could incur significant costs in investigating and defending against such claim. Any costs or liability arising from such claims which is not covered by insurance could, through the Corporation's equity holdings in these associated companies, also harm the Corporation's core business, results of operations and financial condition. There is also a risk that similar claims could be made directly against the Corporation in its capacity as application service provider to any of the

companies for whom they act as such. Any costs or liability arising from such claims which is not covered by insurance could harm our business, results of operations and financial condition. An increasing number of laws, regulations and directives are being passed which relate to the internet and e-commerce. In addition, efforts are being made to introduce rules and regulations governing the use of cryptocurrencies. Some legal uncertainty exists concerning the applicability of current legislation to cryptocurrency. In particular in relation to issues such as trade law, intellectual property rights, consumer protection and the protection of personal privacy, and as to the application of the laws of other countries whose citizens use products offered over the internet by companies based outside their jurisdiction.

- **Tax consequences:** The uncertainty of the legislators how to define cryptocurrencies could lead to unexpected taxation requirements depending on the taxation laws of particular countries. For instance, the definition by the State of New York that bitcoins are to be regarded as commodities could lead to the imposition of value added taxes in the European Union and other, non-European countries having adopted the VAT-System which will adversely affect the usage of cryptocurrencies in providing payment supply activities, and no assurances can be given that cryptocurrencies remain exempt from VAT taxation. Furthermore, increasing legislation might mandate that companies and/or individuals will have to pay income taxes on the gains of bitcoin and cryptocurrency related transactions.
- **Dependence on Internet Infrastructure; Risk of System Failures, Security Risks and Rapid Technological Change:** The success as a developer of cryptocurrency-based platforms will depend by and large upon the continued development of a stable public infrastructure, such as a blockchain 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 Corporation's services to changing technologies.
- **Intellectual Property Rights:** The only significant intellectual property rights are certain domain names which the Corporation owns as well as the licenses which have to be in accordance with certain industry standards. The Corporation 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 Corporation is not aware of violating commercial and other proprietary rights of third parties it cannot be assured you that all of its r 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 the Corporation'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 Corporation's business, results of operations and financial condition.

The Corporation has applied for a patent of its proprietary technology, BitCore, which should protect the exclusive usage and licensing capability of BitCore. However, no assurances can be given that a

developer or a group of developers will not copy such technology by altering certain elements of the technology with the intention not to infringe on a granted patent. Furthermore, the granting of a patent may be declined leaving room for efforts to imitate the BitCore technology without consequences.

- **Volatilities in bitcoin prices:** The markets for cryptocurrencies, in particular bitcoins, have experienced much larger fluctuations than other security markets. In particular, there was a “Bitcoin Crisis” late 2013 / early 2014 as a result of the improper usage of bitcoins to finance questionable, even illegal activities. As a result the price of bitcoin rose from about \$130 to almost \$1,000 within one month and dropped thereafter continuously showing drastic swings until it reached a value of \$215 early 2015. Thereafter, the bitcoin price seems to have stabilized having reached more than \$280 in October 2015. However, no assurances can be given that the bitcoin price might show erratic swings in the future again which could be related not only to improper payment activities involving bitcoins but also regulations by law makers in various countries

Furthermore, bitcoins and other 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 bitcoins is generated by investors and speculators focussing on generating profits by buying and holding bitcoins which might create limitations on the availability of bitcoins to pay for goods and services resulting in increased volatility of bitcoins and other cryptocurrencies which could adversely impact an investment in BitRush Corp.

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

- Global bitcoin demand depending on the acceptance of bitcoins by retail merchants and commercial businesses, the perception that the use and holding of bitcoins is safe and secure as well as the lack of regulatory restrictions;
  - Investor’s expectations with respect to the rate of inflation;
  - Interest rates;
  - Currency exchange rates, including exchange rates between bitcoins and fiat currency;
  - Fiat currency withdrawal and deposit policies on bitcoin exchanges and liquidity on such bitcoin exchanges
  - Interruption of services or failures of major bitcoin exchanges;
  - Large investment and trading activities in bitcoins
  - Monetary policies of governments, trade restrictions, currency de- and revaluations;
  - Regulatory measures restricting the use of bitcoins as a form of payment or the purchase of bitcoins;
  - Global or regional political, economic or financial events and situations, including increased threat of terrorist activities;
  - Self-fulfilling expectations of changes in the bitcoin market.
- **Stability of bitcoin exchanges:** The price of bitcoins is established by public bitcoin exchanges that have, by nature of their business, a limited operating history. So far, even the largest bitcoin exchanges have been subject to operational interruptions or even collapse (Mt. Gox). The interruption and the collapse of bitcoin exchanges may limit the liquidity of bitcoins resulting in volatile prices and a reduction in confidence in the bitcoin network and the bitcoin exchange market. The deposit or withdrawal of fiat currency into or from the bitcoin exchanges may also affect the price of bitcoins. Operational limits regarding the settlement with fiat currencies may also reduce the demand to use bitcoin exchanges which would adversely affect an investment in BitRush Corp.

Bitcoin 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 bitcoin exchanges are lacking infrastructure and capitalization the larger bitcoin exchanges are more likely to become targets of hackers and malware. Also, arbitraging activities between bitcoin exchanges may destabilize some of the smaller bitcoin exchanges. A lack of stability in the bitcoin exchange market may reduce the confidence in the bitcoin network affecting adversely an investment in BitRush Corp.

- **License Requirements:** Neither the Corporation nor MezzaCap has been required to apply for brokerage licenses as the cryptocurrencies have only recently come into the focus of regulation authorities in various countries. As a result of those regulations the Corporation and/or MezzaCap might be required to apply for a brokerage and/or banking license or permits which could become very expensive and unaffordable. This is one of the reasons why the Corporation is constantly looking for funding, but no assurances can be given that funding to secure such licenses or permits is available at any given time. Furthermore, appropriately qualified personnel might be required to maintain such licenses and permits, but there are no assurances that the Corporation or MezzaCap might be in the position to hire such qualified personnel when required.
- **Changes in the bitcoin network protocol:** The bitcoin network is based on a protocol governing the peer-to-peer interactions between computers that are connected to each other within the bitcoin network. The governing code regulating such math-based protocol is informally managed by a development team initially appointed by the purported creator of the bitcoin network, Satoshi Nakamoto. This development team, though, might propose and implement amendments to the bitcoin network's source code through software upgrades altering the original protocol, including fundamental ideas such as the irreversibility of transactions and limitations on the mining of bitcoins. Such changes of the original protocol and software may adversely affect an investment in BitRush Corp.
- **Acceptance of virtual currencies:** Although the Corporation believes that the usage of bitcoins and 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 individual will be increasingly reluctant to accept virtual currencies, such limited usage of bitcoins and cryptocurrencies could adversely affect an investment in BitRush Corp.
- **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 bitcoin mining activities and altering the blockchain which the bitcoin network and all bitcoin transactions is relied upon. For instance, the malicious actor or botnet could reuse its own bitcoins more than once preventing the confirmation of other users' transactions

which would mean a serious breach of the original protocol which could adversely affect an investment in BitRush Corp.

Moreover, if the award for solving transaction blocks declines and transaction fees are not sufficiently high, the incentive to continue mining would decrease and could lead to a stoppage of mining activities. The collective processing power of the bitcoin 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 bitcoin network more vulnerable to malicious actors or botnets obtaining control of the bitcoin network processing power.

- **Recording of transactions:** It is feasible that bitcoin miners 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 bitcoin miners who are not required to pay such transaction fees. Any widespread delays in the recording of bitcoin transactions could result in a loss of confidence in the bitcoin network which could adversely affect an investment in BitRush Corp.
- **Deviations from the bitcoin network:** Bitcoin is an open source project; there is no official developer or group of developers formally controlling the bitcoin network. Any individual may download the bitcoin network software and make any desired modifications. However, bitcoin miners and users must consent to those software modifications by downloading the altered software or upgrading the implemented changes, otherwise the changes do not become a part of the bitcoin network. Since the network's inception, changes to the bitcoin network have been accepted by the vast majority of users and bitcoin miners which was necessary for the bitcoin network to remain a coherent economic system. However, a developer or a group of developers could potentially propose a modification to the bitcoin network that is not accepted by the vast majority of bitcoin miners and users, which could result in the development of a second open source bitcoin network running the modified version side by side with the bitcoin network running the not modified software program. While the development of several blockchains could be viewed as opportunity to expand the entire bitcoin network addressing the desires of different target groups it could be also viewed as risk element disrupting the ideas and objectives of the original protocol.

The Corporation's proprietary key technology BitCore is a blockchain based application using the bitcoin protocol. BitCore stores extra data onto regular bitcoin transactions, which makes every BitCore transaction a bitcoin transaction, i.e. BitCore operates an "add-on" to the publicly available blockchain. Extensive use of BitCore, however, could lead to the creation of an alternative blockchain which could be viewed as a disruption of the original intent described in the bitcoin protocol.

## **ITEM 32: INVESTOR RELATIONS ARRANGEMENTS**

As of the date hereof, no formal investor relationship arrangement has been entered into. However, MezzaCap and the Corporation are in the process to select a public relation company from a number of candidates.

## **ITEM 33: OPTIONS TO PURCHASE SECURITIES**

### **33.1 Options to Purchase Securities**

In September 2015 there have been issued 9,000,000 options to purchase common shares of the Resulting Issuer in conforming with the Corporation's Incentive Stock Option Plan as per SCHEDULE D of this Circular.

### **33.2 Stock Option Plan**

Currently, the Corporation has a stock option plan that became the stock option plan of the Resulting Issuer after the Transaction (see SCHEDULE D of this Circular).

Pursuant to the regulations of the Exchange, the number of common shares of the Resulting Issuer reserved for issuance pursuant to the exercise of options cannot exceed 10% of the total number of issued and outstanding common shares of the Resulting Issuer with an expiry date not to exceed five (5) years from the date of granting such option. Furthermore, the number of common shares reserved for the issuance to any individual director, officer or employee of the Resulting Issuer cannot exceed 5% of the issued and outstanding common shares of the Resulting Issuer and the number of common shares reserved for issuance to technical consultants, if any, cannot exceed, in the aggregate, 2% of the issued and outstanding common shares of the Resulting Issuer.

The options may be exercised no later than 90 days following the date the optionee ceases to be a director, officer, employee or consultant of the Resulting Issuer, provided that is the cessation of office, directorship, or technical consulting arrangement is by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

## **ITEM 34: ESCROWED SECURITIES**

Upon the acquisition of 100% of the MezzaCap shares as well as all the performance parameters will have been met, the following security holders will be subject to an escrow agreement:

	Post-consolidated common shares held in Escrow
MobileUp GmbH	83,287,265
Peter Lukesch	3,853,833
Franz Kozich	2,176,039
Alfred Dobias	500,000
Warren Hawkins	333,000

### **ITEM 35: AUDITOR(S), TRANSFER AGENT AND REGISTRAR**

The auditors of the Corporation are Wasserman Ramsay LLP Chartered Accountants, 3601 Highway 7, Suite 1008, Markham, Ontario, L3R 0M3.

The registrar and transfer agent of the Corporation is Capital Transfer Agency Inc., 121 Richmond Street West, Suite 401, Toronto, Ontario, M5H 2K1.



## **PART IV - GENERAL MATTERS**

### **ITEM 36: EXPERTS**

#### **36.1 Opinions**

An NI 43-101 report was issued on November 7, 2013 by Melville William Rennie, P. Geo for ARC covering technical and geological aspects of Lac Colombet, the minerals exploration property owned by ARC.

#### **36.2: Interest of Experts**

Not applicable as the NI 43-101 Report for Lac Colobet has no bearing on the Corporation's new business direction anymore .

### **ITEM 37: OTHER MATERIAL FACTS**

There are no other material facts relating to the Corporation or MezzaCap as well as the Transaction not disclosed elsewhere in this Information Circular.

### **ITEM 38: BOARD APPROVAL**

The contents and submission of this Filing Statement to the Exchange have been approved by the directors of the Corporation. Where information contained in this Filing Statement rests particularly within the knowledge of a person other than the Corporation, the Corporation has relied upon information furnished by such person.

## **PART V - FINANCIAL STATEMENT REQUIREMENTS**

### **ITEM 39: FINANCIAL STATEMENTS OF THE CORPORATION**

**39.1 Audited Annual Financial Statements of the Corporation for the year ended December 31, 2014 and associated Management Discussion & Analysis**

Please refer to SCHEDULE H, EXHIBITS 1 and 2.

**39.2 Additional Financial Statements and associated Management Discussion & Analyses of the Corporation Filed or Released**

Please refer to SCHEDULE H, EXHIBITS 3 – 6.

### **ITEM 40: FINANCIAL STATEMENTS OF THE TARGET COMPANY**

**40.1 Audited Annual Financial Statements of MezzaCap and associated Management Discussion & Analysis dated December 31, 2014**

Please refer to SCHEDULE I, EXHIBITS 7 and 8.

**40.2 Additional Financial Statements of MezzaCap and associated Management Discussion & Analysis**

Please refer to SCHEDULE I, EXHIBITS 9 - 12.

### **ITEM 41: FINANCIAL STATEMENTS OF THE RESULTING ISSUER**

**41.1 Pro Forma Financial Statements for the Resulting Issuer dated December 31, 2014 and June 30, 2015**

Please refer to SCHEDULE J, EXHIBITS 13 and 14.

**CERTIFICATE OF THE STREETWEAR CORPORATION (BITRUSH CORP.)**

Date: May 22, 2015 and December 21, 2015

The foregoing Information Circular and the schedules thereto constitute full, true and plain disclosure of all material facts relating to the securities of The Streetwear Corporation assuming the Completion of the Transaction.

THE STREETWEAR CORPORATION / BITRUSH CORP.

/s/ "Peter Lukesch"

Peter Lukesch  
Chief Executive Officer

/s/ "Franz Kozich"

Franz Kozich  
Director

ON BEHALF OF THE BOARD OF DIRECTORS

The board of directors of the Corporation has approved the content and the filing of this Information Circular.

/s/ "Peter Lukesch"

Peter Lukesch  
Director

/s/ "Franz Kozich"

Franz Kozich  
Director

## CERTIFICATE OF MEZZACAP GMBH

Date: May 22, 2015 and December 21, 2015

The foregoing Information Circular and the schedules thereto constitute full, true and plain disclosure of all material facts relating to the securities of MezzaCap GmbH assuming the Completion of the Transaction.

### MEZZACAP GMBH

/s/ "Alfred Dobias"

Alfred Dobias  
Managing Director

/s/ "Werner Boehm"

Werner Boehm  
Director

### ON BEHALF OF THE BOARD OF DIRECTORS

The board of directors of the Corporation has approved the content and the filing of this Information Circular.

/s/ "Alfred Dobias"

Alfred Dobias  
Managing Director

/s/ "Werner Boehm"

Werner Boehm  
Director

## PART VI - SCHEDULES

### SCHEDULE A: CHARTER FOR CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

#### Form 58-101F2 Corporate Governance Disclosure The Streetwear Corporation. (the "Corporation")

Effective June 30, 2005, National Instrument 58-101 - Disclosure of Corporate Governance Practices ("NI 58-101") was adopted by the Canadian Securities Administrators. NI 58-101 requires issuers to disclose their governance practices in accordance with that instrument. The Company is a "**Venture Issuer**" within the meaning of NI 58-101. A discussion of the Company's governance practices within the context of NI 58-101 is set out below:

#### Board of Directors

All of the Company's directors are independent with the exception of Mr. Peter Lukesch who is the Chief Executive Officer and Chairman of the Board, Mr. Andrew McQuire who is the Chief Financial Officer and Mr. Franz Kozich who is the Corporate Secretary.

#### Directorships

The following directors of the Corporation following the proposed transaction are also currently a director of other reporting issuers:

Director	Reporting Issuer
Franz Kozich	Richmond Minerals Inc.
Andrew McQuire	Fort Chimo Minerals Inc. Richmond Minerals Inc.

#### Orientation and Continuing Education

The Corporate Governance and Nominating Committee, with the assistance of the management of the Company, is responsible for providing an orientation for new directors. Director orientation and ongoing training will include presentations by senior management to familiarize directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its principal officers and its internal and independent auditors.

#### Ethical Business Conduct

The Company does not currently have a written code of ethical business conduct approved by the Board of Directors for its directors, officers and employees. Each director, officer and employee is expected to comply with relevant corporate and securities laws and, where applicable, the terms of their employment agreements.

#### Nomination of Directors

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SCHEDULES AND EXHIBITS

When a Board vacancy occurs or is contemplated, any director or officer may make recommendations to the Corporate Governance and Nominating Committee as to qualified individuals for nomination to the Board.

In identifying new candidates, the Corporate Governance and Nominating Committee will take into account the mix of director characteristics and diverse experiences, perspectives and skills appropriate for the Company at that time.

#### Compensation

The Company's Compensation Committee reviews the compensation of the directors and executive officers. The Compensation Committee also administers the Company's stock option plan.

The Compensation Committee receives recommendations from the management of the Corporation and reviews and makes recommendations to the Board regarding the granting of stock options to directors and executive officers of the Company as well as compensation for executive officers of the Company as well as compensation for executive officers and directors fees, if any, from time to time. Executive officers and directors may be compensated in cash and/or equity for their expert advice and contribution towards the success of the Company.

The form and amount of cash such compensation will be evaluated by the Compensation Committee, which will be guided by the following goals:

Compensation should be commensurate with the time spent by executive officers and directors in meeting their obligations and reflective of the compensation paid by companies similar in size and business to the Company; and

the structure of the compensation should be simple, transparent and easy for shareholders to understand.

Shareholders will be given the opportunity to vote on all new or substantially revised equity compensation plans for directors as required by regulatory policies.

#### Other Board Committees

The Board has no other standing committees other than the Audit Committee, Compensating Committee and the Corporate Governance and Nominating Committee.

#### Assessments

The Board of Directors of the Company does not conduct any formal evaluation of the performance and effectiveness of the members of the Board, the Board as a whole or any committee of the Board.

## SCHEDULE B: AUDIT COMMITTEE CHARTER

### Form 52-110F2 – Disclosure by Venture Issuers The Streetwear Corporation (the “Corporation”)

#### The Audit Committee Charter

##### 1.1 Continuation of the Audit Committee

The Board of Directors (“**Board**”) bears responsibility for the stewardship of the Corporation and in this regard, the Board supervises and directs management of the Corporation in carrying out the business of the Corporation, in the interest and for the benefit of the Corporation’s shareholders.

To assist the Board in its monitoring of the Corporation’s financial reporting and disclosure and to assist the Board in the identification and oversight of the management of financial risk, the Board has established, and hereby continues the existence of, a committee of the Board known as the Audit Committee (the “**Committee**”). The Committee’s existing mandate is hereby repealed and replaced by this Charter.

##### 1.2 Composition of Committee

(a) The Committee will be appointed annually by the Board and consist of at least three (3) members from among the Directors of the Corporation, at least two (2) of whom shall be, in the opinion of the Board, both an unrelated director within the meaning of Exchange and an independent director under section 1.4 of Multilateral Instrument 52-110 “**Audit Committees**” (“MI 52-110”).

(b) No member of the Committee may (other than in his or her capacity as a member of the Committee, the Board or another Board committee) accept any consulting, advisory or other compensatory fee from the Corporation or be an affiliated person of the Corporation or any subsidiary.

All members of the Committee shall be financially literate (i.e. have the ability to read and understand the Corporation’s financial statements and notes). At least one member of the Committee shall have accounting or related financial experience (i.e. the ability to analyze and interpret financial statements and notes in accordance with Canadian generally accepted accounting principles) and shall be an audit committee financial expert under the MI 52-110.

(d) Officers of the Corporation, including the Chairman of the Board unless he or she is an unrelated director, should not serve as a member of the Committee.

(e) The Board will designate the Chairman of the Committee. The Chairman shall have responsibility for overseeing that the Committee fulfills its mandate and its duties effectively.

##### 1.3 Responsibilities and Duties of the Committee

The Board mandates the Committee to monitor and be responsible for the supervision of the Corporation’s financial reporting and disclosure obligations. To fulfill this role, the Committee shall have the following responsibilities and duties:

(a) To oversee compliance by the Corporation with all legal, regulatory and contractual requirements relating to financial reporting and disclosure and to oversee the accounting and financial reporting processes and audits of the financial statements of the Corporation;

(b) To review the financial statements and other financial information of the Corporation with management and the external auditors to gain reasonable assurance that they present fairly (in accordance with generally accepted accounting principles in Canada) in all material respects the financial condition, results of operations and cash flows of the Corporation as of, and for, the periods presented, and report thereon to the Board before same are approved by the Board;

To review with management and the external auditors the financial statements of any significant subsidiary of the Corporation;

(d) To review with management the representation letter provided to the external auditors, to receive from management any additional representations required by the Committee, and to receive from the external auditors reports on their audit of the annual and their review of the quarterly financial statements of the Corporation;

(e) To review news releases and reports to shareholders to be issued by the Corporation containing earnings guidance or containing financial information based on the Corporation's financial statements;

(f) To review the Corporation's annual and quarterly "management's discussion and analysis" with management and report thereon to the Board before it is approved by the Board;

(g) To review the financial information in prospectuses, annual reports, material change disclosures of a financial nature, annual information forms and similar disclosure documents to be issued by the Corporation;

(h) To review with management and the external auditors the acceptability, appropriateness and quality of the Corporation's accounting principles;

(i) To review an annual report by the external auditors describing:

(i) all critical accounting practices and policies to be used;

(ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the impact of the alternative treatments, and the treatment preferred by the external auditors; and

(iii) other material written communications between the external auditors and management, and to meet with the external auditors to discuss the said annual report;

(j) To review with management the principal financial risks facing the Corporation and gain reasonable assurance that financial risk is being effectively managed or controlled;

(k) To review with management significant contingent liabilities;



(l) To review with management and the external auditors the Corporation's internal financial control system for its effectiveness and integrity and to oversee management's reporting on that system;

(m) To review with management the Corporation's management information systems for their effectiveness and their integrity;

(n) To approve hiring, the remuneration and the terms of engagement of the external auditors as set forth in their engagement letter and, if necessary, their termination, and to review the performance of the external auditors as required. The Committee shall also require that the lead or responsible audit partner of the external auditors in charge of the Corporation's audit, is rotated every 5 years and that other rules relating to the audit partner as enacted by securities regulatory authorities of Canada and the United States are followed;

(o) To review regularly with the external auditors their independence, including pre-approval of all engagements (and fees related thereto) for non-audit services with the Corporation, and to ensure disclosure of any such non-audit services annually but in no event shall any of the following non-audit services be performed by the external auditors:

(i) book-keeping or other services related to the accounting records or financial statements;

(ii) financial information systems design and implementation;

(iii) appraisal or valuation services, fairness opinions or contribution-in-kind reports;

(iv) actuarial services;

(v) internal audit outsourcing services;

(vi) management functions or human resources;

(vii) broker or dealer, investment advisor or investment banking services;

(viii) legal services and expert services unrelated to the audit; and

(ix) other services prescribed by legislation;

(p) To review with the external auditors the scope of the audit, the areas of special emphasis to be addressed in the audit, the materiality levels which the external auditors propose to employ and other issues which are appropriate in the view of either the Committee or the external auditors;

(q) To put in place procedures to receive and handle complaints or concerns received by the Corporation about accounting, internal accounting controls and audit matters including those submitted anonymously by an employee of the Corporation;

To review with management periodically the Corporation's code of ethics for senior financial officers;

(s) To ensure that an external auditor cannot act as auditor of the Corporation if the Chief Executive Officer, President, Controller, Chief Financial Officer or person serving in an equivalent position was employed by the external auditor and participated in any capacity in the audit of the Corporation during a 1 year period preceding the date of initiation of the audit; and

(t) To perform any other matters referred to the Committee or delegated to it by the Directors.

#### 1.4 Operating Principles

The Committee will fulfill its responsibilities within the context of the following operating principles:

##### (a) Committee Duties

Committee members are required to act honestly and in good faith with a view to the best interests of the Corporation and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

##### (b) Committee Values

The Committee expects management of the Corporation to operate in compliance with all corporate policies and codes, and all laws and regulations governing the Corporation and to maintain strong financial reporting and control processes.

##### Communications

The Chairman and all members of the Committee expect to have direct, open and frank communications throughout the year with management, other committee chairmen, the external auditors, the internal auditor, if any, the chairman of the audit committee of any subsidiaries, where applicable, and other key Committee advisors, as applicable.

##### (d) External Resources

To assist the Committee in discharging its responsibilities, the Committee may, in addition to the external auditors, at the expense of the Corporation, retain one or more persons having special expertise. The Corporation shall pay all fees and expenses of the external auditors or other persons retained by the Committee.

##### (e) Reporting to the Board

The Committee, through its Chairman, will report regularly to the Board, and in any event no less frequently than on a quarterly basis.

##### (f) Time Commitment

Members of the Committee are expected to commit whatever time may be necessary to fulfill the mandate of the Committee. Members should prepare for Committee meetings by reviewing the materials sent to them by management for discussion at the meeting, as well as other material they feel is necessary.

Members are expected to attend (in person or by telephone) all meetings of the Committee and to participate in those meetings through the asking of relevant questions and the expression of opinions on items being discussed.

##### (g) External Auditors

The external auditors will be accountable to the Board, as representatives of shareholders, through the Committee. The Committee is directly responsible for recommending the appointment of the auditors to the Corporation's shareholders and for the compensation and oversight of the work of the external auditors, including resolution of disagreements between management and the external auditors regarding financial reporting. The external auditors will report all material issues or potentially material issues to the Committee.

(h) Reliance on Experts

In contributing to the Committee's discharging of its duties under this mandate, each member of the Committee will be entitled to rely in good faith upon:

(i) financial statements of the Corporation represented to him or her by an officer of the Corporation or in a written report of the external auditors to present fairly the financial position of the Corporation in accordance with Canadian generally accepted accounting principles; and

(ii) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

### 1.5 Operating Procedures

(a) Frequency of Meetings

The Committee will meet at least 4 times annually, and more frequently as circumstances dictate. Meetings will be held on at least 4 hours notice at the call of the Chairman, upon the request of any member of the Committee or at the request of the external auditors.

(b) Quorum

A quorum will be a majority of the members of the Committee present in person or by telephone.

Chairman

In the absence of the Chairman of the Committee, the members will appoint an acting Chairman.

(d) Secretary

Unless the Committee otherwise specifies, the Secretary of the Corporation will act as Secretary of all meetings of the Committee.

(e) Meeting Agenda

Committee meeting agendas shall be set by the Chairman of the Committee in consultation with Committee members, management if appropriate, and the external auditors if appropriate.

(f) In Camera Meetings

The members of the Committee shall meet at regularly scheduled sessions with the external auditors, select members of management, and by themselves, without either or both of management and the external auditors present.

(g) Background Material for Meetings

Members of the Committee should be provided with an agenda and sufficient background material prepared in a clear and concise manner relating to a forthcoming meeting as will allow them to understand the items to be discussed at the meeting. The material should contain sufficient information;

to the extent such information is reasonably available to management, to enable the Committee members to make an informed decision if one is required. The agenda with this material should be received by the Committee members far enough in advance of the meeting as will allow them sufficient time to review the materials.

(h) Minutes

Minutes of each meeting of the Committee will be prepared by the Secretary of the meeting and be provided to each member of the Committee for review and approval at a subsequent Committee meeting. After being approved, a copy of the minutes will be provided to each director of the Corporation for information purposes.

1.6 Limitations on Committee Members' Duties

Nothing in this mandate is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all Board members are subject. It is not the duty of the Committee to prepare financial statements, plan or conduct audits, act as auditors or to determine that the Corporation's financial statements and disclosures are complete and accurate and are in accordance with Canadian generally accepted accounting principles and applicable laws. These are the responsibilities of management and the external auditors. The external auditors are accountable to the Board and the Committee, being the representatives of the shareholders of the Corporation.

With regard to financial risk management, the Committee's responsibility is one of oversight only. Management is responsible to ensure proper financial risk management policies are in place and being adhered to.

Composition of the Audit Committee

The audit committee is comprised of the following members: Mr. Warren Hawkins (Chair), Mr. Peter Lukesch and Mr. Andrew McQuire. Mr. Hawkins is independent and, each of the members of the audit committee is financially literate.

Audit Committee Oversight

All recommendations of the audit committee to nominate or compensate an external auditor have been adopted by the board of directors since the commencement of the Corporation's most recently completed financial year.

Reliance on Certain Exemptions

The Corporation has not relied on the exemption in s.2.4 (De Minimis Non-audit Services) or an exemption from Multilateral Instrument 52-110, in whole or in part, granted under Part 8, at any time since the commencement of the Corporation's most recently completed financial year.

Pre-approval Policies and Procedures

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees (by category)

Exemption

The Corporation is relying on the exemption in section 6.1 of Multilateral Instrument 52-110.

**SCHEDULE C: RESOLUTION FOR ADOPTION OF AN INCENTIVE STOCK OPTION PLAN**

**RESOLUTION OF SHAREHOLDERS  
OF  
THE STREETWEAR CORPORATION.  
(the "Corporation")**

**Adoption of Stock Option Plan**

“Be it resolved as an ordinary resolution that:

1. the Stock Option Plan, in the form attached as Schedule D to the Information Circular of the Corporation dated as of May 22, 2015 be and is hereby approved and adopted with such modifications as may be required by the Exchange; and
2. any one director or officer of the Corporation be and is hereby authorized and directed to execute and deliver, under seal or otherwise, all such documents and instruments and to do all such other acts and things as in the opinion of such director or officer of the Corporation may be necessary or desirable to give effect to this resolution.

## **SCHEDULE D: INCENTIVE STOCK OPTION PLAN**

### **STOCK OPTION PLAN OF THE STREETWEAR CORPORATION. (the "Corporation")**

#### **1. Purpose of the Plan**

**1.1 Principal Purposes** – The purpose of the Plan is to provide the Participants with an opportunity to purchase Common Shares and benefit from the appreciation thereof. This proprietary interest in the Corporation will provide an increased incentive for the Participants to contribute to the future success and prosperity of the Corporation, thus enhancing the value of the Common Shares for the benefit of all the shareholders and increasing the ability of the Corporation and its Subsidiaries to attract and retain individuals of exceptional skill.

#### **2. Defined Terms**

**2.1 Defined Terms** – For the purposes of this Plan, the following terms shall have the following meanings:

- (a) "Acceleration Right" means the participant's right, in certain circumstances, to exercise their outstanding Option as to all or any of the Common Shares in respect of which such Option has not previously been exercised and which the Participant is entitled to exercise, including in respect of Common Shares not otherwise vested at such time;
- (b) "Board" means the board of directors of the Corporation;
- (c) "Common Shares" means the Common Shares of the Corporation or, in the event of an adjustment contemplated by Article 8 hereof, such shares to which a Participant may be entitled upon the exercise of an Option as a result of such adjustment;
- (d) "Corporation" means The Streetwear Corporation, and includes any successor corporation thereof;
- (e) "Exchange" means the Canadian National Stock Exchange or, if the Common Shares are not then listed and posted for trading on the Canadian National Stock Exchange, then on any stock exchange in Canada on which such shares are listed and posted for trading or any other regulatory body having jurisdiction as may be selected for such purpose by the Board;
- (f) "Exercise Notice" means the notice in writing signed by the Participant or the Participant's legal personal representatives addressed to the Corporation specifying an intention to exercise all or a portion of the Option;
- (g) "Expiry Time" means the time at which the Options will expire, being 4:00 p.m. (Toronto time) on a date to be fixed by the Board at the time the Option is granted, which date will not be more than five years from the date of grant;

- (h) "Insider" has the meaning ascribed thereto in the Exchange Corporate Finance Manual;
- (i) "Option" means an option to purchase Common Shares from treasury granted by the Corporation to a Participant, subject to the provisions contained herein;
- (j) "Option Price" means the price per share at which Common Shares may be purchased under the Option, as the same may be adjusted herein;
- (k) "Participants" means the directors, officers and employees of, and consultants to, the Corporation or its Subsidiaries, as defined by the relevant Exchange and, subject to compliance with the applicable requirements of the Exchange, the Personal Holding Companies of such persons, to whom an Option has been granted by the Board pursuant to the Plan and which Option or a portion thereof remains unexercised;
- (l) "Personal Holding Company" means a company of which is wholly owned directly by a director, officer or employee of, or consultant to, the Corporation or its Subsidiaries;
- (m) "Plan" means this Stock Option Plan of the Corporation, as the same way be amended or varied from time to time;
- (n) "Subsidiary" means any corporation that is a subsidiary of the Corporation, as such term is defined under the Business Corporations Act (Ontario), as such provision is from time to time amended, varied or re-enacted; and
- (o) "Take-Over Bid" has the meaning ascribed thereto in the Securities Act (Ontario), as such provision is from time to time amended, varied or re-enacted.

### 3. Administration of the Plan

3.1 The Board shall administer this Plan. Options granted under the Plan shall be granted in accordance with determinations made by the Board pursuant to the provisions of the Plan as to: the Participants to whom and the time or times at which the Options will be granted; the number of Common Shares which shall be the subject of each Option; any vesting provisions attaching to the Option; and, the terms and provisions of the respective stock option agreements, provided however, that each director, officer, employee or consultant shall have the right not to participate in the Plan and any decision not to participate therein shall not affect the employment by or engagement with the Corporation. The Board shall ensure that Participants under the Plan are eligible to participate under the Plan, and, if required by the Exchange, shall represent and confirm that the Participant is a bona fide employee, consultant or management company employee (as defined in the policies of the Exchange).

3.2 The Board may, from time to time, adopt such rules and regulations for administering the Plan as it may deem proper and in the best interests of the Corporation and may, subject to applicable law, delegate its powers hereunder to administer the Plan to a committee of the Board (the "Committee"). Such committee shall be comprised of two or more members of the Board who shall serve at the pleasure of the Board. Vacancies occurring on the Committee shall be filled by the Board.



3.3 The Committee (or the Board where the Committee has not been constituted) shall have the power to delegate to any member of the Board or officer so designated (the "Administrator"), with the power to determine which Eligible Persons are to be granted Options and to grant such Options, the number of Common Shares purchasable under each Option, the Option Price and the time or times when and the manner in which Options are exercisable, and the Administrator shall make such determinations in accordance with the provisions of this Plan and with applicable securities and stock exchange regulatory requirements, subject to final approval by the Committee or Board.

#### 4. Granting of Option

4.1 Participants may be granted Options from time to time. The grant of Options will be subject to the conditions contained herein and may be subject to additional conditions determined by the Board from time to time. Each Option granted hereunder shall be evidenced by an agreement in writing, signed on behalf of the Corporation and by the Participant, in such form as the Board shall approve from time to time. Each such agreement shall recite that it is subject to the provisions of this Plan.

4.2 The aggregate number of Common Shares of the Corporation allocated and made available to be granted to Participants under the Plan shall not exceed 10% of the issued and outstanding Common Shares of the Corporation as at the date of grant (on a non-diluted basis). Common Shares in respect of which Options are cancelled or not exercised prior to expiry, for any reason, shall be available for subsequent Option grants under the Plan. No fractional shares may be purchased or issued hereunder.

4.3 The Corporation shall at all times, during the term of the Plan, reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of the Plan.

4.4 Any grant of Options under the Plan shall be subject to the following restrictions:

- (a) the aggregate number of Common Shares reserved for issuance pursuant to Options granted to any one Participant in any one year period may not exceed 5% of the issued and outstanding Common Shares (on a non-diluted basis);
- (b) the aggregate number of Common Shares reserved for issuance pursuant to Options granted to Insiders may not exceed 10% of the issued and outstanding Common Shares (on a non-diluted basis), unless disinterested shareholder approval is obtained;
- (c) the issuance of Common Shares to Insiders pursuant to the Plan and other share compensation arrangements within a one year period may not exceed 10% of the outstanding Common Shares (on a non-diluted basis), unless disinterested shareholder approval is obtained;
- (d) the issuance of Common Shares to any one Insider and such Insider's associates pursuant to the Plan and other share compensation arrangements within a one year period may not exceed 5% of the outstanding Common Shares (on a non-diluted basis), unless disinterested shareholder approval is obtained;
- (e) the issuance of Common Shares to any one Consultant within a one year period may not exceed 2% of the Outstanding Common Shares (on a non-diluted basis) at the date of grant; and

- (f) the issuance of Common Shares to an Employee conducting Investor Relations Activities (as defined in the Canadian National Stock Exchange Policy 1.1) may not exceed, in the aggregate, 2% of the outstanding Common Shares.

The aforementioned limits of Common Shares reserved for issuance may be formulated on a diluted basis with the consent of the Exchange

4.5 All Options granted pursuant to this Plan shall be subject to rules and policies of the Exchange and any other regulatory body having jurisdiction.

4.6 A Participant who has been granted an Option may, if otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional Option if the Board so determines.

## 5. Option Price

5.1 Subject to applicable Exchange approval, the Option Price shall be fixed by the Board at the time the Option is granted to a Participant. In no event shall the price be less than the Discounted Market Price (as defined in the policies of the Exchange). If a press release fixing the price is not issued, the Discounted Market Price is the closing price per Common Share on the Exchange on the last trading day preceding the date of grant on which there was a closing price (less the applicable discount) or, if the Common Shares are not listed on any stock exchange, a price determined by the Board; provided that, if the Board, in its sole discretion, determines that the closing price on the last trading day preceding the date of grant would not be representative of the market price of the Common Shares, then the Board may base the price on the greater of the closing price and the weighted average price per share for the Common Shares for five (5) consecutive trading days ending on the last trading day preceding the date of grant on which there was a closing price on the Exchange; the weighted average price shall be determined by dividing the aggregate sale price of all Common Shares sold on the Exchange during the said five (5) consecutive trading days, by the total number of Common Shares so sold.

5.2 Once the Option Price has been determined by the Board, accepted by the Exchange and the Option has been granted, if the Optionee is an Insider, the Option Price may only be reduced if "disinterested" shareholder approval is obtained; provided that such "disinterested" shareholder approval is then a requirement of the Exchange or other regulatory body having jurisdiction.

## 6. Term of Option

6.1 The term of the Option shall be a period of time fixed by the Board, not to exceed five years from the date of grant, and unless the Board determines otherwise, Options shall be exercisable in whole or in part at any time during this period in accordance with such vesting provisions, conditions or limitations (including applicable hold periods) as are herein contained or as the Board may from time to time impose or, as may be required by the Exchange, or under applicable securities law.

6.2 Each Option and all rights thereunder shall be expressed to expire at the Expiry Time, but shall be subject to earlier termination in accordance with Section 11 hereof.

6.3 Subject to any specific requirements of the Exchange, the Board shall determine the vesting period or periods within the Option term, during which a Participant may exercise an Option or a portion thereof.

6.4 In addition to any resale restriction under securities laws, an Option may be subject to a four month Exchange hold period commencing on the date the Option is granted.

## 7. Exercise of Option

7.1 Subject to the provisions of the Plan and the terms of any stock option agreement, an Option or a portion thereof may be exercised, from time to time, by delivery to the Corporation's principal office in Toronto, Ontario of the Exercise Notice. The Exercise Notice shall state the intention of the Participant or the Participant's legal personal representative to exercise the said Option or a portion thereof, and specify the number of Common Shares in respect of which the Option is then being exercised, and shall be accompanied by the full purchase price of the Common Shares which are the subject of the exercise. Such Exercise Notice shall contain the Participant's undertaking to comply, to the satisfaction of the Corporation, with all applicable requirements of the Exchange and any applicable regulatory authorities.

## 8. Adjustments in Shares

8.1 If the outstanding shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation through a re-organization, plan of arrangement, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, an appropriate and proportionate adjustment shall be made by the Board, in its discretion, in the number or kind of shares optioned and the exercise price per share, as regards previously granted and unexercised Options or portions thereof, and as regards Options which may be granted subsequent to any such change in the Corporation's capital.

8.2 Determinations by the Board as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. The Corporation shall not be obligated to issue fractional securities in satisfaction of any of its obligations hereunder.

## 9. Accelerated Vesting

9.1 In the event that certain events such as a liquidation or dissolution of the Corporation or a re-organization, plan of arrangement, merger or consolidation of the Corporation with one or more corporations, as a result of which the Corporation is not the surviving corporation, or the sale by the Corporation of all or substantially all of the property and assets of the Corporation to another corporation prior to the Expiry Time, are proposed or contemplated, the Board may, notwithstanding the terms of this Plan or any stock option agreements issued hereunder, exercise its discretion, by way of resolution, to permit accelerated vesting of Options on such terms as the Board sees fit at that time. If the Board, in its sole discretion, determines that the Common Shares subject to any Option granted hereunder shall vest on an accelerated basis, all Participants entitled to exercise an unexercised portion of Options then outstanding shall have the right at such time, upon written notice being given by the Corporation, to

exercise such Options to the extent specified and permitted by the Board, and within the time period specified by the Board, which shall not extend past the Expiry Time.

9.2 An Option may provide that whenever the Corporation's shareholders receive a Take-over Bid, and the Corporation supports this bid, pursuant to which the "offeror" would, as a result of such Take-over Bid being successful, beneficially own in excess of 50% of the outstanding Common Shares of the Corporation, the Participant may exercise the Acceleration Right. The Acceleration Right shall commence on the date of the mailing of the Board circular recommending acceptance of the Take-over Bid and end on the earlier of:

- (a) the Expiry Time; and
- (b) (i) in the event the Take-over Bid is unsuccessful, on the expiry date of the Takeover Bid; and (ii) in the event the Take-over Bid is successful, on the tenth (10<sup>th</sup>) day following the expiry date of the Take-over Bid.

9.3 At the time of the termination of the Acceleration Right, the original vesting terms of the Options shall be reinstated with respect to the Common Shares issuable thereunder which were not acquired by the holders of such Options pursuant to the terms thereof. Notwithstanding the foregoing, the Acceleration Right may be extended for such longer period as the Board may resolve.

9.4 Provided that the Corporation is listed on Tier 1 of the Exchange, as well as subject to Exchange approval, and it is in compliance with applicable Exchange requirements, the Corporation may satisfy any obligations to a Participant hereunder by paying to the Participant in cash the difference between the exercise price of all unexercised Options granted hereunder and the fair market value of the securities to which the Participant would be entitled upon exercise of all unexercised options, regardless of whether all conditions of exercise relating to continuous employment have been satisfied.

## 10. Decisions of the Board

10.1 All decisions and interpretations of the Board respecting the Plan or Options granted thereunder shall be conclusive and binding on the Corporation and the Participants and their respective legal personal representatives and on all directors, officers, employees and consultants of the Corporation who are eligible to participate under the Plan.

## 11. Ceasing to be a Director, Officer, Employee or Consultant

11.1 Subject to the terms of the applicable stock option agreements and subject to sections 11.2 and 11.5 hereof, in the event of the Participant ceasing to be a director, officer, employee or consultant of the Corporation or a Subsidiary for any reason other than death, including the resignation or retirement of the Participant or the termination by the Corporation or a Subsidiary of the employment of the Participant, prior to the Expiry Time, such Option (including an Option held by a Participant's Personal Holding Company) may be exercised as to such of the Common Shares in respect of which the Option has not previously been exercised (and as the Participant would have been entitled to exercise) at any time up to and including (but not after) the earlier of the Expiry Time and a date that is ninety (90) days following the effective date of such resignation or retirement or a date that is ninety (90) days following the date notice of termination of employment is given by the Corporation or a Subsidiary, whether such

termination is with or without reasonable notice, and subject to such shorter period as may be otherwise specified in the stock option agreement, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever.

11.2 Options granted to any Optionee while the Corporation is a Capital Pool Company (as defined in Exchange Policy 2.4) (a "CPC") that does not continue as a director, officer, technical consultant or employee of the Resulting Issuer (being the Issuer that was formerly a CPC, which exists upon issuance of the Exchange Bulletin following closing of the Qualifying Transaction) (the "Resulting Issuer"), have a maximum term of the later of 12 months after the Completion of the Qualifying Transaction (as defined in Exchange Policy 2.4) and 90 days after -the Optionee ceases to become a director, officer, technical consultant or employee of the Resulting Issuer.

11.3 In consideration of the Option hereby granted, in the event of the resignation or retirement of the Participant or the termination of employment by the Corporation without cause, the Participant hereby covenants not to sue the Corporation for damages arising from the loss of rights granted hereunder and releases the Corporation from any damages.

11.4 Notwithstanding the foregoing, in the event of termination for cause, such Option (including an Option held by a Participant's Personal Holding Company) shall expire and terminate immediately at the time of delivery of notice of termination of employment for cause is given to the Participant by the Corporation or a Subsidiary and shall be of no further force or effect whatsoever as to the Common Shares in respect of which an Option has not previously been exercised.

11.5 In the event the Participant is engaged in Investor Relations Activities and ceases to provide such Investor Relations Activities to the Corporation or a Subsidiary for any reason, including the termination by the Corporation, a Subsidiary or the Participant of such services, prior to the Expiry Time, such Option (including an Option held by a Participant's Personal Holding Company) shall cease and terminate on the thirtieth (30~")d ay following the date notice of termination of such Investor Relations Activities is given by the Corporation, a Subsidiary or the Participant, and subject to such shorter period as may be otherwise specified in the stock option agreement, or at the Expiry Time, whichever occurs first, and shall be of no further force or effect whatsoever as to the Common Shares in respect of which an Option has not previously been exercised.

11.6 In the event of the death of a Participant on or prior to the Expiry Time, such Option (including an Option held by a Participant's Personal Holding Company) may be exercised as to such of the Common Shares in respect of which such Option has not previously been exercised (and as the Participant would have been entitled to purchase), by the legal personal representatives of the Participant at any time up to and including (but not after) a date one (1) year from the date of death of the Participant, unless otherwise specified in the stock option agreement or up to the Expiry Time, whichever occurs first, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever. 11.7 Options shall not be affected by any change of employment of the Participant where the Participant continues to be employed by the Corporation or any of its Subsidiaries.

## 12. Transferability

12.1 All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or to the extent, if any, permitted by the Exchange.

### 13. Amendment or Discontinuance of Plan

13.1 The Board may amend or discontinue the Plan at any time without the consent of the Participants, provided that such amendment shall not alter or impair any Option previously granted under the Plan except as permitted herein, and that such amendment or discontinuance has been approved by the Exchange, and where necessary, by the shareholders.

### 14. Participants' Rights

14.1 A Participant shall not have any rights as a shareholder of the Corporation until the issuance of a certificate for Common Shares, upon the exercise of an Option or a portion thereof, and then only with respect to the Common Shares represented by such certificate or certificates.

14.2 Nothing in the Plan or any Option shall confer upon any Participant any rights to continue in the employ of the Corporation or any Subsidiary or affect in any way the right of the Corporation or any such Subsidiary to terminate the employment of the Participant at any time; nor shall anything in the Plan or any option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any such Subsidiary to extend the employment of any Participant beyond the time such Participant would normally retire pursuant to the provisions of any present or future retirement plan of the Corporation or any Subsidiary, or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any contract of employment with the Corporation or any Subsidiary.

### 15. Approvals

15.1 The Plan shall be subject, if applicable, to the approval of the Exchange or other regulatory body having jurisdiction at that time and, if so required thereby, to the approval of the shareholders of the Corporation.

15.2 Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless such approval and acceptance is given.

### 16. Government Regulation

16.1 The Corporation's obligation to issue and deliver Common Shares under any Option is subject to:

- (a) the satisfaction of all requirements under applicable securities laws in respect thereof and obtaining all regulatory approvals as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the admission of such Common Shares to listing on any stock exchange on which such Common Shares may then be listed; and

- (c) the receipt from the Participant of such representations, warranties, agreements and undertakings as to future dealings in such Common Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

16.2 In this regard, the Corporation shall take all reasonable steps to obtain such approvals and registrations as may be necessary for the issuance of such Common Shares and for the listing of such Common Shares on the Exchange, in compliance with applicable securities laws. If any shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such shares shall terminate and the Option Price paid to the Corporation will be returned to the Participant.

17. Costs

17.1 The Corporation shall pay all costs of administering the Plan.

18. Interpretation

18.1 This Plan shall be governed by and construed in accordance with the laws of the Province of Ontario.

19. Compliance with Applicable Law

19.1 If any provision of the Plan or any Option contravenes any law or any order, policy, bylaw or regulation of any regulatory body or Exchange, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

**SCHEDULE E: RESOLUTION FOR NUMBER OF DIRECTORS**

**RESOLUTION OF SHAREHOLDERS  
OF  
THE STREETWEAR CORPORATION.  
(the "Corporation")**

Be it resolved as a special resolution that:

1. the number of directors of the Corporation be fixed at five (5), and that the board of directors of the Corporation be empowered to determine from time to time the number of directors of the Corporation, such determination to be made by resolution of the board of directors; and
2. any one director or officer of the Corporation be and is hereby authorized and directed to execute and deliver, under seal or otherwise, all such documents and instruments and to do all such other acts and things as in the opinion of such director or officer of the Corporation may be necessary or desirable to give effect to this resolution.

June 26, 2015



**SCHEDULE F: RESOLUTION TO CONSOLIDATE SHARES**

**RESOLUTION OF SHAREHOLDERS  
OF  
THE STREETWEAR CORPORATION.  
(the "Corporation")**

Be it resolved as a Special Resolution that:

1. The Articles of Incorporation shall be amended to reflect a consolidation of the issued and outstanding common shares by issuing three (3) of the outstanding and issued common shares into one (1) common share of the Corporation (the "Consolidation").
2. The Consolidation will be effected in conjunction with the approval of the Acquisition of MezzaCap GmbH pursuant to a Special Resolution as per Schedule G.

June 26, 2015

**SCHEDULE G: RESOLUTION TO APPROVE THE ACQUISITION OF MEZZACAP AND  
THE NAME CHANGE TO BITRUSH CORP**

**RESOLUTION OF SHAREHOLDERS  
OF  
THE STREETWEAR CORPORATION.  
(the "Corporation")**

Be it resolved as a Special Resolution that:

1. Upon approval of the Consolidation pursuant to a Special Resolution per Schedule F the Corporation shall acquire 100% of MezzaCap GmbH in consideration of issuing 83,287,265 common shares to MobileUp GmbH, the sole owner of Mezzacap GmbH. In addition, The corporation shall issue 6% of such shares to be issued as finders fee.
2. The beneficial owner of MobileUp GmbH is Alfred Dobias who will serve on the board of directors of the Corporation commencing with the approval of this Resolution.
3. The name of the Corporation shall be changed to Bitrush Corp.

June 26, 2015

## **SCHEDULES H: FINANCIAL STATEMENTS OF STREETWEAR**

The audited financial statements of the Issuer (“The Streetwear Corporation”) for the years ended December 2014 and 2013, dated April 22, 2015 and for the periods ended March 31, 2015 and 2014 and June 30, 2015 and 2014, both dated November 30, 2015 as well as the associated Management Discussion & Analyses are attached hereto (EXHIBITS 1 - 6).

## **SCHEDULE I: FINANCIAL STATEMENTS OF MEZZACAP**

The audited financial statements of the Target Company (“MezzaCap GmbH”) for the years ended December 2014 and 2013, and for the periods ended March 31, 2015 and 2014 and June 30, 2015 and 2014, all dated November 30, 2015 as well as the associated Management Discussion & Analyses are attached hereto (EXHIBITS 7 - 12).

## **SCHEDULE J: PROFORMA STATEMENTS**

The pro forma financial statements of the Resulting Issuer for the period ended June 30, 2015, including the profit and loss statement as of December 31, 2014, are attached hereto (EXHIBIT 13).

**EXHIBIT 1**

**THE STREETWEAR CORPORATION  
CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013**

**THE STREETWEAR CORPORATION**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

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## Management's Responsibility

To the Shareholders of The Streetwear Corporation. (the "**Corporation**"):

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed of Directors who may be neither management nor employees of the Corporation. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving financial information. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Corporation's external auditors.

Wasserman Ramsey, an independent firm of Chartered Accountants, is appointed by the shareholders to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

April 24, 2015

/s/ Peter Lukesch

Peter Lukesch  
Chief Executive Officer and President

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## INDEPENDENT AUDITORS' REPORT

### To the Shareholders of The Streetwear Corporation:

We have audited the accompanying consolidated financial statements of The Streetwear Corporation and its subsidiary, which comprise the consolidated statements of financial position as at December 31, 2014 and 2013 and the consolidated statements of loss and comprehensive loss, equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits 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.

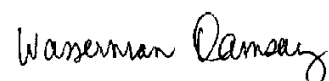
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of The Streetwear Corporation and its subsidiary as at December 31, 2014 and 2013 and the results of its operations, changes in equity and cash flows for the years then ended in accordance with International Financial Reporting Standards.

### Emphasis of matter

Without qualifying our opinion, we draw attention to note 1 in the consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.



**The Streetwear Corporation**  
**Consolidated Statements of Financial Position**  
**(All Amounts are in Canadian Dollars)**

As at December 31,

	2014	2013
	\$	\$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	30,667	108,979
Sundry receivables	19,907	8,376
Related party receivables (Note 12)	96,157	152,657
Prepaid expenses and deposits	1,833	7,150
	<u>148,564</u>	<u>277,162</u>
Evaluation and Exploration properties (Note 5)	82,042	82,042
<b>TOTAL ASSETS</b>	<u>230,606</u>	<u>359,204</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 12)	72,707	35,109
Notes payables (Note 6)	1,300	87,728
	<u>74,007</u>	<u>122,837</u>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		
Capital Stock (Note 7)		
Issued and Outstanding (2014 - 74,021,098, 2013 - 68,984,244)	992,315	896,878
Contributed Surplus (Note 8)	130,849	125,549
Accumulated Deficit	(966,565)	(786,060)
	<u>156,599</u>	<u>236,367</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>230,606</u>	<u>359,204</u>

**Note 1 - Nature of organization**

**Note 15 - Contingencies**

**Note 21 Subsequent Events**

Approved by the Board of Directors:

(s) "Peter Lukesch"  
Peter Lukesch, Director

(s) "Franz Kozich"  
Franz Kozich, Director

*The accompanying notes form an integral part of these consolidated financial statements*

**The Streetwear Corporation**  
**Consolidated Statements of Changes in Equity**  
**(All Amounts are in Canadian Dollars)**

	Number of Common Shares	Amount of Common Shares \$	Contributed Surplus \$	Deficit \$	Shareholders' Equity \$
Balance, December 31, 2012	24,849,351	54,709	85,326	(148,328)	(8,293)
Common share issuance for cash	8,232,538	170,897	40,223		211,120
Common share issuance of evaluation and exploration assets	2,000,000	40,000			40,000
Common share issuance for services	7,392,450	184,811			184,811
Issuance of common shares in the acquisition of ARC Exploration Inc.	26,509,905	530,198			530,198
Costs of raising funds		(83,737)			(83,737)
Net loss for the period				(637,732)	(637,732)
Balance, December 31, 2013	68,984,244	896,878	125,549	(786,060)	236,367
Common share issuance for debt settlement	3,536,854	70,737			70,737
Common shares issued for cash	1,500,000	24,700	5,300		30,000
Net loss for the period				(180,505)	(180,505)
Balance, December 31, 2014	74,021,098	992,315	130,849	(966,565)	156,599

*The accompanying notes form an integral part of these consolidated financial statements*

**The Streetwear Corporation**  
**Consolidated Statements of Operations and Comprehensive Loss**  
**(All Amounts are in Canadian Dollars)**

For the years ended December 31,

	2014	2013
	\$	\$
Expenses		
Administrative expenses (Notes 10 and 12)	100,012	66,534
Business development expenses (Note 10)	7,132	6,945
Professional fees	73,361	34,055
	<u>180,505</u>	<u>107,534</u>
INCOME (LOSS) BEFORE UNDERNOTED	(180,505)	(107,534)
Share listing and transaction costs	-	(530,198)
NET LOSS AND COMPREHENSIVE LOSS	<u>(180,505)</u>	<u>(637,732)</u>
NET INCOME (LOSS) PER COMMON SHARE		
Basic	(0.003)	(0.020)
Diluted	<u>(0.003)</u>	<u>(0.020)</u>
Weighted Average Common Shares Outstanding	<u>70,194,114</u>	<u>32,250,828</u>

*The accompanying notes form an integral part of these consolidated financial statements*

**The Streetwear Corporation**  
**Consolidated Statements of Cash Flows**  
**(All Amounts are in Canadian Dollars)**

For the years ended December 31,

	2014	2013
	\$	\$
Net income (loss) for the year	(180,505)	(637,732)
Add: Items not requiring an outlay of cash		
Management fees	60,000	-
Listing expenses	-	530,198
Share based payments	-	184,811
	(120,505)	77,277
Change in non-cash working capital items:		
Sundry receivables	(11,531)	(8,376)
Prepaid expenses and deposits	5,317	(1,500)
Accounts payable and accrued liabilities	37,598	8,045
<b>CASH FLOWS PROVIDED BY(USED IN) OPERATING ACTIVITIES</b>	<b>(89,121)</b>	<b>75,446</b>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Increase) decrease in restricted cash	-	108,212
Related party	(3,500)	(152,657)
Issuance (decrease) of notes payables	(15,691)	(20,484)
Issuance of share capital (net of costs)	30,000	127,383
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>10,809</b>	<b>62,454</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment in exploration and evaluation assets	-	(32,042)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>-</b>	<b>(32,042)</b>
 <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE YEAR</b>	<b>(78,312)</b>	<b>105,858</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of the year	108,979	3,121
End of the Year	30,667	108,979
 <b>SUPPLEMENTAL INFORMATION</b>		
Interest received	-	-
Interest paid	-	-
Income Taxes Paid	-	-
 <b>NON-CASH TRANSACTIONS</b>		
Management fees	60,000	-
Listing expenses	-	530,198
Issuance of common shares for exploration and evaluation assets	-	40,000
Issuance of common shares for services	24,000	184,811
Issuance of common shares for debt	46,737	-

*The accompanying notes form an integral part of these consolidated financial statements*

**THE STREETWEAR CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**  
**(All Amounts are in Canadian Dollars)**

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## **1. Nature of Organization**

### *Description of the Business*

The Streetwear Corporation (the “**Corporation**”) is incorporated under the laws of the Province of Ontario and is governed by the Business Corporation Act (Ontario). The Corporation’s principal offices are located at 133 Richmond Street West, Suite 403, Toronto, Ontario.

The Corporation was created by the amalgamation of The Streetwear Corporation and Conquest Capital Corp. continuing under the name of The Streetwear Corporation. The amalgamation was consummated on January 21, 1999. Effective December 30, 2013, the Corporation completed a transaction with ARC Exploration Inc. (“**ARC**”), an entity incorporated under the Business Corporations Act (Ontario). This transaction was accounted for as a reverse takeover as the control of the Corporation was acquired by the former shareholders of ARC.

The business of the Corporation is that of an exploration company with mineral evaluation and exploration property in Canada.

These financial statements of the Corporation were authorized for issue in accordance with a resolution of the directors on April 24, 2015

### *Basis of Operations and Going Concern*

These financial statements have been prepared in accordance with IFRS applied on a going concern basis, which assumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. As at December 31, 2014 the Corporation had no sources of operating cash flows. The Corporation will therefore require additional funding which, if not raised, would result in the curtailment of activities and project delays. The Corporation had a working capital of \$ 74,557 as at December 31, 2014, and has incurred losses since inception, resulting in an accumulated deficit of \$966,565 as at December 31, 2014. The Corporation’s ability to continue as a going concern is uncertain and is dependent upon its ability to continue to raise adequate financing. There can be no assurances that the Corporation will be successful in this regard, and therefore, there is doubt regarding the Corporation’s ability to continue as a going concern, and accordingly, the use of accounting principles applicable to a going concern. These financial statements do not reflect adjustments that would be necessary if the “going concern” assumption were not appropriate. If the “going concern” assumption were not appropriate for these financial statements, then adjustments to the carrying values of the assets and liabilities, the expenses and the balance sheet classifications, which could be material, would be necessary.

As an exploration company, funding to meet its exploration budget as well as working capital is dependent on the Corporation’s ability to issue common shares or borrow funds. While the Corporation currently has sufficient funds on hand to meet its current budget for the foreseeable future, there is no certainty that the Corporation will be able to raise sufficient funds beyond this period.

The business of exploration involves a high degree of risk and capital commitment and there can be no assurance that current exploration programs will result in eventual profitable commercial mining operations. The Corporation has no source of revenue, and has significant cash requirements to meet its exploration costs and administrative overhead. Therefore, the Corporation will have to rely on its ability to raise additional funds by way of share issuances from its treasury and short term advances of capital from its directors and officers.

**THE STREETWEAR CORPORATION**  
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## **2. Summary of Significant Accounting Policies**

### *Statement of Compliance*

The financial statements of the Company as at and for the year ended December 31, 2014 have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("**IASB**") and interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**") in effect as of December 31, 2014.

These financial statements have been prepared on a historical cost basis except for certain financial assets, which are recorded at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### *Basis of Measurement*

These financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

### *Use of Estimates and Judgments*

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the financial statements are disclosed in note 3.

### *Functional and presentation currency*

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

### *Cash and Cash Equivalents*

Cash and cash equivalents include demand deposits with banks, money market accounts, and other short-term investments with original maturities of 90 days or less.

### *Transactional Costs*

The costs incurred relating to transactional costs are expensed as incurred.

### *Exploration and evaluation ("**E&E**") assets*

The Corporation capitalizes all costs related to investments in E&E assets on a property-by-property basis in accordance with IFRS 6, Exploration for and Evaluation of Mineral Resources. Such costs include mineral property acquisition costs and exploration and development expenditures, net of any recoveries, and are monitored for indications of impairment. Where there are indications of a potential impairment, an assessment is performed for recoverability. Capitalized costs are charged to the statements of operations and comprehensive loss to the extent that they are not expected to be recovered. Exploration expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential. . Costs incurred prior to the Company obtaining legal rights to explore an area are expensed as incurred as required under the provisions of IFRS 6.

**THE STREETWEAR CORPORATION**  
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**2. Summary of Significant Accounting Policies - continued**

Once an economically-viable reserve has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to construction in progress within property, plant and equipment. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project, net of any impairment provisions, are written off.

From time to time the Corporation may acquire or dispose of an exploration property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as exploration property costs and recoveries when the payments are made or received.

*Environmental Rehabilitation*

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest and can be the result of a legal or constructive obligation. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Corporation has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

*Deferred Financing Costs*

Financing costs related to the Corporation's proposed financing are recorded as deferred financing costs. These costs will be deferred until the financing is completed, at which time the costs will be charged against the proceeds received. If the financing does not close, the costs will be charged to statements of operations and comprehensive loss.

Incremental costs incurred in respect of raising capital are charged against equity or debt proceeds raised. Costs associated with the issuance of common share are charged to capital stock upon the raising of equity. Costs associated with the issuance of debt are amortized using the effective interest method over the life of the debt.



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**2. Summary of Significant Accounting Policies - continued**

*Income Taxes*

Income tax expense comprises current and deferred tax. Income tax is recognized in the statements of operations and comprehensive loss except to the extent it relates to items recognized in other comprehensive income or directly in equity.

*Current Income Tax*

Current tax is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and tax laws that were enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

*Deferred Tax*

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the statement of financial position. Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period, and which are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax liabilities:

- are generally recognized for all taxable temporary differences; and
- are recognized for taxable temporary differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax assets:

- are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized; and
- are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise upon initial recognition of goodwill or arise on initial recognition of assets and liabilities acquired other than in a business combination where at the time of transaction effects neither accounting profit or taxable income (tax loss).

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**2. Summary of Significant Accounting Policies - continued**

*Earnings (Loss) Per Share*

Earnings (loss) per share is calculated by dividing the net loss applicable to common shares by the weighted average number of shares outstanding during the period. Diluted earnings (loss) per share is computed by dividing the net loss applicable to common shares by the diluted weighted average number of shares which assumes that all outstanding stock options granted with an exercise price below the average market value are exercised during the period. The difference between the number of shares assumed and the number of shares assumed purchased is then included in the denominator of the diluted earnings per share computation.

*Non-derivative Financial Instruments*

Non-derivative financial instruments are recognized when the Corporation becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Corporation has substantially transferred all risks and rewards of ownership. Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

Financial assets are classified into the following categories: financial assets 'at fair value through profit or loss' ("FVTPL"), 'held-to-maturity investments', 'available-for-sale' financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

*Fair Value Through Profit or Loss*

A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Derivatives are also included in this category unless they are designated as hedges.

Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in the statement of operations. Gains and losses arising from changes in fair value are presented in the statement of operations within other gains and losses in the period in which they arise.

Financial assets and liabilities at fair value through profit or loss are classified as current except for the portion expected to be realized or paid beyond twelve months of the balance sheet date, which is classified as non-current.

*Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. 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. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method.

**THE STREETWEAR CORPORATION**  
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**2. Summary of Significant Accounting Policies - continued**

*Other Financial Liabilities*

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

*Impairment of financial assets*

Financial assets are assessed at each reporting date in order to determine whether objective evidence exists that the assets are impaired as a result of one or more events which have had a negative effect on the estimated future cash flows of the asset.

If there is objective evidence that a financial asset has become impaired, the amount of the impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows from the asset discounted at its original effective interest rate. Impairment losses are recorded in earnings. If the amount of the impairment loss decreases in a subsequent period and the decrease can be objectively related to an event occurring after the impairment was recognized, the impairment loss is reversed up to the original carrying value of the asset. Any reversal is recognized in earnings.

The following is a summary of significant categories of financial instruments outstanding at December 31, 2014:

Cash and cash equivalents	Fair value through profit and loss
Sundry receivables	Loans and receivables
Accounts payable and accrued liabilities	Other financial liabilities
Notes payables	Other financial liabilities

Carrying value and fair value of financial assets and liabilities are summarized as follows:

Classification	Carrying Value	Fair value
Fair value through profit and loss	\$ 30,667	\$ 30,667
Loans and receivables	116,064	116,064
Other financial liabilities	74,007	74,007

*Fair Value Hierarchy*

The Corporation classifies financial instruments recognized at fair value in accordance with a fair value hierarchy that prioritizes the inputs to valuation technique used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

**THE STREETWEAR CORPORATION**  
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**2. Summary of Significant Accounting Policies - continued**

*Impairment of non-financial assets*

The Corporation's assets are reviewed for indications of impairment at each statement of financial position's date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash generating units and then to reduce the carrying amount of the other assets the unit on a pro-rata basis.

*Share-based Payments*

Stock options issued by the Corporation are accounted for in accordance with the fair value based method. The fair value of options issued to directors, officers, employees of and consultants to the Corporation is charged to earnings over the vesting period of each tranche (graded vesting) with the offsetting amount recorded to contributed surplus. The historical forfeiture rate is also factored in to the calculations. When options are exercised, the amount received together with the amount previously recorded in contributed surplus, are added to capital stock. The fair value of warrants issued to agents in conjunction with a public offering is charged to share issue costs with an offsetting amount recorded to contributed surplus. Fair value is measured using the Black-Scholes option pricing model.

*Equity Instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Corporation are recorded at the proceeds received, net of direct issue costs.

*Warrants*

The Corporation measures the fair value of warrants issued using the Black-Scholes option pricing model. The fair value of each warrant is estimated based on their respective issuance dates taking into account volatility, expected life, the dividend rate, and the risk free interest rate. The fair value of warrants issued in conjunction with an offering is charged to share issue costs with an offsetting amount recorded to contributed surplus. The fair value of warrants exercised is recorded as share capital, and the fair value of any expired warrants is recorded as contributed surplus general account.

*Recent Accounting Pronouncements*

Unless otherwise noted, the following new and revised standards and amendments are effective for the annual periods beginning on or after January 1, 2015. Management is evaluating the impact the adoption of these standards and amendments will have on the financial position of the Corporation.

**THE STREETWEAR CORPORATION**  
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**2. Summary of Significant Accounting Policies - continued**

IFRS 9, Financial Instruments is effective for annual periods beginning after January 1, 2018. The standard is the first part of a multi-phase project to replace IAS 39, Financial Instruments: Recognition and Measurement. The Company is currently assessing the impact, if any, adoption of this standard will have on the financial statements.

**3. Summary of Accounting Estimates and Assumptions**

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

*Fair Value of Financial Instruments*

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

*Share-Based Payment Transactions*

The Corporation measures the cost of share-based payment transactions with employees by reference to the fair value of the equity instruments. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield and forfeiture rate of the share option.

*Income Taxes*

Provisions for income taxes are made using the best estimate of the amount that is expected to be paid based on a qualitative assessment of all relevant factors. The Corporation reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determinations are made.

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#### **4. Reverse Take-Over of the Corporation**

As a result of the acquisition of ARC by the Corporation effective as of December 30, 2013, the former shareholders of ARC own 61.57% of the outstanding shares of the Corporation. In accordance with IFRS 3, the substance of this transaction is a reverse take-over of a non-operating company. This transaction does not constitute a business combination, as The Streetwear Corporation, prior to the reverse take-over, did not meet the definition of a business.

Accordingly, the take-over of The Streetwear Corporation is accounted for under IFRS 2 at the fair value of the equity instruments of the Company granted to the shareholders of ARC. The difference between the net assets acquired and the fair value of the consideration granted has been classified as a share listing and transaction cost expense on the consolidated statement of income (loss) and comprehensive income (loss).

The fair value of the consideration is determined based on the percentage of ownership of The Streetwear Corporation have in the combined entity after the reverse take-over. This represents the fair value of the shares the ARC would have issued for the ratio of ownership interest in the combined entity to be the same, if the transaction had taken the legal form of ARC acquiring 100% of the shares of the Corporation.

Based on the statements of financial position of The Streetwear Corporation at the time of the reverse take-over, the net assets at estimated fair value that were acquired by ARC were \$Nil and the resulting share listing and transaction cost expense charged to the consolidated statement of income (loss) and comprehensive income (loss) is as follows:

Consideration	
Deemed issue of ARC shares	\$ 530,198
Identifiable assets acquired	\$ Nil
Deemed share listing expense	\$ 530,198

#### **5. Evaluation and Exploration Assets**

On October 1, 2011, the Corporation entered into an Earn-in Option Agreement with Richmond Minerals Inc. ("Richmond" or the "Vendor") for the Lac Colombet Property (the "Property"). The Agreement will permit the Corporation to earn a 100% interest in the Property as described, upon the payment of \$10,000 and the issuance of 1,000,000 common shares of the Corporation to the Vendors, as well as the expenditure of a minimum of \$250,000 in exploration costs prior to the second anniversary of the closing.

On January 15, 2013, a new agreement that would supersede the previous one was entered in to by Richmond and the Corporation that required total payments to be \$15,000, inclusive of the \$10,000 previously paid, and the issuance of 2,000,000 common shares of the Corporation at a deemed value of \$0.02 per common share. The Corporation paid the additional \$5,000 in March 2013 and issued the common shares in October 2013. No change took place in 2014. (see Note 21 Subsequent Events)

	Lac Colombet Property
Cash payments	\$ 15,000
Issuance of common shares	40,000
Acquisition costs	27,042
	\$ 82,042

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## 6. Notes Payable

The notes payable are comprised of the cash advanced by third parties that are due on demand and as non-interest bearing loans.

As at December 31, 2014, there were \$1,300 (2013 - \$ 87,728) in notes payable.

## 7. Capital Stock

The Corporation is authorized to issue an unlimited number of common shares.

On September 22, 2014, the Corporation listed its common shares on the Canadian Stock Exchange ("CSE"), and in accordance with CSE policies the common shares held by insiders were placed in escrow, being 19,485,617 common shares. As of December 31, 2014, 14,614,215 common shares remained in escrow and will be released as follows:

Date	Quantity
March 22, 2015	2,922,843
September 22, 2015	2,922,843
March 13, 2016	2,922,843
September 22, 2016	2,922,843
March 13, 2016	2,912,843

In November 2014 the Corporation issued 3,536,854 common shares at a deemed value of \$ 0.02 per common share or \$70,737 in total, to settle debt with arms-length individuals.

In December 2014, the Corporation closed a non-brokered private placement of \$30,000 by issuing 1,500,000 units at a value of \$0.02 per unit. Each unit consisted of one common share and one share purchase warrant to purchase a further common share at a price of \$0.10 per share expiring on December 31, 2016.

## 8. Contributed Surplus

The Corporation's contributed surplus consists of the following:

	General	Incentive Stock Option	Warrants	Total
Balance, December 31, 2012	\$ ---	\$ ---	\$ 85.326	\$ 85.326
Issuance of warrants	---	---	40.223	40.223
Balance, December 31, 2013 and 2014	\$ ---	\$ ---	\$ 125.549	\$ 125.549
Issuance of warrants	---	---	5,300	5,300
			\$ 130,849	\$ 130,849

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**9. Warrants**

The fair value of the warrants issued was based on the Black Scholes option-pricing model. The following assumptions were used to value them:

	Fiscal 2013
Number of warrants	7,897,509
Exercise price	\$ 0.10
Average Expected life	2.60 years
Weighted average risk-free interest rate	1.72%
Weighted average expected volatility	100%
Dividend yield	0.0%
Forfeiture rate	0.0%
Average Fair value	\$0.007

	Fiscal 2014
Number of warrants	1,500,000
Exercise price	\$0.10
Average Expected life	2.00 years
Weighted average risk-free interest rate	1.72%
Weighted average expected volatility	100%
Dividend yield	0.0%
Forfeiture rate	0.0%
Average Fair value	\$0.004

The warrants activity is summarized below:

	Number	Weighted Average Exercise Price
Balance, January 1, 2013	6,686,581	\$ 0.10
Issued	7,897,509	0.10
Exercised	-	N/A
Expired	-	N/A
Forfeited	-	N/A
Balance, December 31, 2013	14,584,090	\$ 0.10
Issued	1,500,000	0.10
Exercised	-	N/A
Expired	-	N/A
Forfeited	-	N/A
Balance December 31, 2014	16,084,090	\$ 0.10



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The warrants that are issued and outstanding as at December 31, 2014 are as follows:

<u>Number of Warrants</u>	<u>Type</u>	<u>Issuance Date</u>	<u>Expiry Date</u>
3,195,385	Warrant	April 2011	December 31, 2015
200,000	Warrant	May 2011	December 31, 2015
500,000	Warrant	September 2011	December 31, 2015
376,594	Warrant	December 2011	December 31, 2015
1,892,041	Warrant	January 2012	December 31, 2015
100,000	Warrant	August 2012	December 31, 2015
400,000	Warrant	October 2012	December 31, 2015
22,561	Warrant	November 2012	December 31, 2015
437,222	Warrants	January 2013	December 31, 2015
4,000,000	Warrants	February 2013	December 31, 2015
62,500	Warrants	June 2013	December 31, 2015
410,635	Warrants	July 2013	December 31, 2015
337,227	Warrants	October 2013	December 31, 2015
2,649,925	Warrants	December 2013	December 31, 2015
1,500,000	Warrants	December 2014	December 31, 2016

**10. General and Administrative Expenses**

	2014	2013
Bank charges	\$ 325	\$ 169
General	108	173
Management fees	60,000	57,324
Consulting fees	24,450	-
Regulatory and filing fees	15,129	8,868
	<u>\$ 100,012</u>	<u>\$ 66,534</u>

**11. Business Development Expenses**

	2014	2013
Shareholder communications	\$ 1,690	\$ 4,702
Meals & entertainment	823	224
Travel	4,619	2,019
	<u>\$ 7,132</u>	<u>\$ 6,945</u>

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## 12. Related Party Transactions

Amounts due from and to the related parties, are a result of transactions with entities controlled by shareholders, officers or directors of the Corporation. These amounts are non-interest bearing, unsecured and not subject to specific terms of repayment unless stated.

As at December 31, 2014, the Corporation owed \$1,300 (2013 - \$Nil) resulting from a short term loan from a board member. In addition, the Corporation had a receivable from entities with common directors of \$ 96,157 (2013 - \$152,657). During the year ended December 31, 2014 the Corporation incurred management expense in the amount of \$ 60,000 (2013 - \$57,324), which were charged against the above stated amounts receivables. Included in accounts payable and accrued liabilities is \$5,660 owing to Peter Lukesch, the President and CEO of the Company.

During the year ended December 31, 2014, the Corporation settled related party loans in the amount of \$46,737 (2013 - \$Nil), via the issuance of 2,336,854 common shares at a deemed value of \$0.02 per common shares and issued 1,200,000 common shares to the same related parties at a deemed value of \$0.02 for services provided in the amount of \$24,000.

## 13. Income Taxes

The Corporation's effective income tax rate differs from the amount that would be computed by applying the combined federal and provincial statutory rate of 26.5% (2013 - 26.5%) to the net loss for the periods. The reason for the difference is as follows:

	2014	2013
Statutory Rate	26.5%	26.5%
Loss before income taxes	\$ (180,505)	\$ (637,732)
Recovery of income taxes based on statutory rate	(47,830)	(168,999)
Adjustment to income taxes:		
Non-deductible items		- 140,502
Change in deferred tax assets not recognized	47,830	28,497
Income tax recovery	\$ ---	\$ ---

The Corporation's deferred income tax asset, computed by applying a future federal and provincial statutory rate of 26.5% (2013 - 26.5%), comprises the following:

	2014	2013
Non-capital losses carried forward	\$ 111,400	\$ 89,369
Exploration and evaluation assets	20,500	-
Deferred tax assets not recognized	(90,900)	(89,369)
	)	
	\$ ---	\$ ---

At December 31, 2014, the Corporation has a non-capital loss of \$510,716 (2013 - \$337,245) available for carry-forward, which has not been recognized in these financial statements. These losses expire starting in fiscal years ending in 2031 through to 2034.

Deferred tax assets have not been recognized because at this stage of the Corporation's development, it is not determinable that future taxable profit will be available against which the Corporation can utilize such deferred income tax asset.

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**14. Commitment**

The Corporation has not entered in to any contract that requires a minimum payment.

**15. Contingencies**

From time to time, the Corporation may be exposed to claims and legal actions in the normal course of business, some of which may be initiated by the Corporation. As of December 31, 2014 and 2013, no material claims were outstanding.

**16. Financial Instruments and Risk Management**

**Risk Management**

In the normal course of business, the Corporation is exposed to financial risk that arises from its indebtedness, including fluctuations in interest rates and in the credit quality of its customers. Management's involvement in operations helps identify risks and variations from expectations.

The Corporation does not manage risk through the use of hedging transactions. As a part of the overall operation of the Corporation, management takes steps to avoid undue concentrations of risk. The Corporation manages the risks, as follows:

The Corporation manages its common shares, stock options and warrants as capital. The Corporation's objectives when managing capital is to safeguard the Corporation's ability to continue and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Corporation may prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions

**Liquidity Risk**

Liquidity risk is the risk that the Corporation cannot meet its financial obligations associated with financial liabilities in full. The primary source of liquidity is net operating income, which is used to finance working capital and capital expenditure requirements, and to meet the Corporation's financial obligations associated with financial liabilities.

Additional sources of liquidity are debt and equity financing, which is used to fund additional operating and other expenses and retire debt obligations at their maturity.

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk.

Obtaining long-term debt with fixed interest rates minimizes interest rate cash flow risk.

The Corporation does not trade in financial instruments and is not exposed to and significant interest rate price risk.

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**17. Financial Instruments and Risk Management - continued**

**Market Risk**

Market risk is the risk that changes in market price, such as foreign exchange rates, commodity prices, and interest rates will affect the Corporation's net income or the value of financial instruments. These risks are generally outside the control of the Corporation. The objectives of the Corporation are to mitigate market risk exposure within acceptable limits, while maximizing returns.

**Credit Risk**

Credit risk related to accounts receivable arises from the possibility that debtors may be unable to fulfill their commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. The Corporation mitigates this risk by regularly monitoring the financial health and aging of any amounts due from its debtors.

As of the date of these financial statements the Corporation's only debtors are the government of Canada for the harmonized goods and services ("HST") receivable and therefore the Corporation does not believe it is currently exposed to any significant credit risk and related party balances.

**Commodity Risk**

The nature of the Corporation's operations results in exposure to fluctuations in commodity prices. As at December 31, 2014, the Corporation did not have any significant exposure to derivative financial instrument agreements or fixed physical contracts. The Corporation is particularly exposed to the risk of movements in the price of base metals. Declining market prices for base metals could have a material effect on the Corporation's future profitability and ability to raise capital if and when required, and the Corporation's current policy is not to materially hedge its exposure to base metals in order to provide a more direct exposure for shareholders.

**Currency Risk**

Currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. At December 31, 2014 and 2013, the Corporation did not have any foreign denominated currencies.

**Other Price Risk**

Other price risk is the risk that changes in market prices, including commodity or equity prices, will have an effect on future cash flows associated with financial instruments. The cash flows associated with financial instruments of the Corporation are not exposed to other price risk.

**Fair Values**

Financial instruments include cash, sundry receivable, and accounts payable and accruals. The carrying values of these financial instruments approximate fair value due to the short term nature of financial instruments.

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## **18. Capital Management and Liquidity**

The Corporation manages its cash, common shares, stock options and warrants as capital. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Corporation prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing exploration efforts, the Corporation does not pay out dividends. The Corporation's investment policy, in general, is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 365 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. The nature of the industry in which the Corporation operates is very capital intensive. As a result, the Corporation prepares annual capital expenditure budgets and utilizes authorizations for expenditures for projects to manage capital expenditures.

The Corporation's strategy is to satisfy its liquidity needs using cash on hand, cash flows generated from operating activities and through its revolving advances facility. Revenue, available cash balances, draws on the revolving advances credit facility and financing of indebtedness are the Corporation's principal sources of capital used to pay operating expenses and recurring capital and leasing costs in its business.

The principal liquidity needs for periods beyond the next twelve months are for non-recurring capital expenditures, development costs and potential mining expansion. The Corporation's strategy is to meet these needs with one or more of the following:

- cash flows from operations;
- common share and warrants offering;
- proceeds from sales of assets; and
- revolving advances facility.

The following table presents the contractual maturities of the Corporation's financial liabilities as at December 31, 2014:

	Total	Payments by Periods			
		< 1 Year	1 - 3 Years	4 - 5 Years	After 5 Years
Accounts payable and accrued liabilities	\$ 72,707	\$ 72,707	\$ ---	\$ ---	\$ ---
Notes payable	1,300	1,300	---	---	---

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## 19. Financial Instruments

The Corporation's operations expose the Corporation to market risk, credit risk, and liquidity risk. The Corporation manages its exposure to these risks by operating in a manner that minimizes these risks. Senior management employs risk management strategies and policies to ensure that any exposure to risk is in compliance with the Corporation's business objectives and risk tolerance levels. The Board of Directors has overall responsibility for the establishment and oversight of the Corporation's risk management framework. The Board has established policies in setting risk limits and controls and monitors these risks in relation to market conditions.

### Fair Value of Non-Derivative Financial Instruments

Fair value is the amount that willing parties would accept to exchange a financial instrument based on the current market for instruments with the same risk, principal and remaining maturity. The fair value of interest bearing financial assets and liabilities is determined by discounting the contractual principal and interest payments at estimated current market interest rates for the instrument. Current market rates are determined by reference to current benchmark rates for a similar term and current credit spreads for debt with similar terms and risk. The carrying value and fair value of financial instruments being of equal value are as follows:

	2014	2013
Financial assets		
Cash and cash equivalents	\$ 30,667	\$ 108,979
Sundry receivable	19,907	8,376
Related party receivables	96,157	152,657
Financial liabilities		
Accounts payable and accrued liabilities	72,707	35,109
Notes payable		87,728
Related party payable	1,300	-

### (b) Fair Value Hierarchy

The Corporation values instruments carried at fair value using quoted market prices, where available. Quoted market prices represent a Level 1 valuation. When quoted market prices are not available, the Corporation maximizes the use of observable inputs within valuation models. When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3.

The following table outlines financial assets and liabilities measured at fair value in the consolidated financial statements and the level of the inputs used to determine those fair values in the context of the hierarchy as defined above:

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	\$ 30,667	\$ ---	\$ ---	\$ 30,667
Sundry receivables	---	19,907	---	19,907
Related party receivable	---	96,157	---	96,157
Total Assets	<u>\$ 30,667</u>	<u>\$ 116,064</u>	<u>\$ ---</u>	<u>\$ 146,731</u>

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**20. Financial Instruments - continued**

	Level 1	Level 2	Level 3	Total
Liabilities				
Accounts payable and accrued liabilities	\$ 72,707	\$ ---	\$ ---	\$ 72,707
Related party payables	---	1,300	---	1,300
Total liabilities	\$ 72,707	\$ 1,300	\$ ---	\$ 74,007

Level 3 fair values are based on a number of valuation techniques other than observable market data. There are no level 3 values currently recorded on the balance sheet of the Corporation. .

**21. Subsequent events**

Following the balance sheet date the following material events took place:

**Acquisition:**

As of March 11, 2015 the Corporation announced that it has executed an agreement-in-principle ("AiP") with MezzaCap GmbH ("MezzaCap") and its sole shareholder, MobileUp GmbH ("MobileUp") pursuant to which the Company will acquire from MobileUp 100% of the issued and outstanding shares of MezzaCap (the "MezzaCap Shares"), a private international investment company concentrating on "block chain" technologies and cryptocurrencies such as bitcoins (the "Transaction"). The Transaction will represent a "fundamental change" pursuant to the policies of the Canadian Securities Exchange ("CSE").

Pursuant to the AiP, Streetwear will acquire the MezzaCap Shares in consideration of an issuance to MobileUp of 83,287,265 common shares in the capital of the Company (the "**Share Consideration**"). Upon completion of the Transaction, the Share Consideration held by MobileUp will represent approximately 51% of the issued and outstanding common shares of the Company.

In addition, MobileUp can earn up to 83,746,586 common shares in the capital of the Company (the "Bonus Consideration") if certain performance milestones are met on or before December 31, 2015. If earned in full, and when issued, the Bonus Consideration, when added to the Share Consideration held by MobileUp, will represent 65% of the issued and outstanding common shares of the Company. All percentage ownership amounts of MobileUp assume that there are no further common share issuances other than issuances related to the financing and the finder's fee (the "**Finder's Fee**") described below.

A Finder's Fee of 6% of the issued and outstanding common shares issued to MobileUp will be reserved to be issued to an unrelated financial advisor once the Transaction is completed and the Bonus Consideration fully earned and paid.

**Proposed financing:**

The Company further announces a proposed non-brokered private placement financing of units (each, a "Unit") of securities of the Company for aggregate gross proceeds of up to \$300,000 at a price of \$0.05 per Unit with each Unit comprising one common share of the Company and one warrant to acquire one common share of the Company exercisable for a period of two years following the closing of the Offering at an exercise price of \$0.10 per share. The proceeds of the Offering will be used to acquire privately owned companies that are in the business of providing services related to bitcoin applications.

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Additionally, in connection with the completion of the Transaction, Streetwear will change its business focus to invest in “block chain” technologies and cryptocurrencies and attempt to expand on MezzaCap’s recent success with “bitcoin” related projects and ownership of growth-oriented “bitcoin” payment websites.

The Company intends to change its name to “MezzaCap Corporation” upon the completion of the Transaction. The completion of the Transaction is subject to the approval of the Canadian Securities Exchange and the Company’s shareholders which the Company will pursue at the Annual Shareholder Meeting which will be held as soon as practicable.

**Mining properties:**

Upon closing of the above noted transaction the company plans to exit the mining business and will attempt to sell its exploration and evaluation assets. If the Company is unable to sell the claims the carrying value of the claims in the amount of will be written down to nil.



## Exhibit 2

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THE STREETWEAR CORPORATION.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE PERIOD ENDED DECEMBER 31, 2014

DATED APRIL 24, 2015

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### Disclosure Regarding Forward-Looking Statements

This Management Discussion and Analysis contains forward-looking statements that include risks and uncertainties that are disclosed under the section Risk Factors. Other factors that could affect actual results are uncertainties pertaining to government regulations, both domestic as well as foreign, and the changes within the capital markets. Other risks may be disclosed from time to time in The Streetwear Corporation's public disclosures.

The Streetwear Corporation  
Management Discussion and Analysis  
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Unless otherwise indicated, all reference to “dollar” or the use of the symbol “\$” are to the Canadian dollar and all references to “US dollars” or “US\$” are to the United States dollar in this Management Analysis and Discussion.

The preparation of the interim financial statements are in conformity with Canadian Generally Accepted Accounting Principles (“CGAAP”) that have been revised to incorporate International Financial Reporting Standards (“IFRS”) and requires management to make assumptions that affect the reported amounts of assets, liabilities and expenses in addition to the disclosure of contingent liabilities at the date of the interim financial statements and reporting amounts. The Streetwear Corporation (the “Corporation”) bases its estimates on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ and will most likely differ from those estimates.

## **ITEM 1 - Overview**

The Streetwear Corporation (“Corporation”) was incorporated under the laws of the Province of Ontario and is governed by the Business Corporation Act (Ontario).

The Corporation was created by the amalgamation of The Streetwear Corporation and Conquest Capital Corp. continuing under the name of The Streetwear Corporation. The amalgamation was consummated on January 21, 1999.

The Corporation’s common shares traded on the Canadian Dealer Network (“CDNX”) until 1999, when the CDNX closed its operations.

The Corporation had significant losses in both fiscal 2004 and throughout fiscal 2005 due to the drastic rise of the Canadian dollar versus the United States dollar. Due to these losses, during the 2005 fiscal year the Corporation was placed in a difficult situation of either closing its operations or divesting itself of it. Fortunately, the Corporation was able to divest itself of its operation in December 2004, as it was unable to raise funds to finance the losses. Upon this disposition, the Corporation no longer had any operations.

Following the closure of the CDNX, the Corporation continued to meet its continued financial reporting obligations until the disposition of its operations.

In June 2005, the Ontario Securities Commission (“OSC”) issued a Cease Trade Order (“CTO”) for not filing of its audited financial statements for the period ending January 31, 2005 and associated documents.

Mr. Friedrich Pindt joined the board of directors on February 28, 2012.

On November 19, 2012, the OSC issued its revocation of the CTO.

On October 30, 2013, there was a change in the management of the Corporation, Mr. Peter Lukesch, Mr. Warren Hawkins and Mr. Andrew McQuire joined the board of directors with Mr. Lukesch being appointed as the Chief Executive Officer and Secretary and Mr. McQuire appointed Chief Financial Officer, as Mr. Saul Rajsky as an officer and a director and Mr. Martin Selvin resigned as director.

On December 30, 2013, the Corporation acquired ARC Exploration Inc. (“ARC”). The acquisition of ARC by the Corporation was treated as a Reverse Acquisition in accordance with IFRS 2 and 3.

ARC is an exploration company with a 100% interest in the Lac Colombet Property located in Quebec.

In September 2014 the Corporation received the approval to commence trading on the Canadian Securities Exchange (“CSE”) under the symbol ARP.

On October 20, 2014, Mr. Franz Kozich joined the board of directors as Mr. Friedrich Pindt resigned as director. Mr. Kozich was appointed Secretary on October 24, 2014.

## **ITEM 2 - Selected Annual Information**

The following is selected annual information for the preceding three fiscal years:

	December 2014	December 2013	January 2013
Revenues	\$ Nil	\$ Nil	\$ Nil
Operating income	(180,505)	(107,534)	(79,062)
Net income	(180,505)	(637,732)	(81,018)
Total assets	230,606	359,204	143,128
Total liabilities	74,007	122,837	151,422
Shareholders' equity	156,599	236,679	(8,293)
Loss per share	0.00	0.02	0.00
Dividends per share	0.00	0.00	0.00

For further audited financial information, please refer to the Corporation's audited financial statements that have been filed on SEDAR.

## **ITEM 3 - Results of Operations**

### For the period ended December 31, 2014 versus December 31, 2013

During the year ended December 31, 2014, the Corporation kept pursuing business development activities as it sought to further identify opportunities to increase shareholder value. In November 2014 the Corporation initiated discussions with MobileUp GmbH (“MobileUp”) and its sole shareholder, Alfred Dobias, to acquire all or a portion of the shares of MobileUp's wholly owned subsidiary, MezzaCap GmbH (“MezzaCap GmbH”). MezzaCap is in the business of providing payment services through block chain technologies and cryptocurrencies. The negotiations with MobileUp and Mr. Dobias lead into the Agreement in Principle, announced March 3, 2015, as described under ITEM 9 – Proposed Transactions.

During the year ended December 31, 2013, the Corporation completed a significant transaction between The Streetwear Corporation (the legal parent) and ARC Exploration Inc. (“ARC”) (the legal subsidiary). This transaction was accounted for as a reverse takeover as the former shareholders of ARC acquired the control of the legal parent. Therefore, these consolidated financial statements include the accounts of the Corporation and its subsidiary, ARC. Although legally, the Corporation is regarded as the parent or continuing company, ARC, whose shareholders now hold more than 50% of the voting shares of the Corporation at the time of the transaction, is treated as the acquirer under International Financial Reporting Standards (“IFRS”). Consequently, the Corporation is deemed a continuation of ARC and control of the assets and business of the Corporation is deemed to have been acquired in consideration for the issuance of the shares. However, due to the Corporation's new focus on block chain technology and cryptocurrencies it is intended to divest itself from ARC and its exploration property, Lac Colombet.

With the Fundamental Change from minerals exploration to high technology it is anticipated that the Corporation will generate modest revenues during 2015 with expectations to increase revenues significantly in subsequent years in a fast growing market segment.

For the year ended December 31, 2014, the Corporation had administrative expenditures of \$100,012 versus \$66,534 the year earlier, for an increase of \$33,478 or 50.3%. The increase is mainly attributable to an increase of \$24,450 in consulting fees, as none was being charged to the Corporation prior to fiscal 2014, as well as an increase of \$6,261 in regulatory fees.

For the year ended December 31, 2014, the Corporation had business development expenditures of \$7,132 versus \$6,945 the year earlier, for an increase of \$187 or 2.7%. Management anticipates investing further in business development activities as it seeks to further identify opportunities to build shareholder value.

For the year ended December 31, 2014, the Corporation had professional expenditures of \$73,361 versus \$34,055 the year earlier, for an increase of \$39,306 or 115.4%. The increase is due to significantly higher legal and accounting expenses related to the Fundamental Change to become a high technology issuer.

For the period ended December 31, 2014, the Corporation had an operating loss of \$180,505 versus \$107,534 the year earlier, an increase of \$72,971 or 67.9%. Investors can anticipate this amount to stay about the same or increase slightly as the Corporation intends to generate modest revenues during 2015 which will partially offset increased business development costs and professional fees.

For the period ended December 31, 2014, the Corporation had no foreign exchange activity, unchanged from the prior year. However, management anticipates foreign exchange fluctuations as MezzaCap's revenues and costs are strictly in Euros.

For the period ended December 31, 2014, the Corporation had no other expenses as compared to \$530,198 in 2013 which related to the reverse acquisition of the Corporation by the ARC shareholders. It is anticipated that there will not be any other expenses unless the Corporation decides to acquire further cryptocurrency related projects or companies.

The net loss for the period ended December 31, 2014 was \$180,505 for a loss per share of \$0.003 based on 70,194,114 weighted average shares outstanding for the period versus \$637,732 for a loss per share of \$0.020 based on 32,250,828 weighted average shares outstanding for the previous period.

During the period ended December 31, 2014, the Corporation issued 1,500,000 common shares for \$30,000 in cash and 3,536,854 common shares for services that it received from various consultants as well as from creditors having converted their receivables into common shares with a combined value of \$70,737. During the previous fiscal period, the Corporation issued 44,134,893 common shares for \$842,169 in cash, for exploration assets, services as well as for the acquisition of ARC Exploration.

The Corporation's had a cash balance at the end as at December 31, 2014 was \$30,667 (2013 - \$108,979), with working capital of \$74,557 (2014 - \$154,325).

**ITEM 4 - Summary of Quarterly Results**

The following table sets forth the Corporation's revenue, net loss and loss per common share for each quarter ended on the date indicated.

	Revenues	Net loss	Loss/share: basic and diluted
December 31, 2014	---	\$88,155	\$0.00
September 30, 2014	---	42,379	0.00
June 30, 2014	---	38,831	0.00
March 31, 2014	---	11,140	0.00
December 31, 2013	---	599,859	0.02
September 30, 2013	---	23,076	0.00
June 30, 2013	---	5,520	0.00
March 31, 2013	---	9,277	0.00

**For the Three Months Ended December 31, 2014 versus December 31, 2013**

Due to the focus on high technology and providing of payment service through cryptocurrencies the Corporation is expecting modest revenues in the near term.

For the quarter ended December 31, 2014, the Corporation had administrative expenditures of \$56,442 versus \$57,899 the year earlier, for a decrease of \$1,457.

For the quarter ended December 31, 2014, the Corporation had business development expenditures of \$5,152 versus \$3,939 the year earlier, for an increase of \$1,213 attributable to increased investor's relation activities.

For the quarter ended December 31, 2014, the Corporation had professional expenditures of \$26,561 versus \$9,916 the year earlier, for an increase of \$16,645. The increase is due to the higher legal and accounting expenses related to the Fundamental Change to become a high technology issuer.

For the quarter ended December 31, 2014, the Corporation had an operating loss of \$88,155 versus \$67,578 the year earlier, an increase of \$20,577. Investors can anticipate this amount to decrease as modest revenues are expected to be partially offset by increased development costs and professional fees.

For the quarter ended December 31, 2014, the Corporation did not incur any foreign exchange gain or loss nor for the quarter a year earlier.

For the quarter ended December 31, 2014, the Corporation had no other expenses as compared to \$530,198 a year earlier which related to the reverse acquisition of the Corporation by the ARC shareholders. It is anticipated that there will not be any other expenses unless the Corporation decides to acquire further cryptocurrency related projects or companies.

The net loss for the quarter ended December 31, 2014 was \$88,155 for a loss per share of \$0.001 based on 71,607,239 weighted average shares outstanding for the period versus \$599,859 for a loss

per share of \$0.016 based on 38,412,458 weighted average shares outstanding for the previous period.

During the quarter ended December 31, 2014, the Corporation issued 1,500,000 common shares for \$30,000 in cash and 1,825,000 common shares for services that it received from various consultants as well as from creditors having converted their receivables into common shares with a combined value of \$36,500. During the previous fiscal period, the Corporation issued 7,280,119 common shares for \$190,410 in cash, for exploration assets and services.

The Corporation's had a cash balance at the end as at December 31, 2014 was \$30,667 (2013 - \$108,979), with working capital of \$74,557 (2014 - \$154,325).

## **ITEM 5 - Liquidity**

The current assets of \$148,564 exceed the current liabilities of \$74,007 for a working capital of \$74,557 versus a working capital as at December 31, 2013 of \$154,325.

In addition, as of the date of this disclosure, the Corporation currently has the following warrants issued and outstanding:

Quantity	Type	Exercise Price	Expiry Date
14.584.090	Share Purchase Warrants	\$ 0,10	December 31, 2015
1.500.000	Share Purchase Warrants	\$ 0,10	December 31, 2016

## **ITEM 6- Capital Resources**

The Corporation will show moderate revenues during the next 12 months generating cash from operations to a limited extent.

Furthermore, the Corporation announced a proposed non-brokered private placement financing of units (each, a "Unit") of securities of the Company for aggregate gross proceeds of up to \$300,000 at a price of \$0.05 per Unit with each Unit comprising one common share of the Company and one warrant to acquire one common share of the Company exercisable for a period of two years following the closing of the Offering at an exercise price of \$0.10 per share. The proceeds of the Offering will be used to acquire privately owned companies that are in the business of providing services related to bitcoin applications.

In order to finance the Corporation's future development and expansion, management will be seeking to raise additional funds primarily by way of the issuance of common shares from the treasury or short term debt, which would most likely be from parties related to the new business of the Corporation, which is still not known with certainty. The timing and ability to fulfill these objectives will depend on the liquidity of the financial markets as well as the willingness of investors to finance junior companies and in particular junior companies with no operations or limited history.

Currently, the Corporation does not have any options issued and outstanding.

Management believes that the Corporation will have sufficient cash on hand to meet its current obligations for the following 12 months including capital commitments as discussed herein. However, there is no certainty that it will be successful in raising such funds and therefore the Corporation will be dependent on the management and insiders of the Corporation to advance funds as necessary and assume expenses on behalf of the Corporation.

**ITEM 7 - Off-Balance Sheet Arrangement**

As of the date of this filing, the Corporation does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Corporation including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

**ITEM 8 - Transactions With Related Parties**

Amounts due from and to the related parties, are a result of transactions with entities controlled by shareholders, officers or directors of the Corporation. These amounts are non-interest bearing, unsecured and not subject to specific terms of repayment unless stated.

As at December 31, 2014, the Corporation owed \$1,300 (2013 - \$Nil) resulting from a short term loan from a board member. In addition, the Corporation had a receivable from entities with common directors of \$ 96,157 (2013 – \$152,657). During the year ended December 31, 2014 the Corporation incurred management expense in the amount of \$ 60,000, which were charged against the above stated receivable. Included in accounts payable and accrued liabilities is \$5,660 owing to a board member. During the year ended December 31, 2014, the Corporation settled loans in the amount of \$46,737 (2013 - \$Nil), via the issuance of 2,336,854 common shares at a deemed value of \$0.02 per common share.

These transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**ITEM 9 - Proposed Transactions**

The following transactions are currently under consideration and reviewed by the Canadian Securities Exchange (“CSE”) and will be submitted to the shareholders of the Corporation for approval:

**Acquisition:**

As of March 3 , 2015 the Corporation announced that it has executed an Agreement in Principle (“AiP”) with MezzaCap and its sole shareholder, MobileUp pursuant to which the Corporation will acquire from MobileUp 100% of the issued and outstanding shares of MezzaCap (the “MezzaCap Shares”), a private international investment company concentrating on “block chain” technologies and cryptocurrencies such as bitcoins (the “Transaction”). The Transaction will represent a “fundamental change” pursuant to the policies of the CSE.

Pursuant to the AiP, Streetwear will acquire the MezzaCap Shares in consideration of an issuance to MobileUp of 83,287,265 common shares in the capital of the Corporation (the “Share Consideration”). Upon completion of the Transaction, the Share Consideration held by MobileUp will represent approximately 51% of the issued and outstanding common shares of the Corporation.

In addition, MobileUp can earn up to 83,746,586 common shares in the capital of the Company (the “Bonus Consideration”) if certain performance milestones are met on or before December 31, 2015. If earned in full, and when issued, the Bonus Consideration, when added to the Share Consideration held by MobileUp, will represent 65% of the issued and outstanding common shares of the Corporation. All percentage ownership amounts of MobileUp assume that there are no further common share issuances other than issuances related to the financing and the finder’s fee (the “Finder’s Fee”) described below.



A Finder's Fee of 6% of the issued and outstanding common shares issued to MobileUp will be reserved to be issued to an unrelated financial advisor once the Transaction is completed and the Bonus Consideration fully earned and paid.

**Proposed financing:**

The Corporation further announces a proposed non-brokered private placement financing of units (each, a "Unit") of securities of the Corporation for aggregate gross proceeds of up to \$300,000 at a price of \$0.05 per Unit with each Unit comprising one common share of the Corporation and one warrant to acquire one common share of the Corporation exercisable for a period of two years following the closing of the offering at an exercise price of \$0.10 per share. The proceeds of the offering will be used to acquire privately owned companies that are in the business of providing services related to bitcoin applications.

Additionally, in connection with the completion of the Transaction, Streetwear will change its business focus to invest in "block chain" technologies and cryptocurrency and attempts to expand on MezzaCap's recent success with "bitcoin" related projects and ownership of growth-oriented "bitcoin" payment websites.

The Corporation intends to change its name to "MezzaCap Corporation" upon the completion of the Transaction.

The completion of the Transaction is subject to the approval of the Canadian Securities Exchange and the Corporation's shareholders which the Corporation will pursue at the Annual Shareholder Meeting which will be held as soon as practicable.

**Mining properties:**

Upon closing of the above noted transaction the company plans to exit the mining business and will attempt to sell its exploration and evaluation assets. If the Corporation is unable to sell the claims the carrying value of the claims in the amount of will be written down to nil.

**ITEM 10 - Risk Factors**

Investment in the Corporation must be considered highly speculative due to the fact that the Corporation's does not currently have any operations, and thus should be considered as a new company with limited operating history along with its current formative stage of development, its current financial position and its lack of an earnings record. An investment in any securities of the Corporation should only be considered by those persons who can afford a total loss of their investment. The following is a summary of the risk factors to be considered:

- **Price Volatility of Publicly Traded Securities:** in recent years and especially in the recent months, the securities markets in Canada and the United States have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies.
- **Possible Failure to Realize Anticipated Benefits of Future Acquisitions:** the Corporation is seeking to complete acquisitions. Achieving the benefits of any future acquisitions depends, in part, on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as the Corporation's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with its own and other operations that it acquires subsequently.

- **Operational Risks:** as the Corporation does not currently have any operations it will need to establish proper systems and controls as it completes its acquisitions.
- **Substantial Capital Requirements; Liquidity:** the Corporation may have to make substantial capital expenditures for its acquisition in the future.
- **Issuance of Debt:** from time to time the Corporation may enter into transactions to acquire assets or shares of other corporations. These transactions may be financed partially or wholly through debt, which may increase debt levels above industry standards that it will be operating within.
- **Dilution:** the Corporation's common shares, including incentive stock options, rights, warrants, special warrants, subscription receipts and other securities to purchase, to convert into or to exchange into common shares of the Corporation, may be created, issued, sold and delivered on such terms and conditions and at such times as the board of the Corporation may determine.
- **Net Asset Value:** the Corporation's net asset value will vary dependent upon a number of factors which include but not limited to: number of common shares, value of the assets owned by the Corporation which would be based on the demand and supply of the assets owned by the Corporation.
- **Reliance on Management:** Shareholders of the Corporation will be dependent on the management of the Corporation in respect of the administration and management of all matters relating to the Corporation and its operations.
- **Conflicts of Interest:** Certain of the directors and officers of the Corporation may also be directors and officers of other reporting issuers involved in similar activities, and conflicts of interest may arise between their duties as officers and directors of the Corporation, as the case may be, and as officers and directors of such other companies.
- **No Dividends:** to date, the Corporation has not paid any dividends, and it is not anticipated that the Corporation will pay any dividends in the near future.
- **Changes in Legislation:** it is possible that the Canadian federal and provincial government or regulatory authorities could choose to change the Canadian federal income tax laws, royalty regimes, environmental laws or other laws applicable to Corporation and that any such changes could materially adversely affect the Corporation and the market value of the Corporation securities.
- **Early Stage Development Risks:** the Corporation has no certain history of operations.
- **Future Financing Requirements:** the Corporation may need additional financing to continue in business and there can be no assurance that such financing will be available or, if available, will be on reasonable terms.

The Corporation is mitigating its risks by having identified the acquisition of MezzaCap, an operating business that will facilitate the proposed concurrent financing as well as additional executives and directors to assist the Corporation in its development plans. However, the business of block chain technologies and providing payment services with cryptocurrencies carry their own risks which will be summarized as follows:

- MezzaCap commenced operations in November 2013. Accordingly, the company only has a limited operating history. However, since incorporation, it has grown rapidly and the business model has changed significantly. 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 market.
- MezzaCap has not made profits since its incorporation and it is expected that it will not be profitable for the entire year 2015. 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, the company does not believe that the operating results to date should not be regarded as indicators for Mezzacap's future performance.
- Changes in or more aggressive enforcement of laws and regulations could adversely impact the Corporation's business. Failure or delays in obtaining necessary approvals could have a materially adverse effect on the Corporation's financial condition and results of operations. Furthermore, changes in government, regulations and policies and practices could have an adverse impact on the Corporation's future cash flows, earnings, results of operations and financial condition.
- The Corporation may be unable to enforce its legal rights in certain circumstances. In the event of disputes arising at or in respect of, the Corporation's foreign or domestic operations the Corporation may be subject to the exclusive jurisdiction of foreign or domestic courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada or other jurisdictions. The Corporation may also be hindered or prevented from enforcing its rights with respect to a governmental entity or instrumentality because of the doctrine of sovereign immunity.
- The Corporation has a limited operating history, and there is no assurance that it will be capable of consistently producing positive cash flows.
- The Corporation's prospects depend on its ability to attract and retain key personnel: Recruiting and retaining qualified personnel is critical to the Corporation's success. The number of persons skilled in the development of cryptocurrency projects is limited and competition for such persons is intense. As the Corporation's business activity grows, it will require additional key financial, administrative, marketing and public relations personnel as well as additional staff on the operations side. Although the Corporation believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.
- Difficulties of managing growth: Since commencement of the operations, MezzaCap has experienced rapid growth of revenues and demand for its services and this growth is expected to continue in future years. Growth and expansion of the business places a continuous and significant strain on management, operational and financial resources. The Corporation's ability to continue to grow will depend on a number of factors, including the following:
  - To attract sufficient numbers of qualified management, technical and other personnel;
  - To establish and manage successfully business relationships with strategic partners, suppliers and customers;
  - To maintain a competitive position through the further development and expansion of the Corporation's range of services;

- To penetrate new markets; and
- To finance such growth internally and externally.

It is not assured that the Corporation will be able to manage and control this expected growth effectively.

- **Development of Cryptocurrency:** It is intended to focus the business on the development and servicing of cryptocurrency-based platforms. Cryptocurrency 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. Our future success 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.
- **Dependence on Third Party Relationships:** The Corporation 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 Corporation.
- **Corporate liability for online content; legal uncertainties.** There is a risk that claims may be made against either of these associated companies for defamation, negligence, copyright or trademark infringement, or other matters based on the nature, content, publication and distribution of information materials provided on their websites. These associated companies may also be exposed to claims made with respect to the offering of third party content that may be accessible through their websites. Even to the extent that any such claim does not result in liability to one of our associated companies, it could incur significant costs in investigating and defending against such claim. Any costs or liability arising from such claims which is not covered by insurance could, through the Corporation's equity holdings in these associated companies, also harm the Corporation's core business, results of operations and financial condition. There is also a risk that similar claims could be made directly against the Corporation in its capacity as application service provider to any of the companies for whom they act as such. Any costs or liability arising from such claims which is not covered by insurance could harm our business, results of operations and financial condition. An increasing number of laws, regulations and directives are being passed which relate to the internet and e-commerce. In addition, efforts are being made to introduce rules and regulations governing the use of cryptocurrencies. Some legal uncertainty exists concerning the applicability of current legislation to cryptocurrency. In particular in relation to issues such as trade law, intellectual property rights, consumer protection and the protection of personal privacy, and as to the application of the laws of other countries whose citizens use products offered over the internet by companies based outside their jurisdiction.
- **Dependence on Internet Infrastructure; Risk of System Failures, Security Risks and Rapid Technological Change:** The success as a developer of cryptocurrency-based platforms will depend by and large upon the continued development of a stable public infrastructure, such as a block chain 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 Corporation's services to changing technologies.

- **Intellectual Property Rights:** The only significant intellectual property rights are certain domain names which Mezzacap owns as well as the licenses which has to be in accordance with certain industry standards. The Corporation 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 Corporation is not aware of violating commercial and other proprietary rights of third parties it cannot be assured you that all of its r 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 the Mezzacap's business have arisen to date, any such claims and disputes arising may result in liability for substantial damages which in turn could harm our business, results of operations and financial condition.

#### **ITEM 11 - Critical Accounting Estimates**

The accounting policies used impacts the Corporation's financial statements, and the estimates and assumptions made, by management during their preparation. The Corporation's accounting policies are described within the financial statements. The accounting estimates considered to be significant to the Corporation include the computations of agents' warrants value, charitable stock option and share-based compensation expense and recovery of deferred income tax assets.

#### **ITEM 12 - Changes in Accounting Policies**

The Corporation would like to direct readers to its audited financial statements for the period ending December 31, 2014 which can be found on the regulator's web site at [www.sedar.com](http://www.sedar.com).

#### **ITEM 13 - Financial Instruments and Other Instruments**

The Corporation is not a party to any financial instrument, as the term is defined in National Instrument 51-102F1 paragraph 1.14.

#### **ITEM 14 - Capital Structure**

The Corporation is authorized to issue an unlimited number of common shares, where each common share provides the holder with one vote. As of the date of this Management Discussion and Analysis there were 74,021,098 common shares issued and outstanding as well as the following securities:

Quantity	Type	Exercise Price	Expiry Date
14.584.090	Share Purchase Warrants	\$ 0,10	December 31, 2015
1.500.000	Share Purchase Warrants	\$ 0,10	December 31, 2016

**ITEM 15 - Other MD&A Requirements**

As defined in Multilateral Instrument 52-109 – Certification of Disclosure in Issuers’ Annual and Interim Filings, disclosure controls and procedures require that controls and other procedures be designed to provide reasonable assurance that material information required to be disclosed is duly gathered and reported to senior management in order to permit timely decisions and timely and accurate public disclosure.

The Corporation has evaluated the effectiveness of its disclosure controls and procedures, as defined, and has concluded that they were effective as of the end of the period covered by this report as well as of the date of this report.

The Corporation has evaluated its internal controls and financial reporting procedures and has found them to be effective with the objective of reporting the Corporation’s financial transactions.

Exhibit 3

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**THE STREETWEAR CORPORATION**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

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**THE STREETWEAR CORPORATION**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2015**

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## Management's Responsibility

To the Shareholders of The Streetwear Corporation (the "**Corporation**"):

The accompanying financial statements of the Corporation are the responsibility of management.

These financial statements have been prepared by management in accordance with the accounting policies disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the date of the statement of financial position. In the opinion of management, these financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards ("**IFRS**") appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Corporation, as of the date of and for the periods presented by the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Corporation and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Corporation. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Corporation for issuance to the shareholders.

Management recognizes its responsibility for conducting the Corporation's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

May 27, 2015

/s/ Peter Lukesch

Peter Lukesch  
Director, Chief Executive Officer

**THE STREETWEAR CORPORATION**

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
(All Amounts are in Canadian Dollars)

**As at** **March 31, 2015**    **December 31, 2014**

**ASSETS**

**CURRENT**

Cash	\$ 489	\$ 30,667
Sundry receivables	13,101	19,907
Related party receivable (Note 13)	66,157	96,157
Prepaid expenses and deposits	<u>1,833</u>	<u>1,833</u>
	81,580	148,564
EVALUATION AND EXPLORATION PROPERTIES (Note 5)	82,042	82,042
RESTRICTED CASH (Note 6)	<u>---</u>	<u>---</u>
	<u>\$ 163,622</u>	<u>\$ 230,606</u>

**LIABILITIES**

**CURRENT**

Accounts payable and accrued liabilities		
Notes payables (Note 6 & 7)	\$ 59,901	\$ 72,707
		<u>1,300</u>
	<u>59,901</u>	<u>74,007</u>

**SHAREHOLDERS' EQUITY (DEFICIENCY)**

CAPITAL STOCK (Note 8)		
Issued and Outstanding (2014 & 2013 - 68,984,244)	992,315	992,315
CONTRIBUTED SURPLUS (Note 9)	130,849	130,849
ACCUMULATED DEFICIT	<u>(1,019,443)</u>	<u>(966,565)</u>
	<u>103,721</u>	<u>156,599</u>
	<u>\$ 163,622</u>	<u>\$ 230,606</u>

Nature of Organization (Note 1)  
Commitments (Note 14)  
Contingency (Note 15)

**APPROVED ON BEHALF OF THE BOARD:**

/s/ "Peter Lukesch"  
Peter Lukesch, Director

/s/ "Franz Kozich"  
Franz Kozich, Director

**THE STREETWEAR CORPORATION**

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**(All Amounts are in Canadian Dollars)**

	Number of Common Shares		Amount of Common Shares		Contributed Surplus (Note 9)		Deficit		Shareholders' Equity
Balance, January 1, 2014	68,984,244	\$	896,878	\$	125,549	\$	(786,060)	\$	236,367
Common Shares issued for debt									
Resettlements	3,536,854		70,737						
Common share issuance for cash	1,500,000		24,700		5,300		- - -		30,000
Net loss for the period	- - -		- - -		- - -		(180,505)		(180,505)
Balance, December 31, 2014	74,021,098	\$	992,315	\$	130,849	\$	(966,565)	\$	156,599
Net loss for the period	- - -		- - -		- - -		(52,878)		(52,878)
Balance, March 31, 2015	74,021,098	\$	992,315	\$	130,849	\$	(1,019,443)	\$	103,721

**THE STREETWEAR CORPORATION**

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME**  
(All Amounts are in Canadian Dollars)

For the Period from January 1 to March 31,	2015	2014
REVENUES	\$ ---	\$ ---
EXPENSES		
Administrative (Note 11)	33,562	2,660
Business development expense (Note 12)	0	1,980
Professional fees	<u>19,316</u>	<u>6,500</u>
	<u>52,878</u>	<u>11,140</u>
NET LOSS AND COMPREHENSIVE LOSS	<u>\$ (52,878)</u>	<u>\$ (11,140)</u>
NET INCOME PER COMMON SHARE - Basic and diluted	<u>\$ 0.00</u>	<u>\$ 0.00</u>
WEIGHTED AVERAGE COMMON SHARES - Basic and diluted	<u>74,021,098</u>	<u>68,984,244</u>

**THE STREETWEAR CORPORATION**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(All Amounts are in Canadian Dollars)

For the Period from January 1 to March 31,	2015	2014
Net income (loss) for the year	\$ (52,878)	\$ (11,140)
Change in non-cash working capital items:	30,000	-
Sundry receivables	6,806	( 374)
Prepaid expenses and deposits	-	11,650
Accounts payable and accrued liabilities	<u>(14,106)</u>	<u>987</u>
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(30,178)</u>	<u>(13,357)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Increase) decrease in restricted cash	-	-
Related party	-	-
Issuance (decrease) of notes payables		(28,491)
Issuance of share capital (net of costs)	<u>-</u>	<u>-</u>
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	<u>( - )</u>	<u>(28,491)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in exploration and evaluation assets	<u>                    </u>	<u>                    </u>
CASH FLOWS USED IN INVESTING ACTIVITIES	<u>                    </u>	<u>                    </u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE YEAR	<u>(30,178)</u>	<u>(41,848)</u>
CASH AND CASH EQUIVALENTS		
Beginning of the year	<u>30,667</u>	<u>108,979</u>
End of the year	<u>\$ 489</u>	<u>\$ 67,131</u>
SUPPLEMENTAL INFORMATION		
Interest received	\$ —	\$ —
Interest paid	—	—
Income taxes paid	—	—

**THE STREETWEAR CORPORATION**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2015**  
**(All Amounts are in Canadian Dollars)**

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**1. Nature of Organization**

*Description of the Business*

The Streetwear Corporation (the "Corporation") is incorporated under the laws of the Province of Ontario and is governed by the Business Corporation Act (Ontario). The Corporation's principal offices are located at 133 Richmond Street West, Suite 403, Toronto, Ontario.

The Corporation was created by the amalgamation of The Streetwear Corporation and Conquest Capital Corp. continuing under the name of The Streetwear Corporation. The amalgamation was consummated on January 21, 1999. Effective December 30, 2013, the Corporation completed a transaction with ARC Exploration Inc. ("ARC"), an entity incorporated under the Business Corporations Act (Ontario). This transaction was accounted for as a reverse takeover as the control of the Corporation was acquired by the former shareholders of ARC.

The business of the Corporation is that of an exploration company with mineral evaluation and exploration property in Canada.

These financial statements of the Corporation were authorized for issue in accordance with a resolution of the directors on April 24, 2015.

These condensed interim consolidated financial statements of the Corporation were authorized for issue in accordance with a resolution of the directors on May 28, 2015.

*Basis of Operations and Going Concern*

These condensed interim consolidated financial statements have been prepared in accordance with IFRS applied on a going concern basis, which assumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. As at March 31, 2015 the Corporation had no sources of operating cash flows. The Corporation will therefore require additional funding which, if not raised, would result in the curtailment of activities and project delays. The Corporation had a working capital of \$ 21,679 as at March 31, 2015, and has incurred losses since inception, resulting in an accumulated deficit of \$ 1,019,443 as at March 31, 2015. The Corporation's ability to continue as a going concern is uncertain and is dependent upon its ability to continue to raise adequate financing. There can be no assurances that the Corporation will be successful in this regard, and therefore, there is doubt regarding the Corporation's ability to continue as a going concern, and accordingly, the use of accounting principles applicable to a going concern. These financial statements do not reflect adjustments that would be necessary if the "going concern" assumption were not appropriate. If the "going concern" assumption were not appropriate for these financial statements, then adjustments to the carrying values of the assets and liabilities, the expenses and the balance sheet classifications, which could be material, would be necessary.

As an exploration company, funding to meet its exploration budget as well as working capital is dependent on the Corporation's ability to issue common shares or borrow funds. While the Corporation currently has sufficient funds on hand to meet its current budget for the foreseeable future, there is no certainty that the Corporation will be able to raise sufficient funds beyond this period.

The business of exploration involves a high degree of risk and capital commitment and there can be no assurance that current exploration programs will result in eventual profitable commercial mining operations. The Corporation has no source of revenue, and has significant cash requirements to meet its exploration costs and administrative overhead. Therefore, the Corporation will have to rely on its ability to raise additional funds by way of share issuances from its treasury and short term advances of capital from its directors and officers.

Furthermore, due to the Corporation's recent focus on cryptocurrencies and block chain technology by acquiring Mezzacap GmbH in conjunction with a proposed financing of up to \$500,000 the Corporation has taken significant steps to improve its cash flow situation

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*Statement of Compliance*

These unaudited condensed interim consolidated financial statements have been prepared by management in accordance International Accounting Standards ("IAS") 34 - Interim Financial Reporting under IFRS as issued by the International Accounting Standards Board ("IASB"). Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements have not been reviewed by the Corporation's external auditors.

These unaudited condensed interim consolidated financial statements of the Corporation were authorized for issue in accordance with a resolution of the Board of Directors on May 26, 2015.

These financial statements have been prepared on a historical cost basis except for certain financial assets, which are recorded at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

*Basis of Measurement*

These financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

*Use of Estimates and Judgments*

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the financial statements are disclosed in note 3.

*Functional and presentation currency*

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

*Cash and Cash Equivalents*

Cash and cash equivalents include demand deposits with banks, money market accounts, and other short-term investments with original maturities of 90 days or less.

*Transactional Costs*

The costs incurred relating to transactional costs are expensed as i

*Exploration and Evaluation ("E&E") assets*

The Corporation capitalizes all costs related to investments in E&E assets on a property-by-property basis in accordance with IFRS 6, Exploration for and Evaluation of Mineral Resources. Such costs include mineral property acquisition costs and exploration and development expenditures, net of any recoveries, and are monitored for indications of impairment. Where there are indications of a potential impairment, an assessment is performed for recoverability. Capitalized costs are charged to the statements of operations and comprehensive loss to the extent that they are not expected to be recovered. Exploration expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential. . Costs incurred prior to the Company obtaining legal rights to explore an area are expensed as incurred as required under the provisions of IFRS 6.

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Once an economically-viable reserve has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to construction in progress within property, plant and equipment. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project, net of any impairment provisions, are written off.

From time to time the Corporation may acquire or dispose of an exploration property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as exploration property costs and recoveries when the payments are made or received.

*Environmental Rehabilitation*

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest and can be the result of a legal or constructive obligation. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Corporation has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

*Income Taxes*

Income tax expense comprises current and deferred tax. Income tax is recognized in the statements of operations and comprehensive loss except to the extent it relates to items recognized in other comprehensive income or directly in equity.

*Current Income Tax*

Current tax is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and tax laws that were enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

*Deferred Tax*

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the statement of financial position. Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period, and which are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.



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Deferred tax liabilities:

- are generally recognized for all taxable temporary differences; and
- are recognized for taxable temporary differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax assets:

- are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized; and
- are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise upon initial recognition of goodwill or arise on initial recognition of assets and liabilities acquired other than in a business combination where at the time of transaction effects neither accounting profit or taxable income (tax loss).

*Earnings (Loss) Per Share*

Earnings (loss) per share is calculated by dividing the net loss applicable to common shares by the weighted average number of shares outstanding during the period. Diluted earnings (loss) per share is computed by dividing the net loss applicable to common shares by the diluted weighted average number of shares which assumes that all outstanding stock options granted with an exercise price below the average market value are exercised during the period. The difference between the number of shares assumed and the number of shares assumed purchased is then included in the denominator of the diluted earnings per share computation.

*Non-derivative Financial Instruments*

Non-derivative financial instruments are recognized when the Corporation becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Corporation has substantially transferred all risks and rewards of ownership. Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

Financial assets are classified into the following categories: financial assets 'at fair value through profit or loss' ("FVTPL"), 'held-to-maturity investments', 'available-for-sale' financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

*Fair Value Through Profit or Loss*

A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Derivatives are also included in this category unless they are designated as hedges.

Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in the statement of operations. Gains and losses arising from changes in fair value are presented in the statement of operations within other gains and losses in the period in which they arise.

Financial assets and liabilities at fair value through profit or loss are classified as current except for the portion expected to be realized or paid beyond twelve months of the balance sheet date, which is classified as non-current.

*Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the

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end of the reporting period. These are classified as non-current assets. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method.

*Other Financial Liabilities*

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

*Impairment of financial assets*

Financial assets are assessed at each reporting date in order to determine whether objective evidence exists that the assets are impaired as a result of one or more events which have had a negative effect on the estimated future cash flows of the asset.

If there is objective evidence that a financial asset has become impaired, the amount of the impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows from the asset discounted at its original effective interest rate. Impairment losses are recorded in earnings. If the amount of the impairment loss decreases in a subsequent period and the decrease can be objectively related to an event occurring after the impairment was recognized, the impairment loss is reversed up to the original carrying value of the asset. Any reversal is recognized in earnings.

The following is a summary of significant categories of financial instruments outstanding at March 31, 2015:

Cash and cash equivalents	Fair value through profit and loss
Sundry receivables	Loans and receivables
Accounts payable and accrued liabilities	Other financial liabilities
Notes payables	Other financial liabilities

Carrying value and fair value of financial assets and liabilities are summarized as follows:

Classification	Carrying Value	Fair value
Fair value through profit and loss	\$ 489	\$ 489
Loans and receivables	79,258	79,258
Other financial liabilities	59,901	59,901

*Fair Value Hierarchy*

The Corporation classifies financial instruments recognized at fair value in accordance with a fair value hierarchy that prioritizes the inputs to valuation technique used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

As of March 31, 2015 and December 31, 2014 cash and cash equivalents are measured at fair value and are classified within Level 1 of the fair value hierarchy.

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*Impairment of non-financial assets*

The Corporation's assets are reviewed for indications of impairment at each statement of financial position's date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash generating units and then to reduce the carrying amount of the other assets the unit on a pro-rata basis.

*Share-based Payments*

Stock options issued by the Corporation are accounted for in accordance with the fair value based method. The fair value of options issued to directors, officers, employees of and consultants to the Corporation is charged to earnings over the vesting period of each tranche (graded vesting) with the offsetting amount recorded to contributed surplus. The historical forfeiture rate is also factored in to the calculations. When options are exercised, the amount received together with the amount previously recorded in contributed surplus, are added to capital stock. The fair value of warrants issued to agents in conjunction with a public offering is charged to share issue costs with an offsetting amount recorded to contributed surplus. Fair value is measured using the Black-Scholes option pricing model.

*Equity Instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Corporation are recorded at the proceeds received, net of direct issue costs.

*Warrants*

The Corporation measures the fair value of warrants issued using the Black-Scholes option pricing model. The fair value of each warrant is estimated based on their respective issuance dates taking into account volatility, expected life, the dividend rate, and the risk free interest rate. The fair value of warrants issued in conjunction with an offering is charged to share issue costs with an offsetting amount recorded to contributed surplus. The fair value of warrants exercised is recorded as share capital, and the fair value of any expired warrants is recorded as contributed surplus general account.

*Recent Accounting Pronouncements*

Unless otherwise noted, the following new and revised standards and amendments are effective for the annual periods beginning on or after January 1, 2015. Management is evaluating the impact the adoption of these standards and amendments will have on the financial position of the Corporation.

IFRS 9, Financial Instruments is effective for annual periods beginning after January 1, 2018. The standard is the first part of a multi-phase project to replace IAS 39, Financial Instruments: Recognition and Measurement. The Company is currently assessing the impact, if any, adoption of this standard will have on the financial statements.

### **3. Summary of Accounting Estimates and Assumptions**

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

*Fair Value of Financial Instruments*

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

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*Share-Based Payment Transactions*

The Corporation measures the cost of share-based payment transactions with employees by reference to the fair value of the equity instruments. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield and forfeiture rate of the share option. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 10.

*Income Taxes*

Provisions for income taxes are made using the best estimate of the amount that is expected to be paid based on a qualitative assessment of all relevant factors. The Corporation reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determinations are made.

**4. Reverse Take-Over of the Corporation**

As a result of the acquisition of ARC by the Corporation effective as of December 30, 2013, the former shareholders of ARC own 61.57% of the outstanding shares of the Corporation. In accordance with IFRS 3, the substance of this transaction is a reverse take-over of a non-operating company. This transaction does not constitute a business combination, as The Streetwear Corporation, prior to the reverse take-over, did not meet the definition of a business.

Accordingly, the take-over of The Streetwear Corporation is accounted for under IFRS 2 at the fair value of the equity instruments of the Company granted to the shareholders of ARC. The difference between the net assets acquired and the fair value of the consideration granted has been classified as a share listing and transaction cost expense on the consolidated statement of income (loss) and comprehensive income (loss).

The fair value of the consideration is determined based on the percentage of ownership of The Streetwear Corporation have in the combined entity after the reverse take-over. This represents the fair value of the shares the ARC would have issued for the ratio of ownership interest in the combined entity to be the same, if the transaction had taken the legal form of ARC acquiring 100% of the shares of the Corporation.

Based on the statements of financial position of The Streetwear Corporation at the time of the reverse take-over, the net assets at estimated fair value that were acquired by ARC were \$Nil and the resulting share listing and transaction cost expense charged to the consolidated statement of income (loss) and comprehensive income (loss) is as follows:

Consideration	
Deemed issue of ARC shares	\$ 530,198
Identifiable assets acquired	\$ Nil
Deemed share listing expense	\$ 530,198

**5. Evaluation and Exploration Assets**

On October 1, 2011, the Corporation entered into an Earn-in Option Agreement with Richmond Minerals Inc. ("Richmond" or the "Vendor") for the Lac Colombet Property (the "Property"). The Agreement will permit the Corporation to earn a 100% interest in the Property as described, upon the payment of \$10,000 and the issuance of 1,000,000 common shares of the Corporation to the Vendors, as well as the expenditure of a minimum of \$250,000 in exploration costs prior to the second anniversary of the closing.

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On January 15, 2013, a new agreement that would supersede the previous one was entered in to by Richmond and the Corporation that required total payments to be \$15,000, inclusive of the \$10,000 previously paid, and the issuance of 2,000,000 common shares of the Corporation at a deemed value of \$0.02 per common share. The Corporation paid the additional \$5,000 in March 2013 and issued the common shares in October 2013. No change took place in 2014 and in the first quarter of 2015.

	Lac Colombet Property
Cash payments	\$ 15,000
Issuance of common shares	40,000
Acquisition costs	27,042
	<u>\$ 82,042</u>

#### **7. Notes Payable**

The notes payable are comprised of the cash advanced by third parties that are due on demand and as non-interest bearing loans.

As at March 31, 2015, there were nil (December 31, 2014 - \$1,300) in notes payable.

#### **8. Capital Stock**

The Corporation is authorized to issue an unlimited number of common shares.

On September 22, 2014, the Corporation listed its common shares on the Canadian Stock Exchange ("CSE"), and in accordance with CSE policies the common shares held by insiders were placed in escrow, being 19,485,617 common shares. As of March 31, 2015, 11,691,372 common shares remained in escrow and will be released as follows:

Date	Quantity
September 22, 2015	2,922,843
March 13, 2016	2,922,843
September 22, 2016	2,922,843
March 13, 2016	2,912,843

In November 2014 the Corporation issued 3,536,854 common shares at a deemed value of \$ 0.02 per common share or \$70,737 in total, to settle debt with arms-length individuals.

In December 2014, the Corporation closed a non-brokered private placement of \$30,000 by issuing 1,500,000 units at a value of \$0.02 per unit. Each unit consisted of one common share and one share purchase warrant to purchase a further common share at a price of \$0.10 per share expiring on December 31, 2016.

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**9. Contributed Surplus**

The Corporation's contributed surplus consists of the following:

	General	Stock Option	Warrants	Total
Balance, December 31, 2014 and March 31, 2015	\$ ---	\$ ---	\$ 130,849	\$ 130,849

**10. Warrants**

The fair value of the warrants issued was based on the Black Scholes option-pricing model. The following assumptions were used to value them:

Fiscal 2013

Number of warrants	7,897,509
Exercise price	\$ 0.10
Average Expected life	2.60 years
Weighted average risk-free interest rate	1.72%
Weighted average expected volatility	100%
Dividend yield	0.0%
Forfeiture rate	0.0%
Average Fair value	\$ 0.007

Fiscal 2014

Number of warrants	1,500,000
Exercise price	\$ 0.10
Average Expected life	2.00 years
Weighted average risk-free interest rate	1.72%
Weighted average expected volatility	100%
Dividend yield	0.0%
Forfeiture rate	0.0%
Average Fair value	\$ 0.004

The warrants activity is summarized below:

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	Number	Weighted Average Exercise Price
Balance, January 1, 2013	6,686,581	\$ 0.10
Issued	7,897,509	0.10
Exercised	-	N/A
Expired	-	N/A
Forfeited	-	N/A
Balance December 31, 2014 and 2015	16,084,090	\$ 0.10

#### 11. General and Administrative Expenses

	2015	2014
Bank charges	\$ 153	\$ 100
General	409	-
Management fees	30,000	-
Regulatory and filing fees	-	2,560
	<u>\$ 33,562</u>	<u>\$ 2,660</u>

#### 12. Business Development Expenses

	2015	2014
Shareholder communications	\$ -	\$ -
Meals & entertainment		880
Travel		1,100
	<u>\$ 0</u>	<u>\$ 1,980</u>

#### 13. Related Party Transactions

Amounts due from and to the related parties, are a result of transactions with entities controlled by shareholders, officers or directors of the Corporation. These amounts are non-interest bearing, unsecured and not subject to specific terms of repayment unless stated.

As at March 31, 2015, the Corporation owed \$Nil (2014 - \$1,300), The short term loan from a board member amount to \$1,300. In addition, the Corporation had a receivable from entities with common directors of \$ 66,157 (2014 – \$96,157). During the quarter ended March 31, 2014 the Corporation incurred management expense in the amount of \$ 30,000 (2014: \$60,000), which were charged against the above stated amounts receivables. Included in accounts payable and accrued liabilities is \$5,660 owing to Peter Lukesch, the President and CEO of the Company.

These transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

#### 14. Commitment

The Corporation has not entered in to any contract that requires a minimum payment.

#### 15. Contingencies

From time to time, the Corporation may be exposed to claims and legal actions in the normal course of business, some of which may be initiated by the Corporation. As of March 31, 2015, no material claims were outstanding.

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## **16. Financial Instruments and Risk Management**

### **Risk Management**

In the normal course of business, the Corporation is exposed to financial risk that arises from its indebtedness, including fluctuations in interest rates and in the credit quality of its customers. Management's involvement in operations helps identify risks and variations from expectations.

The Corporation does not manage risk through the use of hedging transactions. As a part of the overall operation of the Corporation, management takes steps to avoid undue concentrations of risk. The Corporation manages the risks, as follows:

The Corporation manages its common shares, stock options and warrants as capital. The Corporation's objectives when managing capital is to safeguard the Corporation's ability to continue and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Corporation may prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions

### **Liquidity Risk**

Liquidity risk is the risk that the Corporation cannot meet its financial obligations associated with financial liabilities in full. The primary source of liquidity is net operating income, which is used to finance working capital and capital expenditure requirements, and to meet the Corporation's financial obligations associated with financial liabilities.

Additional sources of liquidity are debt and equity financing, which is used to fund additional operating and other expenses and retire debt obligations at their maturity.

### **Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk.

Obtaining long-term debt with fixed interest rates minimizes interest rate cash flow risk.

The Corporation does not trade in financial instruments and is not exposed to and significant interest rate price risk.

### **Market Risk**

Market risk is the risk that changes in market price, such as foreign exchange rates, commodity prices, and interest rates will affect the Corporation's net income or the value of financial instruments. These risks are generally outside the control of the Corporation. The objectives of the Corporation are to mitigate market risk exposure within acceptable limits, while maximizing returns.

### **Credit Risk**

Credit risk related to accounts receivable arises from the possibility that debtors may be unable to fulfill their commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any



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impairment losses. The Corporation mitigates this risk by regularly monitoring the financial health and aging of any amounts due from its debtors. As of the date of these financial statements the Corporation's only debtors are the government of Canada for the harmonized goods and services ("HST") receivable and therefore the Corporation does not believe it is currently exposed to any significant credit risk and related party balances.

#### **Commodity Risk**

The nature of the Corporation's operations results in exposure to fluctuations in commodity prices. As at March 31, 2015 and 2014, the Corporation did not have any significant exposure to derivative financial instrument agreements or fixed physical contracts. The Corporation is particularly exposed to the risk of movements in the price of base metals. Declining market prices for base metals could have a material effect on the Corporation's future profitability and ability to raise capital if and when required, and the Corporation's current policy is not to materially hedge its exposure to base metals in order to provide a more direct exposure for shareholders.

#### **Currency Risk**

Currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. At March 31, 2015 and 2014, the Corporation did not have any foreign denominated currencies.

#### **Other Price Risk**

Other price risk is the risk that changes in market prices, including commodity or equity prices, will have an effect on future cash flows associated with financial instruments. The cash flows associated with financial instruments of the Corporation are not exposed to other price risk.

#### **Fair Values**

Financial instruments include cash, sundry receivable, and accounts payable and accruals. The carrying values of these financial instruments approximate fair value due to the short term nature of financial instruments.

### **17. Capital Management and Liquidity**

The Corporation manages its cash, common shares, stock options and warrants as capital. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Corporation prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing exploration efforts, the Corporation does not pay out dividends. The Corporation's investment policy, in general, is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 365 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. The nature of the industry in which the Corporation operates is very capital intensive. As a result, the Corporation prepares annual capital expenditure budgets and utilizes authorizations for expenditures for projects to manage capital expenditures.

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The Corporation's strategy is to satisfy its liquidity needs using cash on hand, cash flows generated from operating activities and through its revolving advances facility. Revenue, available cash balances, draws on the revolving advances credit facility and financing of indebtedness are the Corporation's principal sources of capital used to pay operating expenses and recurring capital and leasing costs in its business.

The principal liquidity needs for periods beyond the next twelve months are for non-recurring capital expenditures, development costs and potential mining expansion. The Corporation's strategy is to meet these needs with one or more of the following:

cash flows from operations;  
common share and warrants offering;  
proceeds from sales of assets; and  
revolving advances facility.

The following table presents the contractual maturities of the Corporation's financial liabilities as at March 31, 2015:

		Payments by Periods				
	Total	< 1 Year	1 - 3 Years	4 - 5 Years	After 5 Years	
Accounts payable and accrued liabilities	\$ 59,901	\$ 59,901	\$ ---	\$ ---	\$ ---	
Notes payable	--	--	---	---	---	

## 18. Financial Instruments

The Corporation's operations expose the Corporation to market risk, credit risk, and liquidity risk. The Corporation manages its exposure to these risks by operating in a manner that minimizes these risks. Senior management employs risk management strategies and policies to ensure that any exposure to risk is in compliance with the Corporation's business objectives and risk tolerance levels. The Board of Directors has overall responsibility for the establishment and oversight of the Corporation's risk management framework. The Board has established policies in setting risk limits and controls and monitors these risks in relation to market conditions.

### Fair Value of Non-Derivative Financial Instruments

Fair value is the amount that willing parties would accept to exchange a financial instrument based on the current market for instruments with the same risk, principal and remaining maturity. The fair value of interest bearing financial assets and liabilities is determined by discounting the contractual principal and interest payments at estimated current market interest rates for the instrument. Current market rates are determined by reference to current benchmark rates for a similar term and current credit spreads for debt with similar terms and risk. The carrying value and fair value of financial instruments being of equal value are as follows:

:

**THE STREETWEAR CORPORATION**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2015**  
**(All Amounts are in Canadian Dollars)**

Cash and cash equivalents	\$ 489	\$ 30,667
Sundry receivable	13,101	1,980
Related party receivables	66,157	96,157
Financial liabilities		
Accounts payable and accrued liabilities	59,901	72,707
Notes payable	--	1,300

### Fair Value Hierarchy

The Corporation values instruments carried at fair value using quoted market prices, where available. Quoted market prices represent a Level 1 valuation. When quoted market prices are not available, the Corporation maximizes the use of observable inputs within valuation models. When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3.

The following table outlines financial assets and liabilities measured at fair value in the consolidated financial statements and the level of the inputs used to determine those fair values in the context of the hierarchy as defined above:

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 489	\$ -	\$ -	\$ 489
Sundry receivables	-	13,101	-	13,101
Related party receivable	-	66,157	-	66,157
<b>Total Assets</b>	<b>\$ 489</b>	<b>\$ 79,258</b>	<b>\$ -</b>	<b>\$ 81,580</b>

	Level 1	Level 2	Level 3	Total
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 59,901	\$ -	\$ -	\$ 59,901
Notes payable	-	-	-	-
<b>Total liabilities</b>	<b>\$ 59,901</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 59,901</b>

Level 3 fair values are based on a number of valuation techniques other than observable market data. There are no level 3 values currently recorded on the balance sheet of the Corporation.

## Exhibit 4

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THE STREETWEAR CORPORATION.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE PERIOD ENDED MARCH 31, 2015

DATED MAY 26, 2015

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### Disclosure Regarding Forward-Looking Statements

This Management Discussion and Analysis contains forward-looking statements that include risks and uncertainties that are disclosed under the section Risk Factors. Other factors that could affect actual results are uncertainties pertaining to government regulations, both domestic as well as foreign, and the changes within the capital markets. Other risks may be disclosed from time to time in The Streetwear Corporation's public disclosures.

The Streetwear Corporation  
Management Discussion and Analysis  
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Unless otherwise indicated, all reference to “dollar” or the use of the symbol “\$” are to the Canadian dollar and all references to “US dollars” or “US\$” are to the United States dollar in this Management Analysis and Discussion.

The preparation of the interim financial statements are in conformity with Canadian Generally Accepted Accounting Principles (“CGAAP”) that have been revised to incorporate International Financial Reporting Standards (“IFRS”) and requires management to make assumptions that affect the reported amounts of assets, liabilities and expenses in addition to the disclosure of contingent liabilities at the date of the interim financial statements and reporting amounts. The Streetwear Corporation (the “Corporation”) bases its estimates on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ and will most likely differ from those estimates.

## **ITEM 1 - Overview**

The Streetwear Corporation (“Corporation”) was incorporated under the laws of the Province of Ontario and is governed by the Business Corporation Act (Ontario).

The Corporation was created by the amalgamation of The Streetwear Corporation and Conquest Capital Corp. continuing under the name of The Streetwear Corporation. The amalgamation was consummated on January 21, 1999.

The Corporation’s common shares traded on the Canadian Dealer Network (“CDNX”) until 1999, when the CDNX closed its operations.

The Corporation had significant losses in both fiscal 2004 and throughout fiscal 2005 due to the drastic rise of the Canadian dollar versus the United States dollar. Due to these losses, during the 2005 fiscal year the Corporation was placed in a difficult situation of either closing its operations or divesting itself of it. Fortunately, the Corporation was able to divest itself of its operation in December 2004, as it was unable to raise funds to finance the losses. Upon this disposition, the Corporation no longer had any operations.

Following the closure of the CDNX, the Corporation continued to meet its continued financial reporting obligations until the disposition of its operations.

In June 2005, the Ontario Securities Commission (“OSC”) issued a Cease Trade Order (“CTO”) for not filing of its audited financial statements for the period ending January 31, 2005 and associated documents.

Mr. Friedrich Pindt joined the board of directors on February 28, 2012.

On November 19, 2012, the OSC issued its revocation of the CTO.

On October 30, 2013, there was a change in the management of the Corporation, Mr. Peter Lukesch, Mr. Warren Hawkins and Mr. Andrew McQuire joined the board of directors with Mr. Lukesch being appointed as the Chief Executive Officer and Secretary and Mr. McQuire appointed Chief Financial Officer, as Mr. Saul Rajsky as an officer and a director and Mr. Martin Selvin resigned as director.

On December 30, 2013, the Corporation acquired ARC Exploration Inc. (“ARC”). The acquisition of ARC by the Corporation was treated as a Reverse Acquisition in accordance with IFRS 2 and 3.

ARC is an exploration company with a 100% interest in the Lac Colombet Property located in Quebec.

In September 2014 the Corporation received the approval to commence trading on the Canadian Securities Exchange (“CSE”) under the symbol ARP.

On October 20, 2014, Mr. Franz Kozich joined the board of directors as Mr. Friedrich Pindt resigned as director. Mr. Kozich was appointed Secretary on October 24, 2014.

## **ITEM 2 - Selected Annual Information**

The following is selected annual information for the preceding three fiscal years:

	December 2014	December 2013	January 2013
Revenues	\$ Nil	\$ Nil	\$ Nil
Operating income	(180,505)	(107,534)	(79,062)
Net income	(180,505)	(637,732)	(81,018)
Total assets	230,606	359,204	143,128
Total liabilities	74,007	122,837	151,422
Shareholders' equity	156,599	236,679	(8,293)
Loss per share	0.00	0.02	0.00
Dividends per share	0.00	0.00	0.00

For further audited financial information, please refer to the Corporation's audited financial statements that have been filed on SEDAR.

## **ITEM 3 - Results of Operations**

### For the period ended December 31, 2014 versus December 31, 2013

During the year ended December 31, 2014, the Corporation kept pursuing business development activities as it sought to further identify opportunities to increase shareholder value. In November 2014 the Corporation initiated discussions with MobileUp GmbH (“MobileUp”) and its sole shareholder, Alfred Dobias, to acquire all or a portion of the shares of MobileUp's wholly owned subsidiary, MezzaCap GmbH (“MezzaCap GmbH”). MezzaCap is in the business of providing payment services through block chain technologies and cryptocurrencies. The negotiations with MobileUp and Mr. Dobias lead into the Agreement in Principle, announced March 3, 2015 as described under ITEM 9 – Proposed Transactions.

During the year ended December 31, 2013, the Corporation completed a significant transaction between The Streetwear Corporation (the legal parent) and ARC Exploration Inc. (“ARC”) (the legal subsidiary). This transaction was accounted for as a reverse takeover as the former shareholders of ARC acquired the control of the legal parent. Therefore, these consolidated financial statements include the accounts of the Corporation and its subsidiary, ARC. Although legally, the Corporation is regarded as the parent or continuing company, ARC, whose shareholders now hold more than 50% of the voting shares of the Corporation at the time of the transaction, is treated as the acquirer under International Financial Reporting Standards (“IFRS”). Consequently, the Corporation is deemed a continuation of ARC and control of the assets and business of the Corporation is deemed to have been acquired in consideration for the issuance of the shares. However, due to the Corporation's new focus on block chain technology and cryptocurrencies it is intended to divest itself from ARC and its exploration property, Lac Colombet.

With the Fundamental Change from minerals exploration to high technology it is anticipated that the Corporation will generate modest revenues during 2015 with expectations to increase revenues significantly in subsequent years in a fast growing market segment.

For the year ended December 31, 2014, the Corporation had administrative expenditures of \$100,012 versus \$66,534 the year earlier, for an increase of \$33,478 or 50.3%. The increase is mainly attributable to an increase of \$24,450 in consulting fees, as none was being charged to the Corporation prior to fiscal 2014, as well as an increase of \$6,261 in regulatory fees.

For the year ended December 31, 2014, the Corporation had business development expenditures of \$7,132 versus \$6,945 the year earlier, for an increase of \$187 or 2.7%. Management anticipates investing further in business development activities as it seeks to further identify opportunities to build shareholder value.

For the year ended December 31, 2014, the Corporation had professional expenditures of \$73,361 versus \$34,055 the year earlier, for an increase of \$39,306 or 115.4%. The increase is due to significantly higher legal and accounting expenses related to the Fundamental Change to become a high technology issuer.

For the period ended December 31, 2014, the Corporation had an operating loss of \$180,505 versus \$107,534 the year earlier, an increase of \$72,971 or 67.9%. Investors can anticipate this amount to stay about the same or increase slightly as the Corporation intends to generate modest revenues during 2015 which will partially offset increased business development costs and professional fees.

For the period ended December 31, 2014, the Corporation had no foreign exchange activity, unchanged from the prior year. However, management anticipates foreign exchange fluctuations as MezzaCap's revenues and costs are strictly in Euros.

For the period ended December 31, 2014, the Corporation had no other expenses as compared to \$530,198 in 2013 which related to the reverse acquisition of the Corporation by the ARC shareholders. It is anticipated that there will not be any other expenses unless the Corporation decides to acquire further cryptocurrency related projects or companies.

The net loss for the period ended December 31, 2014 was \$180,505 for a loss per share of \$0.003 based on 70,194,114 weighted average shares outstanding for the period versus \$637,732 for a loss per share of \$0.020 based on 32,250,828 weighted average shares outstanding for the previous period.

During the period ended December 31, 2014, the Corporation issued 1,500,000 common shares for \$30,000 in cash and 3,536,854 common shares for services that it received from various consultants as well as from creditors having converted their receivables into common shares with a combined value of \$70,737. During the previous fiscal period, the Corporation issued 44,134,893 common shares for \$842,169 in cash, for exploration assets, services as well as for the acquisition of ARC Exploration.

The Corporation's had a cash balance at the end as at December 31, 2014 was \$30,667 (2013 - \$108,979), with working capital of \$74,557 (2014 - \$154,325).



**ITEM 4 - Summary of Quarterly Results**

The following table sets forth the Corporation's revenue, net loss and loss per common share for each quarter ended on the date indicated.

	Revenues	Net loss	Loss/share: basic and diluted
March 31, 2014	---	\$52,878	
December 31, 2014	---	88,155	\$0.00
September 30, 2014	---	42,379	0.00
June 30, 2014	---	38,831	0.00
March 31, 2014	---	11,140	0.00
December 31, 2013	---	599,859	0.02
September 30, 2013	---	23,076	0.00
June 30, 2013	---	5,520	0.00

**For the Three Months Ended March 31, 2015 versus March 31, 2014**

Due to the focus on high technology and providing of payment service through cryptocurrencies the Corporation is expecting modest revenues in the near term.

For the quarter ended March 31, 2015, the Corporation had administrative expenditures of \$33,562 versus \$2,660 the year earlier, for an increase of \$30,902 due to the implementation of a management fee to two of the Corporation's directors which has been applied to offset receivables from an entity the two directors were associated with.

For the quarter ended March 31, 2015, the Corporation had business development expenditures of Nil versus \$1,980 the year earlier, for a decrease of \$1,980 as there were no shareholder relation activities whatsoever during the reporting period.

For the quarter ended March 31, 2015, the Corporation had professional expenditures of \$19,316 versus \$6,500 the year earlier, for an increase of \$12,816. The increase is due to higher legal and accounting expenses related to the Fundamental Change to become a high technology issuer.

For the quarter ended March 31, 2015, the Corporation had an operating loss of \$52,878 versus \$11,140 the year earlier, an increase of \$41,738. Investors can anticipate this amount to decrease as modest revenues are expected to be partially offset by increased development costs and professional fees.

For the quarter ended March 31, 2015, the Corporation did not incur any foreign exchange gain or loss nor for the quarter a year earlier.

For the quarter ended March 31, 2015 as well as for the same period last year, the Corporation had no other expenses.

The net loss for the quarter ended March 31, 2015 was \$52,878 for a loss per share of \$0.001 based on

74,021,098 weighted average shares outstanding for the period versus \$11,140 for a loss per share of \$0.016 based on 68,984,244 weighted average shares outstanding for the previous period.

During the quarters ended March 31, 2015 and 2014 the Corporation did not raise any funds.

The Corporation's had a cash balance at the end as at March 31, 2015 was \$489 (2014 - \$67,131), with a working capital of \$21,679 (2014 – \$143,185).

#### **ITEM 5 - Liquidity**

The current assets of \$81,580 exceed the current liabilities of \$59,901 for a working capital of \$21,679 versus a working capital as at December 31, 2014 of \$74,557.

In addition, as of the date of this disclosure, the Corporation currently has the following warrants issued and outstanding:

Quantity	Type	Exercise Price	Expiry Date
14.584.090	Share Purchase Warrants	\$ 0,10	December 31, 2015
1.500.000	Share Purchase Warrants	\$ 0,10	December 31, 2016

#### **ITEM 6- Capital Resources**

The Corporation will show moderate revenues during the next 12 months generating cash from operations to a limited extent.

Furthermore, the Corporation announced a proposed non-brokered private placement financing of units (each, a "Unit") of securities of the Company for aggregate gross proceeds of up to \$500,000 (see ITEM 9 below). The proceeds of the Offering will be used to acquire privately owned companies that are in the business of providing services related to bitcoin applications.

In order to finance the Corporation's future development and expansion, management will be seeking to raise additional funds primarily by way of the issuance of common shares from the treasury or short term debt, which would most likely be from parties related to the new business of the Corporation, which is still not known with certainty. The timing and ability to fulfill these objectives will depend on the liquidity of the financial markets as well as the willingness of investors to finance junior companies and in particular junior companies with no operations or limited history.

Currently, the Corporation does not have any options issued and outstanding.

Management believes that the Corporation will have sufficient cash on hand to meet its current obligations for the following 12 months including capital commitments as discussed herein. However, there is no certainty that it will be successful in raising such funds and therefore the Corporation will be dependent on the management and insiders of the Corporation to advance funds as necessary and assume expenses on behalf of the Corporation.

**ITEM 7 - Off-Balance Sheet Arrangement**

As of the date of this filing, the Corporation does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Corporation including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

**ITEM 8 - Transactions With Related Parties**

Amounts due from and to the related parties, are a result of transactions with entities controlled by shareholders, officers or directors of the Corporation. These amounts are non-interest bearing, unsecured and not subject to specific terms of repayment unless stated.

As at March 31, 2015, the Corporation had receivables from entities with common directors of \$66,157 (2013 – \$152,657). During the period ended March 31, 2014 the Corporation incurred management expense in the amount of \$30,000, which were charged against the above stated receivables. Included in accounts payable and accrued liabilities is \$5,660 owing to a board member.

These transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**ITEM 9 - Proposed Transactions**

The following transactions are currently under consideration and reviewed by the Canadian Securities Exchange (“CSE”) and will be submitted to the shareholders of the Corporation for approval:

**Acquisition:**

As of March 3, 2015 the Corporation announced that it has executed an Agreement in Principle (“AiP”) with MezzaCap and its sole shareholder, MobileUp pursuant to which the Corporation will acquire from MobileUp 100% of the issued and outstanding shares of MezzaCap (the “MezzaCap Shares”), a private international investment company concentrating on “block chain” technologies and cryptocurrencies such as bitcoins (the “Transaction”). The Transaction will represent a “fundamental change” pursuant to the policies of the CSE. On May 15, 2015 the AiP was amended to change some of the terms and conditions

Pursuant to the amended AiP, Streetwear will acquire the MezzaCap Shares in consideration of an issuance to MobileUp of 83,287,265 common shares in the capital of the Corporation after completing a one for three share consolidation. Upon completion of the Transaction, the Share Consideration held by MobileUp will represent approximately 68% of the issued and outstanding common shares of the Corporation.

A Finder’s Fee of 6% of the issued and outstanding common shares issued to MobileUp will be reserved to be issued to an unrelated financial advisor once the Transaction is completed.

**Proposed financing:**

The Corporation further announces a proposed non-brokered private placement financing of units (each, a “Unit”) of securities of the Corporation for aggregate gross proceeds of up to \$500,000 at a price of \$0.05 per Unit, after consolidation of the issued and outstanding shares, with each Unit comprising one common share of the Corporation and one warrant to acquire one common share of the Corporation exercisable for a period of two years following the closing of the offering at an exercise price of \$0.10

per share. The proceeds of the offering will be used to acquire privately owned companies that are in the business of providing services related to bitcoin applications.

Additionally, in connection with the completion of the Transaction, Streetwear will change its business focus to invest in “block chain” technologies and cryptocurrency and attempts to expand on MezzaCap’s recent success with “bitcoin” related projects and ownership of growth-oriented “bitcoin” payment websites.

The Corporation intends to change its name to “MezzaCap Corporation” upon the completion of the Transaction.

The completion of the Transaction is subject to the approval of the Canadian Securities Exchange and the Corporation’s shareholders which the Corporation will pursue at the Annual Shareholder Meeting which will be held as soon as practicable.

### **Mining properties:**

Upon closing of the above noted transaction the company plans to exit the mining business and will attempt to sell its exploration and evaluation assets. If the Corporation is unable to sell the claims the carrying value of the claims in the amount of will be written down to nil.

## **ITEM 10 - Risk Factors**

Investment in the Corporation must be considered highly speculative due to the fact that the Corporation's does not currently have any operations, and thus should be considered as a new company with limited operating history along with its current formative stage of development, its current financial position and its lack of an earnings record. An investment in any securities of the Corporation should only be considered by those persons who can afford a total loss of their investment. The following is a summary of the risk factors to be considered:

- **Price Volatility of Publicly Traded Securities:** in recent years and especially in the recent months, the securities markets in Canada and the United States have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies.
- **Possible Failure to Realize Anticipated Benefits of Future Acquisitions:** the Corporation is seeking to complete acquisitions. Achieving the benefits of any future acquisitions depends, in part, on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as the Corporation’s ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with its own and other operations that it acquires subsequently.
- **Operational Risks:** as the Corporation does not currently have any operations it will need to established proper systems and controls as it completes its acquisitions.
- **Substantial Capital Requirements; Liquidity:** the Corporation may have to make substantial capital expenditures for its acquisition in the future.
- **Issuance of Debt:** from time to time the Corporation may enter into transactions to acquire assets or shares of other corporations. These transactions may be financed partially or wholly through debt, which may increase debt levels above industry standards that it will be operating within.

- **Dilution:** the Corporation's common shares, including incentive stock options, rights, warrants, special warrants, subscription receipts and other securities to purchase, to convert into or to exchange into common shares of the Corporation, may be created, issued, sold and delivered on such terms and conditions and at such times as the board of the Corporation may determine.
- **Net Asset Value:** the Corporation's net asset value will vary dependent upon a number of factors which include but not limited to: number of common shares, value of the assets owned by the Corporation which would be based on the demand and supply of the assets owned by the Corporation.
- **Reliance on Management:** Shareholders of the Corporation will be dependent on the management of the Corporation in respect of the administration and management of all matters relating to the Corporation and its operations.
- **Conflicts of Interest:** Certain of the directors and officers of the Corporation may also be directors and officers of other reporting issuers involved in similar activities, and conflicts of interest may arise between their duties as officers and directors of the Corporation, as the case may be, and as officers and directors of such other companies.
- **No Dividends:** to date, the Corporation has not paid any dividends, and it is not anticipated that the Corporation will pay any dividends in the near future.
- **Changes in Legislation:** it is possible that the Canadian federal and provincial government or regulatory authorities could choose to change the Canadian federal income tax laws, royalty regimes, environmental laws or other laws applicable to Corporation and that any such changes could materially adversely affect the Corporation and the market value of the Corporation securities.
- **Early Stage Development Risks:** the Corporation has no certain history of operations.
- **Future Financing Requirements:** the Corporation may need additional financing to continue in business and there can be no assurance that such financing will be available or, if available, will be on reasonable terms.

The Corporation is mitigating its risks by having identified the acquisition of MezzaCap, an operating business that will facilitate the proposed concurrent financing as well as additional executives and directors to assist the Corporation in its development plans. However, the business of block chain technologies and providing payment services with cryptocurrencies carry their own risks which will be summarized as follows:

- MezzaCap commenced operations in November 2013. Accordingly, the company only has a limited operating history. However, since incorporation, it has grown rapidly and the business model has changed significantly. 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 market.
- MezzaCap has not made profits since its incorporation and it is expected that it will not be profitable for the entire year 2015. 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, the company does not believe that the operating results to date should not be regarded as indicators for Mezzacap's future performance.

- Changes in or more aggressive enforcement of laws and regulations could adversely impact the Corporation's business. Failure or delays in obtaining necessary approvals could have a materially adverse effect on the Corporation's financial condition and results of operations. Furthermore, changes in government, regulations and policies and practices could have an adverse impact on the Corporation's future cash flows, earnings, results of operations and financial condition.
- The Corporation may be unable to enforce its legal rights in certain circumstances. In the event of disputes arising at or in respect of, the Corporation's foreign or domestic operations the Corporation may be subject to the exclusive jurisdiction of foreign or domestic courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada or other jurisdictions. The Corporation may also be hindered or prevented from enforcing its rights with respect to a governmental entity or instrumentality because of the doctrine of sovereign immunity.
- The Corporation has a limited operating history, and there is no assurance that it will be capable of consistently producing positive cash flows.
- The Corporation's prospects depend on its ability to attract and retain key personnel: Recruiting and retaining qualified personnel is critical to the Corporation's success. The number of persons skilled in the development of cryptocurrency projects is limited and competition for such persons is intense. As the Corporation's business activity grows, it will require additional key financial, administrative, marketing and public relations personnel as well as additional staff on the operations side. Although the Corporation believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.
- Difficulties of managing growth: Since commencement of the operations, MezzaCap has experienced rapid growth of revenues and demand for its services and this growth is expected to continue in future years. Growth and expansion of the business places a continuous and significant strain on management, operational and financial resources. The Corporation's ability to continue to grow will depend on a number of factors, including the following:
  - To attract sufficient numbers of qualified management, technical and other personnel;
  - To establish and manage successfully business relationships with strategic partners, suppliers and customers;
  - To maintain a competitive position through the further development and expansion of the Corporation's range of services;
  - To penetrate new markets; and
  - To finance such growth internally and externally.It is not assured that the Corporation will be able to manage and control this expected growth effectively.
- Development of Cryptocurrency: It is intended to focus the business on the development and servicing of cryptocurrency-based platforms. Cryptocurrency 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. Our future success 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.

- **Dependence on Third Party Relationships:** The Corporation 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 Corporation.
- **Corporate liability for online content; legal uncertainties.** There is a risk that claims may be made against either of these associated companies for defamation, negligence, copyright or trademark infringement, or other matters based on the nature, content, publication and distribution of information materials provided on their websites. These associated companies may also be exposed to claims made with respect to the offering of third party content that may be accessible through their websites. Even to the extent that any such claim does not result in liability to one of our associated companies, it could incur significant costs in investigating and defending against such claim. Any costs or liability arising from such claims which is not covered by insurance could, through the Corporation's equity holdings in these associated companies, also harm the Corporation's core business, results of operations and financial condition. There is also a risk that similar claims could be made directly against the Corporation in its capacity as application service provider to any of the companies for whom they act as such. Any costs or liability arising from such claims which is not covered by insurance could harm our business, results of operations and financial condition. An increasing number of laws, regulations and directives are being passed which relate to the internet and e-commerce. In addition, efforts are being made to introduce rules and regulations governing the use of cryptocurrencies. Some legal uncertainty exists concerning the applicability of current legislation to cryptocurrency. In particular in relation to issues such as trade law, intellectual property rights, consumer protection and the protection of personal privacy, and as to the application of the laws of other countries whose citizens use products offered over the internet by companies based outside their jurisdiction.
- **Dependence on Internet Infrastructure; Risk of System Failures, Security Risks and Rapid Technological Change:** The success as a developer of cryptocurrency-based platforms will depend by and large upon the continued development of a stable public infrastructure, such as a block chain 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 Corporation's services to changing technologies.
- **Intellectual Property Rights:** The only significant intellectual property rights are certain domain names which Mezzacap owns as well as the licenses which has to be in accordance with certain industry standards. The Corporation 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 Corporation is not aware of violating commercial and other proprietary rights of third parties it cannot be

assured you that all of 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 the Mezzacap's business have arisen to date, any such claims and disputes arising may result in liability for substantial damages which in turn could harm our business, results of operations and financial condition.

#### **ITEM 11 - Critical Accounting Estimates**

The accounting policies used impacts the Corporation's financial statements, and the estimates and assumptions made, by management during their preparation. The Corporation's accounting policies are described within the financial statements. The accounting estimates considered to be significant to the Corporation include the computations of agents' warrants value, charitable stock option and share-based compensation expense and recovery of deferred income tax assets.

#### **ITEM 12 - Changes in Accounting Policies**

The Corporation would like to direct readers to its audited financial statements for the period ending December 31, 2014 which can be found on the regulator's web site at [www.sedar.com](http://www.sedar.com).

#### **ITEM 13 - Financial Instruments and Other Instruments**

The Corporation is not a party to any financial instrument, as the term is defined in National Instrument 51-102F1 paragraph 1.14.

#### **ITEM 14 - Capital Structure**

The Corporation is authorized to issue an unlimited number of common shares, where each common share provides the holder with one vote. As of the date of this Management Discussion and Analysis there were 74,021,098 common shares issued and outstanding as well as the following securities:

Quantity	Type	Exercise Price	Expiry Date
14.584.090	Share Purchase Warrants	\$ 0,10	December 31, 2015
1.500.000	Share Purchase Warrants	\$ 0,10	December 31, 2016

#### **ITEM 15 - Other MD&A Requirements**

As defined in Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, disclosure controls and procedures require that controls and other procedures be designed to provide reasonable assurance that material information required to be disclosed is duly gathered and reported to senior management in order to permit timely decisions and timely and accurate public disclosure.

The Corporation has evaluated the effectiveness of its disclosure controls and procedures, as defined, and has concluded that they were effective as of the end of the period covered by this report as well as of the date of this report.

The Corporation has evaluated its internal controls and financial reporting procedures and has found them to be effective with the objective of reporting the Corporation's financial transactions.



Exhibit 5

**THE STREETWEAR CORPORATION**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**THE STREETWEAR CORPORATION**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2015**

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## Management's Responsibility

To the Shareholders of The Streetwear Corporation (the "**Corporation**"):

The accompanying financial statements of the Corporation are the responsibility of management.

These financial statements have been prepared by management in accordance with the accounting policies disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the date of the statement of financial position. In the opinion of management, these financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards ("**IFRS**") appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Corporation, as of the date of and for the periods presented by the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Corporation and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Corporation. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Corporation for issuance to the shareholders.

Management recognizes its responsibility for conducting the Corporation's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

August 25, 2015

/s/ Peter Lukesch

Peter Lukesch

Director, Chief Executive Officer

**THE STREETWEAR CORPORATION**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**(All Amounts are in Canadian Dollars)**

**As at** June 30, 2015 December 31, 2014

**ASSETS**

**CURRENT**

Cash	\$ 193	\$ 30,667
Sundry Receivables	8,330	19,907
Related Party Receivable (Note 13)	0	96,157
Prepaid Expenses and Deposits	<u>1,833</u>	<u>1,833</u>

10,356 148,564

EVALUATION AND EXPLORATION PRPERTIES (Note 5) 0 82,042

RESTRICTED CASH (Note 6) 0 0

**TOTAL** \$ 10,356 230,606

**LIABILITIES**

**CURRENT**

Accounts payable and accrued liabilities	\$ 109,115	\$ 72,707
Related Party Payable	20,000	0
Notes Payable (Note 6 & 7)	<u>0</u>	<u>1,300</u>

**TOTAL** 129,115 74,007

**SHAREHOLDERS EQUITY (DEFICIENCY)**

**CAPITAL STOCK (Note 8)**

Issued and Outstanding (2015 & 2014 – 74,021,098) \$ 992,315 \$ 992,315

CONTRIBUTED SURPLUS (Note 9) 130,849 130,849

ACCUMULATED DEFICIT (1,241,923) (966,565)

(118,759) 156,599

**TOTAL** \$ 10,356 \$ 230,606

Nature of Organization (Note 1)  
 Commitments (Note 14)  
 Contingency (Note 15)

**APPROVED ON BEHALF OF THE BOARD:**

/s/ "Peter Lukesch"  
 Peter Lukesch, Director

/s/ "Franz Kozich"  
 Franz Kozich, Director

**THE STREETWEAR CORPORATION**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**(All Amounts are in Canadian Dollars)**

	Number of Shares	Capital Stock \$	Contributed Surplus \$	Deficit \$	Total Shareholder's Equity \$
<b>Balance January 1, 2014</b>	68,984,244	896,878	125,549	(786,060)	236,367
Net loss for the period Jan. 1 to June 30,	-	-	-	(49,971)	(49,971)
<b>Balance June 30, 2014</b>	68,984,244	896,878	125,549	(836,031)	186,396
Resettlements	3,536,854	70,737			70,737
Common Share issuance for cash	1,500,000	24,700	5,300	-	30,000
Net loss for the period July 1 to Dec. 31,	-	-		(130,534)	(130,534)
<b>Balance December 31, 2014</b>	74,021,098	992,315	130,849	(966,565)	156,599
Net loss for the period	-	-		(275,358)	(275,358)
<b>Balance June 30, 2015</b>	74,021,098	992,315	130,849	(1,241,923)	(118,759)

**THE STREETWEAR CORPORATION**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS**  
**AND COMPREHENSIVE LOSS**  
(All Amounts are in Canadian Dollars)

For the periods ended June 2015,	Three months ended		Six months ended	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>Revenue</b>	-	-	-	-
<b>Expenditures</b>				
<b>General and administrative expenses</b>				
Administrative	82,960	9,831	116,522	12,491
Business development	30,305	-	30,305	1,980
Professional fees	27,174	29,000	46,490	35,500
Amortization of exploration properties	-	-	82,042	0
<b>Total general and administration expenses</b>	<b>140,439</b>	<b>38,831</b>	<b>275,358</b>	<b>49,971</b>
<b>Net loss and comprehensive loss for the period</b>	<b>(140,439)</b>	<b>(38,831)</b>	<b>(275,358)</b>	<b>(49,971)</b>
<b>Loss per share – basic and diluted</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.00)</b>
<b>Weighted average number of common shares outstanding</b>	<b>74,021,098</b>	<b>74,021,098</b>	<b>74,021,068</b>	<b>74,021,068</b>

**THE STREETWEAR CORPORATION**

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(All Amounts are in Canadian Dollars)

For the Period from January 1 to June 30,	2015	2014
<b>CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Net income (loss) for the year	\$ (275,358)	\$ (49,971)
Change in non-cash working capital items:	60,000	0
Related Party receivable waiver	36,157	0
Amortization of exploration properties	82,042	0
Sundry receivables	11,577	(6,920)
Prepaid Expenses and Deposits	0	(6,850)
Accounts payable and accrued liabilities	35,108	5,706
<b>CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b><u>(50,475)</u></b>	<b><u>(58,035)</u></b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Increase) Decrease in restricted cash	0	0
Related Party	20,000	(3,500)
Issuance (Decrease) of notes payable	0	(28,491)
Issuance of share capital (net of costs)	0	0
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b><u>20,000</u></b>	<b><u>(31,991)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(30,475)</b>	<b>(90,026)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash Balance January 1	30,667	108,979
Cash Balance June 30	<u>192</u>	<u>18,953</u>
<b>SUPPLEMENTAL INFORMATION</b>		
Interest received	\$ 0	\$ 0
Interest paid	0	0
Income taxes paid	0	0

## 1. Nature of Organization

### *Description of the Business*

The Streetwear Corporation (the "Corporation") is incorporated under the laws of the Province of Ontario and is governed by the Business Corporation Act (Ontario). The Corporation's principal offices are located at 133 Richmond Street West, Suite 403, Toronto, Ontario.

The Corporation was created by the amalgamation of The Streetwear Corporation and Conquest Capital Corp. continuing under the name of The Streetwear Corporation. The amalgamation was consummated on January 21, 1999. Effective December 30, 2013, the Corporation completed a transaction with ARC Exploration Inc. ("ARC"), an entity incorporated under the Business Corporations Act (Ontario). This transaction was accounted for as a reverse takeover as the control of the Corporation was acquired by the former shareholders of ARC.

The business of the Corporation is that of an exploration company with mineral evaluation and exploration property in Canada. However, the Corporation is, as of the date of these interim statements, in the process of changing the scope of its business to become a high-tech issuer. The shareholders of the Corporation have approved the change of business on June 26, 2015, however, the final approval by the Canadian Securities Exchange ("CSE") is still outstanding pending the successful completion of a financing of minimum \$250,000 and there is no certainty that the Corporation will raise the funds required.

These condensed interim consolidated financial statements of the Corporation were authorized for issue in accordance with a resolution of the directors on August 18, 2015.

### *Basis of Operations and Going Concern*

These condensed interim consolidated financial statements have been prepared in accordance with IFRS applied on a going concern basis, which assumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. As at June 30, 2015 the Corporation had no sources of operating cash flows. The Corporation will therefore require additional funding which, if not raised, would result in the curtailment of activities and project delays. The Corporation had a negative working capital of \$ 118,759 as at June 30, 2015, and has incurred losses since inception, resulting in an accumulated deficit of \$ 1,241,923 as at June 30, 2015. The Corporation's ability to continue as a going concern is uncertain and is dependent upon its ability to continue to raise adequate financing. There can be no assurances that the Corporation will be successful in this regard, and therefore, there is doubt regarding the Corporation's ability to continue as a going concern, and accordingly, the use of accounting principles applicable to a going concern. These financial statements do not reflect adjustments that would be necessary if the "going concern" assumption were not appropriate. If the "going concern" assumption were not appropriate for these financial statements, then adjustments to the carrying values of the assets and liabilities, the expenses and the balance sheet classifications, which could be material, would be necessary.

The Corporation has no source of revenue, and has significant cash requirements to meet its costs and administrative overhead. Therefore, the Corporation will have to rely on its ability to raise additional funds by way of share issuances from its treasury and short term advances of capital from its directors and officers.



## **2. Summary of Significant Accounting Policies**

### *Statement of Compliance*

These unaudited condensed interim consolidated financial statements have been prepared by management in accordance International Accounting Standards ("IAS") 34 - Interim Financial Reporting under IFRS as issued by the International Accounting Standards Board ("IASB"). Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements have not been reviewed by the Corporation's external auditors.

These unaudited condensed interim consolidated financial statements of the Corporation were authorized for issue in accordance with a resolution of the Board of Directors on August 18, 2015.

These financial statements have been prepared on a historical cost basis except for certain financial assets, which are recorded at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### *Basis of Measurement*

These financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

### *Use of Estimates and Judgments*

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the financial statements are disclosed in note 3.

### *Functional and presentation currency*

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

### *Cash and Cash Equivalents*

Cash and cash equivalents include demand deposits with banks, money market accounts, and other short-term investments with original maturities of 90 days or less.

### *Transactional Costs*

The costs incurred relating to transactional costs are expensed as incurred.

### *Income Taxes*

Income tax expense comprises current and deferred tax. Income tax is recognized in the statements of operations and comprehensive loss except to the extent it relates to items recognized in other comprehensive income or directly in equity.

#### *Current Income Tax*

Current tax is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and tax laws that were enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### *Deferred Tax*

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the statement of financial position. Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period, and which are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax liabilities:

- are generally recognized for all taxable temporary differences; and
- are recognized for taxable temporary differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax assets:

- are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized; and
- are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise upon initial recognition of goodwill or arise on initial recognition of assets and liabilities acquired other than in a business combination where at the time of transaction effects neither accounting profit or taxable income (tax loss).

#### *Earnings (Loss) Per Share*

Earnings (loss) per share is calculated by dividing the net loss applicable to common shares by the weighted average number of shares outstanding during the period. Diluted earnings (loss) per share is computed by dividing the net loss applicable to common shares by the diluted weighted average number of shares which assumes that all outstanding stock options granted with an exercise price below the average market value are exercised during the period. The difference between the number of shares assumed and the number of shares assumed purchased is then included in the denominator of the diluted earnings per share computation.

#### *Non-derivative Financial Instruments*

Non-derivative financial instruments are recognized when the Corporation becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Corporation has substantially transferred all risks and rewards of ownership. Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

Financial assets are classified into the following categories: financial assets 'at fair value through profit or loss' ("FVTPL"), 'held-to-maturity investments', 'available-for-sale' financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

#### *Fair Value Through Profit or Loss*

A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Derivatives are also included in this category unless they are designated as hedges.

Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in the statement of operations. Gains and losses arising from changes in fair value are presented in the statement of operations within other gains and losses in the period in which they arise.

Financial assets and liabilities at fair value through profit or loss are classified as current except for the portion expected to be realized or paid beyond twelve months of the balance sheet date, which is classified as non-current.

#### *Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. 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. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method.

#### *Other Financial Liabilities*

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

#### *Impairment of financial assets*

Financial assets are assessed at each reporting date in order to determine whether objective evidence exists that the assets are impaired as a result of one or more events which have had a negative effect on the estimated future cash flows of the asset.

If there is objective evidence that a financial asset has become impaired, the amount of the impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows from the asset discounted at its original effective interest rate. Impairment losses are recorded in earnings. If the amount of the impairment loss decreases in a subsequent period and the decrease can be objectively related to an event occurring after the impairment was recognized, the impairment loss is reversed up to the original carrying value of the asset. Any reversal is recognized in earnings.

The following is a summary of significant categories of financial instruments outstanding at June 30, 2015:

Cash and cash equivalents	Fair value through profit and loss
Sundry receivables	Loans and receivables
Accounts payable and accrued liabilities	Other financial liabilities
Notes payables	Other financial liabilities

Carrying value and fair value of financial assets and liabilities are summarized as follows:

Classification	Carrying Value	Fair value
Fair value through profit and loss	\$ 193	\$ 193
Sundry receivables	8,330	8,330
Accounts payable and accrued liabilities	109,115	109,115
Related party payable	20,000	20,000

#### *Fair Value Hierarchy*

The Corporation classifies financial instruments recognized at fair value in accordance with a fair value hierarchy that prioritizes the inputs to valuation technique used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

As of June 30, 2015 and December 31, 2014 cash and cash equivalents are measured at fair value and are classified within Level 1 of the fair value hierarchy.

#### *Impairment of non-financial assets*

The Corporation's assets are reviewed for indications of impairment at each statement of financial position's date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash generating units and then to reduce the carrying amount of the other assets the unit on a pro-rata basis.

### *Share-based Payments*

Stock options issued by the Corporation are accounted for in accordance with the fair value based method. The fair value of options issued to directors, officers, employees of and consultants to the Corporation is charged to earnings over the vesting period of each tranche (graded vesting) with the offsetting amount recorded to contributed surplus. The historical forfeiture rate is also factored in to the calculations. When options are exercised, the amount received together with the amount previously recorded in contributed surplus, are added to capital stock. The fair value of warrants issued to agents in conjunction with a public offering is charged to share issue costs with an offsetting amount recorded to contributed surplus. Fair value is measured using the Black-Scholes option pricing model.

### *Equity Instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Corporation are recorded at the proceeds received, net of direct issue costs.

### *Warrants*

The Corporation measures the fair value of warrants issued using the Black-Scholes option pricing model. The fair value of each warrant is estimated based on their respective issuance dates taking into account volatility, expected life, the dividend rate, and the risk free interest rate. The fair value of warrants issued in conjunction with an offering is charged to share issue costs with an offsetting amount recorded to contributed surplus. The fair value of warrants exercised is recorded as share capital, and the fair value of any expired warrants is recorded as contributed surplus general account.

### *Recent Accounting Pronouncements*

Unless otherwise noted, the following new and revised standards and amendments are effective for the annual periods beginning on or after January 1, 2015. Management is evaluating the impact the adoption of these standards and amendments will have on the financial position of the Corporation.

IFRS 9, Financial Instruments is effective for annual periods beginning after January 1, 2018. The standard is the first part of a multi-phase project to replace IAS 39, Financial Instruments: Recognition and Measurement. The Company is currently assessing the impact, if any, adoption of this standard will have on the financial statements.

## **3. Summary of Accounting Estimates and Assumptions**

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

### *Fair Value of Financial Instruments*

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

### *Share-Based Payment Transactions*

The Corporation measures the cost of share-based payment transactions with employees by reference to the fair value of the equity instruments. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield and forfeiture rate of the share option. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 8.

## *Income Taxes*

Provisions for income taxes are made using the best estimate of the amount that is expected to be paid based on a qualitative assessment of all relevant factors. The Corporation reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determinations are made.

## **4. Reverse Take-Over of the Corporation**

As a result of the proposed acquisition of MezzaCap GmbH ("MezzaCap") by the Corporation the shareholders of MezzaCap will own approximately 70% of the outstanding shares of the Corporation once the financing of a minimum of \$250,000 will be in place. In accordance with IFRS 3, the substance of this transaction is a reverse take-over in combination with a change of business.

Accordingly, the take-over of The Streetwear Corporation is accounted for under IFRS 2 at the fair value of the equity instruments of the Company granted to the shareholders of MezzaCap.. The difference between the net assets acquired and the fair value of the consideration granted has been classified as a share listing and transaction cost expense on the consolidated statement of income (loss) and comprehensive income (loss).

The fair value of the consideration is determined based on the percentage of ownership of The Streetwear Corporation have in the combined entity after the reverse take-over. This represents the fair value of the shares the MezzaCap would have issued for the ratio of ownership interest in the combined entity to be the same, if the transaction had taken the legal form of MezzaCap acquiring 100% of the shares of the Corporation.

## **5. Notes Payable**

The notes payable are comprised of the cash advanced by third parties that are due on demand and as non-interest bearing loans.

As at June 30, 2015, there were nil (December 31, 2014 - \$1,300) in notes payable.

## **6. Capital Stock**

The Corporation is authorized to issue an unlimited number of common shares.

On September 22, 2014, the Corporation listed its common shares on the Canadian Stock Exchange ("CSE"), and in accordance with CSE policies the common shares held by insiders were placed in escrow, being 19,485,617 common shares. As of June 30, 2015, 11,691,372 common shares remained in escrow and will be released as follows:

Date	Quantity
September 22, 2015	2,922,843
March 13, 2016	2,922,843
September 22, 2016	2,922,843
March 13, 2016	2,912,843

In November 2014 the Corporation issued 3,536,854 common shares at a deemed value of \$ 0.02 per common share or \$70,737 in total, to settle debt with arms-length individuals.

In December 2014, the Corporation closed a non-brokered private placement of \$30,000 by issuing 1,500,000 units at a value of \$0.02 per unit. Each unit consisted of one common share and one share purchase warrant to purchase a further common share at a price of \$0.10 per share expiring on December 31, 2016.

## 7. Contributed Surplus

The Corporation's contributed surplus consists of the following: .

	General	Stock Option	Warrants	Total
Balance, December 31, 2014 and June 30, 2015	\$ ---	\$ ---	\$ 130,849	\$ 130,849

## 8. Warrants

The fair value of the warrants issued was based on the Black Scholes option-pricing model. The following assumptions were used to value them:

	Fiscal 2013
Number of warrants	7,897,509
Exercise price	\$ 0.10
Average Expected life	2.60 years
Weighted average risk-free interest rate	1.72%
Weighted average expected volatility	100%
Dividend yield	0.0%
Forfeiture rate	0.0%
Average Fair value	\$ 0.007

	Fiscal 2014
Number of warrants	1,500,000
Exercise price	\$ 0.10
Average Expected life	2.00 years
Weighted average risk-free interest rate	1.72%
Weighted average expected volatility	100%
Dividend yield	0.0%
Forfeiture rate	0.0%
Average Fair value	\$ 0.004

The warrants activity is summarized below:

Balance January 1, 2013	6,686,581 at 10 cents
Issued	7,897,509 at 10 cents
Exercised	Nil
Expired	Nil
Forfeited	Nil
Balance June 30, 2015	16,084,090

## 9. General and Administrative Expenses

January 1 – June 30	2015	2014
Bank charges	\$ 270	\$ 172
General	409	0
Management fees	60,000	0
Related party receivable waiver	35,137	0
Regulatory and filing fees	20,706	12,319
	<u>\$ 116,522</u>	<u>\$ 12,491</u>

## 10. Business Development Expenses

	2015	2014
Shareholders Meeting	\$ 28,337	
Travel & Meals	1,968	1,980
	<u>\$ 30,305</u>	<u>\$ 1,980</u>

## 11. Related Party Transactions

Amounts due from and to the related parties, are a result of transactions with entities controlled by shareholders, officers or directors of the Corporation. These amounts are non-interest bearing, unsecured and not subject to specific terms of repayment unless stated.

As at June 30, 2015, the Corporation owed \$20,000 (2014 - \$1,300) to an entity with common directors.

In addition, the Corporation had a receivable as of April 1, 2015 from entities with common directors of \$96,157 (2014 – \$ 156,157). During the quarter ended June 30, 2015 the Corporation incurred management expenses in the amount of \$ 60,000 (2014: Nil), which were charged against the above stated amounts receivables. In addition the remaining accounts receivable from entities amounting to \$ 36,157 was waived as of June 30, 2015. Included in accounts payable and accrued liabilities is \$13,368 owing to Peter Lukesch, the President and CEO of the Company.

These transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.



## **12. Commitment**

The Corporation has not entered in to any contract that requires a minimum payment.

## **13. Contingencies**

From time to time, the Corporation may be exposed to claims and legal actions in the normal course of business, some of which may be initiated by the Corporation. As of June 30, 2015, no material claims were outstanding.

## **14. Financial Instruments and Risk Management**

### **Risk Management**

In the normal course of business, the Corporation is exposed to financial risk that arises from its indebtedness, including fluctuations in interest rates and in the credit quality of its customers. Management's involvement in operations helps identify risks and variations from expectations.

The Corporation does not manage risk through the use of hedging transactions. As a part of the overall operation of the Corporation, management takes steps to avoid undue concentrations of risk. The Corporation manages the risks, as follows:

The Corporation manages its common shares, stock options and warrants as capital. The Corporation's objectives when managing capital is to safeguard the Corporation's ability to continue and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Corporation may prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

### **Liquidity Risk**

Liquidity risk is the risk that the Corporation cannot meet its financial obligations associated with financial liabilities in full. The primary source of liquidity is net operating income, which is used to finance working capital and capital expenditure requirements, and to meet the Corporation's financial obligations associated with financial liabilities. Additional sources of liquidity are debt and equity financing, which is used to fund additional operating and other expenses and retire debt obligations at their maturity.

### **Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk. Obtaining long-term debt with fixed interest rates minimizes interest rate cash flow risk. The Corporation does not trade in financial instruments and is not exposed to and significant interest rate pricerisk.

**Market Risk**

Market risk is the risk that changes in market price, such as foreign exchange rates, commodity prices, and interest rates will affect the Corporation's net income or the value of financial instruments. These risks are generally outside the control of the Corporation. The objectives of the Corporation are to mitigate market risk exposure within acceptable limits, while maximizing returns.

**Credit Risk**

Credit risk related to accounts receivable arises from the possibility that debtors may be unable to fulfill their commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. The Corporation mitigates this risk by regularly monitoring the financial health and aging of any amounts due from its debtors. As of the date of these financial statements the Corporation's only debtors are the government of Canada for the harmonized goods and services ("HST") receivable and therefore the Corporation does not believe it is currently exposed to any significant credit risk and related party balances.

**Commodity Risk**

The nature of the Corporation's operations results in exposure to fluctuations in commodity prices. As at June 30, 2015, the Corporation did not have any significant exposure to derivative financial instrument agreements or fixed physical contracts. The Corporation is particularly exposed to the risk of movements in the price of base metals. Declining market prices for base metals could have a material effect on the Corporation's future profitability and ability to raise capital if and when required, and the Corporation's current policy is not to materially hedge its exposure to base metals in order to provide a more direct exposure for shareholders.

**Currency Risk**

Currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. At June 30, 2015 and 2014, the Corporation did not have any foreign denominated currencies.

**Other Price Risk**

Other price risk is the risk that changes in market prices, including commodity or equity prices, will have an effect on future cash flows associated with financial instruments. The cash flows associated with financial instruments of the Corporation are not exposed to other price risk.

**Fair Values**

Financial instruments include cash, sundry receivable, and accounts payable and accruals. The carrying values of these financial instruments approximate fair value due to the short term nature of financial instruments.

## 15. Capital Management and Liquidity

The Corporation manages its cash, common shares, stock options and warrants as capital. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Corporation prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing exploration efforts, the Corporation does not pay out dividends. The Corporation's investment policy, in general, is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 365 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. The nature of the industry in which the Corporation operates is very capital intensive. As a result, the Corporation prepares annual capital expenditure budgets and utilizes authorizations for expenditures for projects to manage capital expenditures.

The Corporation's strategy is to satisfy its liquidity needs using cash on hand, cash flows generated from operating activities and through its revolving advances facility. Revenue, available cash balances, draws on the revolving advances credit facility and financing of indebtedness are the Corporation's principal sources of capital used to pay operating expenses and recurring capital and leasing costs in its business.

The principal liquidity needs for periods beyond the next twelve months are for non-recurring capital expenditures, development costs and potential mining expansion. The Corporation's strategy is to meet these needs with one or more of the following:

- Cash flows from operations;
- Common share and warrants offering;
- Proceeds from sales of assets; and
- Revolving advances facility.

The following table presents the contractual maturities of the Corporation's financial liabilities as at June 30, 2015:

		Total	< 1 Year	1 - 3 Years	4 - 5 Years	After 5 Years
Accounts payable and accrued liabilities	\$	109,115	\$	109,115		
Related party payable		20,000				

## 16. Financial Instruments

The Corporation's operations expose the Corporation to market risk, credit risk, and liquidity risk. The Corporation manages its exposure to these risks by operating in a manner that minimizes these risks. Senior management employs risk management strategies and policies to ensure that any exposure to risk is in compliance with the Corporation's business objectives and risk tolerance levels. The Board of Directors has overall responsibility for the establishment and oversight of the Corporation's risk management framework. The Board has established policies in setting risk limits and controls and monitors these risks in relation to market conditions.

### Fair Value of Non-Derivative Financial Instruments

Fair value is the amount that willing parties would accept to exchange a financial instrument based on the current market for instruments with the same risk, principal and remaining maturity. The fair value of interest bearing financial assets and liabilities is determined by discounting the contractual principal and interest payments at estimated current market interest rates for the instrument. Current market rates are determined by reference to current benchmark rates for a similar term and current credit spreads for debt with similar terms and risk. The carrying value and fair value of financial instruments being of equal value are as follows:

	June 30, 2015	December 31, 2014
Financial assets		
Cash and cash equivalents	\$ 193	\$ 30,667
Sundry receivables	10,163	19,987
Related party receivables	0	96,157
Financial liabilities		
Accounts payable and accrued liabilities	109,115	72,707
Notes payable	20,000	1,300

### (b) Fair Value Hierarchy

The Corporation values instruments carried at fair value using quoted market prices, where available. Quoted market prices represent a Level 1 valuation. When quoted market prices are not available, the Corporation maximizes the use of observable inputs within valuation models. When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3.

The following table outlines financial assets and liabilities measured at fair value in the consolidated financial statements and the level of the inputs used to determine those fair values in the context of the hierarchy as defined above:

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	\$ 193	\$ 0	\$ 0	\$ 193
Sundry receivables	0	10,163	0	10,163
Related party receivables	0	0	0	\$ 0
Total Assets	\$ 193	\$ 10,163	\$ 0	\$ 10,356

	Level 1	Level 2	Level 3	Total
Liabilities				
Accounts payable and accrued Liabilities	\$ 109,115	\$ 0	\$ 0	\$ 109,115
Related party payables	20,000			20,000

## EXHIBIT 6

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THE STREETWEAR CORPORATION.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE PERIOD ENDED JUNE 30, 2015

DATED AUGUST 25, 2015

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### Disclosure Regarding Forward-Looking Statements

This Management Discussion and Analysis contains forward-looking statements that include risks and uncertainties that are disclosed under the section Risk Factors. Other factors that could affect actual results are uncertainties pertaining to government regulations, both domestic as well as foreign, and the changes within the capital markets. Other risks may be disclosed from time to time in The Streetwear Corporation's public disclosures.

The Streetwear Corporation  
Management Discussion and Analysis  
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Unless otherwise indicated, all reference to “dollar” or the use of the symbol “\$” are to the Canadian dollar and all references to “US dollars” or “US\$” are to the United States dollar in this Management Analysis and Discussion.

The preparation of the interim financial statements are in conformity with Canadian Generally Accepted Accounting Principles (“CGAAP”) that have been revised to incorporate International Financial Reporting Standards (“IFRS”) and requires management to make assumptions that affect the reported amounts of assets, liabilities and expenses in addition to the disclosure of contingent liabilities at the date of the interim financial statements and reporting amounts. The Streetwear Corporation (the “Corporation”) bases its estimates on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ and will most likely differ from those estimates.

## **ITEM 1 - Overview**

The Streetwear Corporation (“Corporation”) was incorporated under the laws of the Province of Ontario and is governed by the Business Corporation Act (Ontario).

The Corporation was created by the amalgamation of The Streetwear Corporation and Conquest Capital Corp. continuing under the name of The Streetwear Corporation. The amalgamation was consummated on January 21, 1999.

The Corporation’s common shares traded on the Canadian Dealer Network (“CDNX”) until 1999, when the CDNX closed its operations.

The Corporation had significant losses in both fiscal 2004 and throughout fiscal 2005 due to the drastic rise of the Canadian dollar versus the United States dollar. Due to these losses, during the 2005 fiscal year the Corporation was placed in a difficult situation of either closing its operations or divesting itself of it. Fortunately, the Corporation was able to divest itself of its operation in December 2004, as it was unable to raise funds to finance the losses. Upon this disposition, the Corporation no longer had any operations.

Following the closure of the CDNX, the Corporation continued to meet its continued financial reporting obligations until the disposition of its operations.

In June 2005, the Ontario Securities Commission (“OSC”) issued a Cease Trade Order (“CTO”) for not filing of its audited financial statements for the period ending January 31, 2005 and associated documents.

Mr. Friedrich Pindt joined the board of directors on February 28, 2012.

On November 19, 2012, the OSC issued its revocation of the CTO.

On October 30, 2013, there was a change in the management of the Corporation, Mr. Peter Lukesch, Mr. Warren Hawkins and Mr. Andrew McQuire joined the board of directors with Mr. Lukesch being appointed as the Chief Executive Officer and Secretary and Mr. McQuire appointed Chief Financial Officer, as Mr. Saul Rajsky as an officer and a director and Mr. Martin Selvin resigned as director.

On December 30, 2013, the Corporation acquired ARC Exploration Inc. (“ARC”). The acquisition of ARC by the Corporation was treated as a Reverse Acquisition in accordance with IFRS rules 2 and 3.



ARC is an exploration company with a 100% interest in the Lac Colombet Property located in Quebec.

In September 2014 the Corporation received the approval to commence trading on the Canadian Securities Exchange (“CSE”) under the symbol ARP.

On October 20, 2014, Mr. Franz Kozich joined the board of directors as Mr. Friedrich Pindt resigned as director. Mr. Kozich was appointed Secretary on October 24, 2014.

On May 21, 2015 an agreement in principle was signed with MobileUp GmbH, an Austrian financial services company, according to which the Corporation would acquire MobileUps wholly owned subsidiary, MezzaCap GmbH. The acquisition of MezzaCap would be treated as a Reverse Acquisition in accordance with IFRS rules 2 and 3.

The shareholders of the Corporation voted for the acquisition of MezzaCap on June 26, 2015. Furthermore, the change of business, the change of name to BitRush Corp. and a 1:3 stock consolidation of the Corporation’s common shares was approved at this annual and special shareholder meeting.

On June 26, 2015 Mr. Warren Hawkins assumed the position as Secretary of the Corporation from Mr. Franz Kozich who remained on the Board of Directors as independent director. Mr. Alfred Dobias, the sole owner of MobileUp joined the Board of Directors as independent director.

On July 15, 2015 the Corporation received the conditional approval by the Canadian Securities Exchange (“CSE”), the successor exchange of the CDNX subject to the completion of the concurrent financing.

On July 31, 2015 the Share Exchange agreement between the Corporation and MobileUp and MezzaCap Investments Ltd, MobileUp’s successor company was signed

## **ITEM 2 - Selected Annual Information**

The following is selected annual information for the preceding three fiscal years:

	December 2014	December 2013	January 2013
Revenues	\$ Nil	\$ Nil	\$ Nil
Operating income	(180,505)	(107,534)	(79,062)
Net income	(180,505)	(637,732)	(81,018)
Total assets	230,606	359,204	143,128
Total liabilities	74,007	122,837	151,422
Shareholders’ equity	156,599	236,679	(8,293)
Loss per share	0.00	0.02	0.00
Dividends per share	0.00	0.00	0.00

For further audited financial information, please refer to the Corporation’s audited financial statements that have been filed on SEDAR.

**ITEM 3 - Results of Operations****For the period ended December 31, 2014 versus December 31, 2013**

During the year ended December 31, 2014, the Corporation kept pursuing business development activities as it sought to further identify opportunities to increase shareholder value. In November 2014 the Corporation initiated discussions with MobileUp GmbH (“MobileUp”) and its sole shareholder, Alfred Dobias, to acquire all or a portion of the shares of MobileUp’s wholly owned subsidiary, MezzaCap GmbH (“MezzaCap GmbH”). MezzaCap is in the business of providing payment services through block chain technologies and cryptocurrencies. The negotiations with MobileUp and Mr. Dobias lead into the Agreement in Principle, dated May 15, 2015 .

During the year ended December 31, 2013, the Corporation completed a significant transaction between The Streetwear Corporation (the legal parent) and ARC Exploration Inc. (“ARC”) (the legal subsidiary). This transaction was accounted for as a reverse takeover as the former shareholders of ARC acquired the control of the legal parent. Therefore, these consolidated financial statements include the accounts of the Corporation and its subsidiary, ARC. Although legally, the Corporation is regarded as the parent or continuing company, ARC, whose shareholders now hold more than 50% of the voting shares of the Corporation at the time of the transaction, is treated as the acquirer under International Financial Reporting Standards (“IFRS”). Consequently, the Corporation is deemed a continuation of ARC and control of the assets and business of the Corporation is deemed to have been acquired in consideration for the issuance of the shares. However, due to the Corporation’s new focus on block chain technology and cryptocurrencies it is intended to divest itself from ARC and its exploration property, Lac Colombet.

With the Fundamental Change from minerals exploration to high technology it is anticipated that the Corporation will generate modest revenues during 2015 with expectations to increase revenues significantly in subsequent years in a fast growing market segment.

For the year ended December 31, 2014, the Corporation had administrative expenditures of \$100,012 versus \$66,534 the year earlier, for an increase of \$33,478 or 50.3%. The increase is mainly attributable to an increase of \$24,450 in consulting fees, as none was being charged to the Corporation prior to fiscal 2014, as well as an increase of \$6,261 in regulatory fees.

For the year ended December 31, 2014, the Corporation had business development expenditures of \$7,132 versus \$6,945 the year earlier, for an increase of \$187 or 2.7%. Management anticipates investing further in business development activities as it seeks to further identify opportunities to build shareholder value.

For the year ended December 31, 2014, the Corporation had professional expenditures of \$73,361 versus \$34,055 the year earlier, for an increase of \$39,306 or 115.4%. The increase is due to significantly higher legal and accounting expenses related to the Fundamental Change to become a high technology issuer.

For the period ended December 31, 2014, the Corporation had an operating loss of \$180,505 versus \$107,534 the year earlier, an increase of \$72,971 or 67.9%. Investors can anticipate this amount to stay about the same or increase slightly as the Corporation intends to generate modest revenues during 2015 which will partially offset increased business development costs and professional fees.

For the period ended December 31, 2014, the Corporation had no foreign exchange activity, unchanged from the prior year. However, management anticipates foreign exchange fluctuations as MezzaCap’s revenues and costs are strictly in Euros.

For the period ended December 31, 2014, the Corporation had no other expenses as compared to

\$530,198 in 2013 which related to the reverse acquisition of the Corporation by the ARC shareholders. It is anticipated that there will not be any other expenses unless the Corporation decides to acquire further cryptocurrency related projects or companies.

The net loss for the period ended December 31, 2014 was \$180,505 for a loss per share of \$0.003 based on 70,194,114 weighted average shares outstanding for the period versus \$637,732 for a loss per share of \$0.020 based on 32,250,828 weighted average shares outstanding for the previous period.

During the period ended December 31, 2014, the Corporation issued 1,500,000 common shares for \$30,000 in cash and 3,536,854 common shares for services that it received from various consultants as well as from creditors having converted their receivables into common shares with a combined value of \$70,737. During the previous fiscal period, the Corporation issued 44,134,893 common shares for \$842,169 in cash, for exploration assets, services as well as for the acquisition of ARC Exploration.

The Corporation's had a cash balance at the end as at December 31, 2014 was \$30,667 (2013 - \$108,979), with working capital of \$74,557 (2014 - \$154,325).

#### **ITEM 4 - Summary of Quarterly Results**

The following table sets forth the Corporation's revenue, net loss and loss per common share for each quarter ended on the date indicated.

	Revenues	Net loss	Loss/share: basic and diluted
June 30, 2015	---	\$ 222,480	\$ 0.00
March 31, 2015	---	52,878	0.00
December 31, 2014	---	88,155	0.00
September 30, 2014	---	42,379	0.00
June 30, 2014	---	38,831	0.00
March 31, 2014	---	11,140	0.00
December 31, 2013	---	599,859	0.02
September 30, 2013	---	23,076	0.00

#### **For the Six Months Ended June 30, 2015 versus June 30, 2014**

Due to the focus on the financial technology and providing of payment service through cryptocurrencies the Corporation is expecting modest revenues in the near term.

For the six months ending June 30, 2015 June 30, 2015, the Corporation had administrative expenditures of \$116,522 versus \$12,491 the year earlier, for an increase of \$104,031 due to the implementation of a management fee to two of the Corporation's directors which has been applied to offset receivables from an entity the two directors were associated with. Those receivables were written off at the end of the second quarter as the two directors waved future management fees due them. Also, the fees to pay for the regulatory and shareholder approvals were paid during the second quarter.

For the six months ending June 30, 2015, the Corporation had business development expenditures of \$30,305 versus \$1,980 the year earlier, for a decrease of \$28,325 due to printing and mailing expenses for the annual and special shareholder meeting as well as travel & entertainment expenses.

For the six months ending June 30, 2015, the Corporation had professional expenditures of \$46,490 versus \$35,500 the year earlier, for an increase of \$10,990. The increase is due to higher legal expenses, partially offset by lower accounting expenses, related to the Fundamental Change to become a financial technology issuer.

At the end of the six month period ending June 30, 2015 the book value of \$82,042 of the Corporation's exploration property Lac Colombet was completely written off due to the Corporation's Fundamental Change to become a financial technology issuer, and the exploration licenses of Lac Colombet had expired in May 2015 anyway which made the sale of the property virtually impossible.

For the six months ending June 30, 2015, the Corporation had an operating loss of \$275,358 versus \$49,971 the year earlier, an increase of \$225,387. Investors can anticipate this amount to decrease as modest revenues are expected to be partially offset by increased development costs and professional fees. Furthermore, the unusual high operating loss was also due to one-time charges and write-offs.

For the six months ending June 30, 2015, the Corporation did not incur any foreign exchange gain or loss nor for the six months period a year earlier.

The net loss for the six months ending June 30, 2015 was \$275,358 for a loss per share of \$0.004 based on 74,021,098 weighted average shares outstanding for the period versus \$49,971 for a loss per share of \$0.001 based on 69,211,230 weighted average shares outstanding for the previous period.

During the six months ending June 30, 2015 and 2014 the Corporation did not raise any funds.

The Corporation's had a cash balance at the end as at June 30, 2015 of \$193 (2014 - \$489), with a working capital of negative \$118,759 (2014 – \$21,679).

#### For the Three Months Ended June 30, 2015 versus June 30, 2014

Due to the focus on the financial technology and providing of payment service through cryptocurrencies the Corporation is expecting modest revenues in the near term.

For the quarter ending June 30, 2015 June 30, 2015, the Corporation had administrative expenditures of \$82,960 versus \$9,831 the year earlier, for an increase of \$73,129 due to the implementation of a management fee to two of the Corporation's directors which has been applied to offset receivables from an entity the two directors were associated with. Those receivables were written off at the end of the quarter as the two directors waved future management fees due them. Also, the fees to pay for the regulatory and shareholder approvals were paid during the quarter.

For the quarter ending June 30, 2015, the Corporation had business development expenditures of \$30,305 versus Nil the year earlier, for an increase of \$30,305 due to printing and mailing expenses for the annual and special shareholder meeting as well as travel & entertainment expenses.

For the quarter ending June 30, 2015, the Corporation had professional expenditures of \$27,174 versus \$29,000 the year earlier, for a decrease of \$1,826.. The decrease is due to lower accounting expenses as a less expensive accounting firm has been retained. The decrease has been partially offset by higher legal costs.

At the end of the quarter ending June 30, 2015 the book value of \$82,042 of the Corporation's

exploration property Lac Colombet was completely written off due to the Corporation's Fundamental Change to become a financial technology issuer, and the exploration licenses of Lac Colombet had expired in May 2015 anyway which made the sale of the property virtually impossible.

For the six months ending June 30, 2015, the Corporation had an operating loss of \$222,480 versus \$38,831 the year earlier, an increase of \$183,649. Investors can anticipate this amount to decrease as modest revenues are expected to be partially offset by increased development costs and professional fees. Furthermore, the unusual high operating loss was also due to one-time charges and write-offs.

For the six months ending June 30, 2015, the Corporation did not incur any foreign exchange gain or loss nor for the six months period a year earlier.

The net loss for the six months ending June 30, 2015 was \$222,480 for a loss per share of \$0.003 based on 74,021,098 weighted average shares outstanding for the period versus \$38,831 for a loss per share of \$0.001 based on 68,984,244 weighted average shares outstanding for the previous period.

During the quarter ending June 30, 2015 and 2014 the Corporation did not raise any funds.

## **ITEM 5 - Liquidity**

In addition to its cash on hand the Corporation currently has the following warrants issued and outstanding:

Quantity	Type	Exercise Price	Expiry Date
14.584.090	Share Purchase Warrants	\$ 0,10	December 31, 2015
1.500.000	Share Purchase Warrants	\$ 0,10	December 31, 2016

## **ITEM 6- Capital Resources**

The Corporation will show moderate revenues during the next 12 months generating cash from operations to a limited extent.

Furthermore, the Corporation announced a proposed non-brokered private placement financing of units (each, a "Unit") of securities of the Company for aggregate gross proceeds of up to \$500,000 (see ITEM 9 below). The proceeds of the Offering will be used to acquire privately owned companies that are in the business of providing services related to bitcoin applications.

In order to finance the Corporation's future development and expansion, management will be seeking to raise additional funds primarily by way of the issuance of common shares from the treasury or short term debt, which would most likely be from parties related to the new business of the Corporation, which is still not known with certainty. The timing and ability to fulfill these objectives will depend on the liquidity of the financial markets as well as the willingness of investors to finance junior companies and in particular junior companies with no operations or limited history.

Currently, the Corporation does not have any options issued and outstanding.

Management believes that the Corporation will have sufficient cash on hand to meet its current obligations for the following 12 months including capital commitments as discussed herein. However, there is no certainty that it will be successful in raising such funds and therefore the Corporation will

be dependent on the management and insiders of the Corporation to advance funds as necessary and assume expenses on behalf of the Corporation.

#### **ITEM 7 - Off-Balance Sheet Arrangement**

As of the date of this filing, the Corporation does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Corporation including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

#### **ITEM 8 - Transactions With Related Parties**

Amounts due from and to the related parties, are a result of transactions with entities controlled by shareholders, officers or directors of the Corporation. These amounts are non-interest bearing, unsecured and not subject to specific terms of repayment unless stated.

As at June 30, 2015, the Corporation had a loan outstanding to an entity with common directors of \$20,000 (2013 – Nil). Included in accounts payable and accrued liabilities is \$13,368 owing to a board member.

These transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

#### **ITEM 9 - Proposed Transactions**

The following transactions are currently under consideration and reviewed by the Canadian Securities Exchange (“CSE”) and will be submitted to the shareholders of the Corporation for approval:

##### **Acquisition:**

As of May 21, 2015 the Corporation announced that it has executed an Agreement in Principle (“AiP”) with MezzaCap and its sole shareholder, MobileUp pursuant to which the Corporation will acquire from MobileUp 100% of the issued and outstanding shares of MezzaCap (the “MezzaCap Shares”), a private international investment company concentrating on “block chain” technologies and cryptocurrencies such as bitcoins (the “Transaction”). The Transaction will represent a “fundamental change” pursuant to the policies of the CSE. On May 15, 2015 the AiP was amended to change some of the terms and conditions

Pursuant to the amended AiP, Streetwear will acquire the MezzaCap Shares in consideration of an issuance to MobileUp of 83,287,265 common shares in the capital of the Corporation after completing a one for three share consolidation. Upon completion of the Transaction, the Share Consideration held by MobileUp will represent approximately 70% of the issued and outstanding common shares of the Corporation.

The shareholders of the Corporation voted for the acquisition of MezzaCap on June 26, 2015. Furthermore, the change of business, the change of name to BitRush Corp. and a one for three common shares stock consolidation of the Corporation’s common shares was approved at this annual and special shareholder meeting.

Additionally, in connection with the completion of the Transaction, Streetwear will change its business focus to invest in “block chain” technologies and cryptocurrency and attempts to expand on MezzaCap’s recent success with “bitcoin” related projects and ownership of growth-oriented “bitcoin” payment websites.

The Corporation will change its name to “BitRush Corp” upon the completion of the Transaction.

On July 15, 2015 the Corporation received the conditional approval by the CSE subject to the completion of the proposed concurrent financing.

On July 31, 2015 the Share Exchange agreement between the Corporation and MobileUp and MezzaCap Investments Ltd, MobileUp’s successor company was signed.

The Corporation has exited the mining and exploration business and has written off all its mining and exploration assets in its entirety.

### **Proposed financing:**

The Corporation further announces a proposed non-brokered private placement financing of units (each, a “Unit”) of securities of the Corporation for aggregate gross proceeds of up to \$500,000 at a price of \$0.10 per Unit, after consolidation of the issued and outstanding shares, with each Unit comprising one common share of the Corporation and one warrant to acquire one common share of the Corporation exercisable for a period of two years following the closing of the offering at an exercise price of \$0.15 per share. The proceeds of the offering will be used to acquire privately owned companies that are in the business of providing services related to bitcoin applications.

## **ITEM 10 - Risk Factors**

Investment in the Corporation must be considered highly speculative due to the fact that the Corporation's does not have operating experience, and thus should be considered as a new company with limited operating history along with its current formative stage of development, its current financial position and its lack of an earnings record. An investment in any securities of the Corporation should only be considered by those persons who can afford a total loss of their investment. The following is a summary of the risk factors to be considered:

- **Price Volatility of Publicly Traded Securities:** in recent years and especially in the recent months, the securities markets in Canada and the United States have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies.
- **Possible Failure to Realize Anticipated Benefits of Future Acquisitions:** the Corporation is seeking to complete acquisitions. Achieving the benefits of any future acquisitions depends, in part, on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as the Corporation’s ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with its own and other operations that it acquires subsequently.
- **Operational Risks:** as the Corporation does not currently have any operations it will need to establish proper systems and controls as it completes its acquisitions.

- Substantial Capital Requirements; Liquidity: the Corporation may have to make substantial capital expenditures for its acquisition in the future.
- Issuance of Debt: from time to time the Corporation may enter into transactions to acquire assets or shares of other corporations. These transactions may be financed partially or wholly through debt, which may increase debt levels above industry standards that it will be operating within.
- Dilution: the Corporation's common shares, including incentive stock options, rights, warrants, special warrants, subscription receipts and other securities to purchase, to convert into or to exchange into common shares of the Corporation, may be created, issued, sold and delivered on such terms and conditions and at such times as the board of the Corporation may determine.
- Net Asset Value: the Corporation's net asset value will vary dependent upon a number of factors which include but not limited to: number of common shares, value of the assets owned by the Corporation which would be based on the demand and supply of the assets owned by the Corporation.
- Reliance on Management: Shareholders of the Corporation will be dependent on the management of the Corporation in respect of the administration and management of all matters relating to the Corporation and its operations.
- Conflicts of Interest: Certain of the directors and officers of the Corporation may also be directors and officers of other reporting issuers involved in similar activities, and conflicts of interest may arise between their duties as officers and directors of the Corporation, as the case may be, and as officers and directors of such other companies.
- No Dividends: to date, the Corporation has not paid any dividends, and it is not anticipated that the Corporation will pay any dividends in the near future.
- Changes in Legislation: it is possible that the Canadian federal and provincial government or regulatory authorities could choose to change the Canadian federal income tax laws, royalty regimes, environmental laws or other laws applicable to Corporation and that any such changes could materially adversely affect the Corporation and the market value of the Corporation securities.
- Early Stage Development Risks: the Corporation has no certain history of operations.
- Future Financing Requirements: the Corporation may need additional financing to continue in business and there can be no assurance that such financing will be available or, if available, will be on reasonable terms.

The Corporation is mitigating its risks by having identified the acquisition of MezzaCap, an operating business that will facilitate the proposed concurrent financing as well as additional executives and directors to assist the Corporation in its development plans. However, the business of block chain technologies and providing payment services with cryptocurrencies carry their own risks which will be summarized as follows:

- MezzaCap commenced operations in November 2013. Accordingly, the company only has a limited operating history. However, since incorporation, it has grown rapidly and the business model has changed significantly. 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 market.

- MezzaCap has not made profits since its incorporation and it is expected that it will not be profitable for the entire year 2015. 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, the company does not believe that the operating results to date should not be regarded as indicators for Mezzacap's future performance.
- Changes in or more aggressive enforcement of laws and regulations could adversely impact the Corporation's business. Failure or delays in obtaining necessary approvals could have a materially adverse effect on the Corporation's financial condition and results of operations. Furthermore, changes in government, regulations and policies and practices could have an adverse impact on the Corporation's future cash flows, earnings, results of operations and financial condition.
- The Corporation may be unable to enforce its legal rights in certain circumstances. In the event of disputes arising at or in respect of, the Corporation's foreign or domestic operations the Corporation may be subject to the exclusive jurisdiction of foreign or domestic courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada or other jurisdictions. The Corporation may also be hindered or prevented from enforcing its rights with respect to a governmental entity or instrumentality because of the doctrine of sovereign immunity.
- The Corporation has a limited operating history, and there is no assurance that it will be capable of consistently producing positive cash flows.
- The Corporation's prospects depend on its ability to attract and retain key personnel: Recruiting and retaining qualified personnel is critical to the Corporation's success. The number of persons skilled in the development of cryptocurrency projects is limited and competition for such persons is intense. As the Corporation's business activity grows, it will require additional key financial, administrative, marketing and public relations personnel as well as additional staff on the operations side. Although the Corporation believes that it will be successful in The attracting and retaining qualified personnel, there can be no assurance of such success.
- Difficulties of managing growth: Since commencement of the operations, MezzaCap has experienced rapid growth of revenues and demand for its services and this growth is expected to continue in future years. Growth and expansion of the business places a continuous and significant strain on management, operational and financial resources. The Corporation's ability to continue to grow will depend on a number of factors, including the following:
  - To attract sufficient numbers of qualified management, technical and other personnel;
  - To establish and manage successfully business relationships with strategic partners, suppliers and customers;
  - To maintain a competitive position through the further development and expansion of the Corporation's range of services;
  - To penetrate new markets; and
  - To finance such growth internally and externally.

It is not assured that the Corporation will be able to manage and control this expected growth effectively.

- **Development of Cryptocurrency:** It is intended to focus the business on the development and servicing of cryptocurrency-based platforms. Cryptocurrency 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. Our future success 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.
- **Dependence on Third Party Relationships:** The Corporation 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 Corporation.
- **Corporate liability for online content; legal uncertainties.** There is a risk that claims may be made against either of these associated companies for defamation, negligence, copyright or trademark infringement, or other matters based on the nature, content, publication and distribution of information materials provided on their websites. These associated companies may also be exposed to claims made with respect to the offering of third party content that may be accessible through their websites. Even to the extent that any such claim does not result in liability to one of our associated companies, it could incur significant costs in investigating and defending against such claim. Any costs or liability arising from such claims which is not covered by insurance could, through the Corporation's equity holdings in these associated companies, also harm the Corporation's core business, results of operations and financial condition. There is also a risk that similar claims could be made directly against the Corporation in its capacity as application service provider to any of the companies for whom they act as such. Any costs or liability arising from such claims which is not covered by insurance could harm our business, results of operations and financial condition. An increasing number of laws, regulations and directives are being passed which relate to the internet and e-commerce. In addition, efforts are being made to introduce rules and regulations governing the use of cryptocurrencies. Some legal uncertainty exists concerning the applicability of current legislation to cryptocurrency. In particular in relation to issues such as trade law, intellectual property rights, consumer protection and the protection of personal privacy, and as to the application of the laws of other countries whose citizens use products offered over the internet by companies based outside their jurisdiction.
- **Dependence on Internet Infrastructure; Risk of System Failures, Security Risks and Rapid Technological Change:** The success as a developer of cryptocurrency-based platforms will depend by and large upon the continued development of a stable public infrastructure, such as a block chain 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 Corporation's services to changing technologies.

- **Intellectual Property Rights:** The only significant intellectual property rights are certain domain names which Mezzacap owns as well as the licenses which has to be in accordance with certain industry standards. The Corporation 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 Corporation is not aware of violating commercial and other proprietary rights of third parties it cannot be assured you that all of its r 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 the Mezzacap's business have arisen to date, any such claims and disputes arising may result in liability for substantial damages which in turn could harm our business, results of operations and financial condition.

#### **ITEM 11 - Critical Accounting Estimates**

The accounting policies used impacts the Corporation's financial statements, and the estimates and assumptions made, by management during their preparation. The Corporation's accounting policies are described within the financial statements. The accounting estimates considered to be significant to the Corporation include the computations of agents' warrants value, charitable stock option and share-based compensation expense and recovery of deferred income tax assets.

#### **ITEM 12 - Changes in Accounting Policies**

The Corporation would like to direct readers to its audited financial statements for the period ending December 31, 2014 which can be found on the regulator's web site at [www.sedar.com](http://www.sedar.com).

#### **ITEM 13 - Financial Instruments and Other Instruments**

The Corporation is not a party to any financial instrument, as the term is defined in National Instrument 51-102F1 paragraph 1.14.

#### **ITEM 14 - Capital Structure**

The Corporation is authorized to issue an unlimited number of common shares, where each common share provides the holder with one vote. As of the date of this Management Discussion and Analysis there were 74,021,098 common shares issued and outstanding as well as the following securities:

Quantity	Type	Exercise Price	Expiry Date
14.584.090	Share Purchase Warrants	\$ 0,10	December 31, 2015
1.500.000	Share Purchase Warrants	\$ 0,10	December 31, 2016

#### **ITEM 15 - Other MD&A Requirements**

As defined in Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, disclosure controls and procedures require that controls and other procedures be

designed to provide reasonable assurance that material information required to be disclosed is duly gathered and reported to senior management in order to permit timely decisions and timely and accurate public disclosure.

The Corporation has evaluated the effectiveness of its disclosure controls and procedures, as defined, and has concluded that they were effective as of the end of the period covered by this report as well as of the date of this report.

The Corporation has evaluated its internal controls and financial reporting procedures and has found them to be effective with the objective of reporting the Corporation's financial transactions.

EXHIBIT 7

**MEZZACAP GMBH**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**  
**(expressed in Canadian Dollars)**

## INDEPENDENT AUDITORS' REPORT

### To the Shareholders of Mezzacap GMBH:

We have audited the accompanying consolidated financial statements of Mezzacap GMBH and its subsidiary, which comprise the consolidated statements of financial position as at December 31, 2014 and the consolidated statements of loss and comprehensive loss, equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our 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.

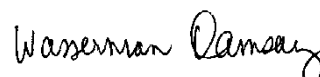
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Mezzacap GMBH and its subsidiary as at December 31, 2014 and the results of its operations, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards.

### Emphasis of matter

Without qualifying our opinion, we draw attention to note 1 in the consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.



Markham, Ontario  
November 30, 2015

Chartered Accountants  
Licensed Public Accountants

**MezzaCap GmbH****Consolidated Statements of Financial Position****(expressed in Canadian dollars)**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	3,154	11,201
Prepays and other assets	505	499
Related party receivables (Note 6)	1,903	-
Total current assets	5,562	11,700
NON-CURRENT ASSETS		
Property and Equipment	547	950
Intangibles (Note 3a)	254,404	265,026
Investments in joint ventures (Note 3b)	6,307	-
Total non-current assets	261,257	265,976
<b>Total assets</b>	<b>266,819</b>	<b>277,676</b>
<b>EQUITY AND LIABILITIES</b>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	20,848	1,850
Related party payables (Note 6)	287	-
Total current liabilities	21,135	1,850
SUBORDINATED CONVERTIBLE DEBENTURES (Note 10)	262,816	245,625
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share Capital (Note 5)	14,722	14,722
Equity portion of convertible debentures (Note 10)	80,958	80,958
Accumulated comprehensive loss/income	(2,554)	(2,306)
Accumulated Deficit	(110,258)	(63,174)
Total equity	(17,132)	30,201
<b>Total equity and liabilities</b>	<b>266,819</b>	<b>277,676</b>

**See Note 1 - Nature of Operations and Going Concern****See Note 9 - Contingencies**

Approved by the managing director

**(s) Alfred Dobias***The accompanying notes form an integral part of the consolidated financial statements.*

<b>MezzaCap GmbH</b>		<b>Period from</b>	
<b>Consolidated Statements of Operations and Comprehensive Loss</b>		<b>incorporation from</b>	
<b>(Expressed in Canadian Dollars)</b>		<b>Oct. 15, 2013 to</b>	
	<b>2014</b>	<b>December 31, 2013</b>	
	<b>\$</b>	<b>\$</b>	
Revenue			
Consulting and management fees	50,216		-
Advertising revenue	22,439		-
	72,655		-
Operating expenses			
Administrative expenses	(6,696)		(2,212)
Business development expenses	(178,936)		(252,659)
Selling expenses	(10,125)		-
Professional fees	(5,668)		(1,438)
Depreciation/Amortization	(372)		(186)
Other items (debt waiver)	109,645		195,153
Total operating expenses	(92,153)		(61,342)
Total loss before Internet Income	(19,499)		(61,342)
Interest Income/Loss	13		4
Accretion expense	(27,599)		(1,835)
<b>Net loss</b>	<b>(47,085)</b>		<b>(63,174)</b>
Other comprehensive loss/gain			
Foreign exchange gain/loss (IAS 21)	(248)		(2,306)
<b>Net loss and comprehensive loss for the periods</b>	<b>(47,333)</b>		<b>(65,480)</b>

*The accompanying notes form an integral part of the consolidated financial statements.*



**MezzaCap GmbH****Consolidated Statements of Changes in Equity****(Expressed in Canadian Dollars)**

	Share Capital	Equity portion of convertible debentures	Accumulated Comprehensive Loss	Deficit	Shareholders` Equity
	\$	\$	\$	\$	\$
Balance as of Oct. 14, 2013	-	-	-	-	-
Share capital paid in	14,722	-	-	-	14,722
Convertible debentures issued	-	80,958	-	-	80,958
Net loss for the period	-	-	(2,306)	(63,174)	(65,480)
<b>Balance, December 31, 2013</b>	<b>14,722</b>	<b>80,958</b>	<b>(2,306)</b>	<b>(63,174)</b>	<b>30,200</b>
Net loss for the period	-	-	(248)	(47,085)	(47,333)
<b>Balance, December 31, 2014</b>	<b>14,722</b>	<b>80,958</b>	<b>(2,554)</b>	<b>(110,258)</b>	<b>(17,132)</b>

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

**MezzaCap GmbH****Consolidated Statements of Cash Flows**  
**(expressed in Canadian Dollars)****Period from  
incorporation  
Oct. 15, 2013 to  
Dec 31, 2013**

	<b>2014</b>	
	<b>\$</b>	<b>\$</b>
Net income (loss) for the period	(47,085)	(63,174)
Adjustments for:		
Depreciation	372	186
Debt waiver	-	(195,153)
Accretion expense	27,599	1,835
	(19,113)	(256,306)
Change in non-cash working capital items:		
Prepays and other assets	(1,968)	(473)
Accounts payable and accrued liabilities	19,762	1,808
Net cash used/provided for by operating activities	(1,318)	(254,972)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(1,080)
Investments in intangible assets	-	(6,253)
Investments in joint ventures	(6,437)	-
Net cash used in investing activities	(6,437)	(7,333)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance (decrease) of convertible debentures	-	258,912
Issuance of share capital (net of costs)	-	14,384
Net cash flows from financing activities	-	273,296
CASH FLOWS used in OPERATING ACTIVITIES	(1,318)	(254,972)
CASH FLOWS paid for INVESTING ACTIVITIES	(6,437)	(7,333)
CASH FLOWS from FINANCING ACTIVITIES	-	273,296
DE/INCREASE IN CASH AND CASH EQUIVALENTS FOR THE YEAR	(7,756)	10,992
Exchange differences	(291)	209
Cash and cash equivalents at the beginning of the year	11,201	-
<b>Cash and cash equivalents, end of the period</b>	<b>3,154</b>	<b>11,201</b>

*The accompanying notes form an integral part of the consolidated financial statements.*

## **MezzaCap GmbH**

### **Notes to the Consolidated Financial Statements as of December 31, 2014 (expressed in Canadian Dollars)**

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#### **1. Nature of Operations and Going Concern**

MezzaCap GmbH (“Mezzacap”) was incorporated on October 15, 2013 pursuant to the laws of Austria. The Company has its registered office at Mooslackengasse 17, 1190 Vienna, Austria and is registered with FN 405032 at the Commercial Court in Vienna, Austria.

The Company is a development stage internet technology Company and is focused on the cryptocurrency payment services business. MezzaCap develops and operates cryptocurrency micropayment channels.

The accompanying financial statements have been prepared using International Financial Reporting Standards (“IFRS”) applicable to a going concern. The appropriateness of using the going concern basis is dependent upon, among other things, future profitable operations, and the ability of the Company to raise additional capital. Specifically, the recovery of the Company’s investment in its intangible assets is dependent upon the successful entrance in the future cyrotocurrency payment services business, the ability of the Company to obtain necessary financing to develop this business and establish future profit from this business. The Company has a working capital deficiency in the amount of \$15,173 (December 31, 2013 – working capital of \$9,850) and has a deficit in the amount of \$110,258 (December 31, 2013 - \$63,174). The Company has not earned any significant revenues to date and is considered to be in the development stage.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

#### **2. Significant Accounting Policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

##### ***a) Basis of Presentation and International Financial Reporting Standards and statement of compliance***

The consolidated financial statements of the Company for the year ended December 31, 2014 and 2013 have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) effective for the Company’s reporting for the period ended December 31, 2014.

##### ***b) Basis of Consolidation***

The consolidated financial statements included the accounts of the Company and its 100% owned subsidiary Campus Loosdorf GmbH (“Campus”). Campus was set up by the Company in the current year and was essentially inactive in the year ended December 31, 2014. Campus operates in the same business segment as Mezzacap.

## **MezzaCap GmbH**

### **Notes to the Consolidated Financial Statements as of December 31, 2014 (expressed in Canadian Dollars)**

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#### ***c) Basis of Measurement***

These financial statements have been prepared on a historical cost basis except for certain financial assets, which are recorded at fair value.

#### ***d) Use of Estimates and Judgments***

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results could differ from those estimates.

The significant estimates and judgements of management include the following:

- i) The determination that the useful lives of the Company's intangible assets are indefinite
- ii) The determination that the intangible assets of the Company are not impaired as at December 31, 2014;
- iii) The assumption that conditions under which the waived debt (see Note 6) totaling \$354,526 would have to be repaid are not likely to be met;
- iv) The fact that the assets and liabilities of the Company should be valued on the basis that the Company is a going concern.

#### ***e) Functional and presentation currency***

As the Company operates mainly in Eastern and Western Europe, the functional currency of the Company is the EURO. For presentation purposes the financial statements of the Company have been presented in Canadian Dollars by applying the rules set forth in paragraph 39 of International Accounting Standard 21 (IAS 21).

The Statement of financial position as of December 31, 2014 and 2013 were translated to Canadian dollars using the at the closing rate at December 31, 2014 and December 31, 2013 (1,4132 resp. 1,4722). The statement of operations has been translated at the average exchange rate for the period (January 1, to December 31, 2014) and (January 1 to December 31, 2013) well as for Cash Flow Statements for the respective periods.

The resulting exchange difference has been recognised in other comprehensive income/loss.

Bitcoins (BTC) bought are accounted for at the exchange rate at the purchase date (EURO/BTC), the expenses are accounted for on a FIFO basis. Bitcoin revenue is accounted for at the exchange rate ruling at the date when the Bitcoins are transferred to the Company's wallets.

#### ***f) Cash and Cash Equivalents***

Cash and cash equivalents include demand deposits with banks as well as one BTC stored as of the date of the statement of financial position.

#### ***g) Intangible Assets***

Intangible assets acquired from third-parties by applying the arm's length principle are recognized at acquisition costs, depending on the nature of the intangible assets (indefinite or finite useful lives) amortization is accounted for to the extent that they were subject to wear and tear. The existing intangible assets of the Company are deemed to have an indefinite life.

## **MezzaCap GmbH**

### **Notes to the Consolidated Financial Statements**

**as of December 31, 2014**

**(expressed in Canadian Dollars)**

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#### ***h) Property and equipment***

Property and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of property and equipment consists of the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for its intended use.

Depreciation is recognised based on the cost of an item of property and equipment, less its estimated residual value over its estimated useful life.

An asset's residual value, useful life and depreciation method are reviewed, and adjusted if appropriate, on an annual basis.

#### ***i) Income Taxes***

Income tax expense comprises current and deferred tax. Income tax is recognized in the statements of operations and comprehensive loss except to the extent it relates to items recognized in other comprehensive income or directly in equity.

##### *Current Income Tax*

Current tax is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and tax laws that were enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### *Deferred Tax*

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period, and which are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax liabilities:

- are generally recognized for all taxable temporary differences; and
- are recognized for taxable temporary differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax assets:

- are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized; and
- are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise upon initial recognition of goodwill or arise on initial recognition of assets and liabilities acquired other than in a business combination where at the time of transaction effects neither accounting profit or taxable income (tax loss).

## **MezzaCap GmbH**

### **Notes to the Consolidated Financial Statements**

**as of December 31, 2014**

**(expressed in Canadian Dollars)**

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#### ***j) Provisions***

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Provisions are determined by discounting the expected future cash flows to present value.

#### ***k) Revenue recognition***

Revenue from consulting and management fees are recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Advertising revenues are generated in operating Bitcoin websites on a global scale. Advertising revenue are accounted for on a cash basis when credited by Google Adsense and other Bitcoin advertising systems to the bank account of the Company in Euro's.

#### ***l) Financial Instruments***

Financial instruments are defined as any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

Financial assets are classified into the following categories at their initial recognition:

- Financial assets at fair value through profit or loss ("FVTPL")
- Held-to-maturity investments;
- Loans and receivables; and
- Available-for-sale financial assets.

Financial liabilities are classified into the following categories at their initial recognition:

- Financial liabilities at fair value through profit or loss; and
- Other financial liabilities.

Financial assets and liabilities are initially measured at fair value, plus, in the case of a financial asset or liability not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issuance of the financial asset or liability. In a purchase or sale of financial assets, recognition and derecognition occurs using trade date accounting.

Financial assets are subsequently measured after initial recognition at fair value, except for financial assets classified as held-to-maturity investments or loans and receivables, which are subsequently measured at amortized cost using the effective interest method.

Financial liabilities at fair value through profit or loss are subsequently measured after recognition at fair value. All other financial liabilities are subsequently measured at amortized cost using the effective interest method.

## **MezzaCap GmbH**

### **Notes to the Consolidated Financial Statements**

**as of December 31, 2014**

**(expressed in Canadian Dollars)**

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Financial assets are derecognized when:

- the contractual rights to the cash flows from the financial asset expire;
- the contractual rights to the cash flows from the financial asset are retained, but a contractual obligation to pay the cash flows to another party without material delay is assumed by the Company; or
- when the Company transfers substantially all the risks and rewards of ownership of the financial asset.

Financial liabilities are derecognized when the obligations are discharged, cancelled or expire.

Financial assets (other than a financial asset defined as FVTPL) are assessed at each reporting date in order to determine whether objective evidence exists that the assets are impaired as a result of one or more events which have had a negative effect on the estimated future cash flows of the asset.

If there is objective evidence that a financial asset has become impaired, the amount of the impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows from the asset discounted at its original effective interest rate. Impairment losses are recorded in earnings. If the amount of the impairment loss decreases in a subsequent period and the decrease can be objectively related to an event occurring after the impairment was recognized, the impairment loss is reversed up to the original carrying value of the asset. Any reversal is recognized in earnings.

#### **m) *Impairment of non-financial assets***

At each financial position reporting date, the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the assets are estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of an asset's fair value less cost to sell and its 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 current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statement of loss and comprehensive loss.

The Company will reverse any previous impairment losses where circumstances have changed such that the level of impairment in the value of the assets has been reduced.

Assets with an indefinite useful life that are not amortized are tested annually for impairment, irrespective of whether there is any indication these assets may be impaired.

At December, 31, 2014, there were no indicators that suggested that the Company's non-financial assets were impaired.

#### **n) *New accounting standards and interpretations***

IFRS 9 – Financial Instruments ("IFRS 9") addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009, October 2010, November 2013 and finalized in July 2014. It replaces the parts of IAS 39 Financial Instruments: Recognition and Measurements that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into three measurement categories: those measured at FVTPL; those measured at FVOCI and those measured at amortized cost, with the determination made at initial recognition. The classification depends on an entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that in cases where the fair

## **MezzaCap GmbH**

### **Notes to the Consolidated Financial Statements as of December 31, 2014 (expressed in Canadian Dollars)**

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value option is selected for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the consolidated statements of operations, unless this creates an accounting mismatch. IFRS 9 has also been updated to amend the requirements around hedge accounting. However, there is no impact to the Company from these amendments as it does not apply hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company has not yet assessed the impact of adoption.

IFRS 15, "Revenue from contracts with customer" deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 "Revenue" and IAS 11 "Construction Contracts" and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017. The Company has not yet assessed the impact of adoption.

#### ***o) Joint Venture Accounting***

In accordance with the guidelines set in IFRS 11 for the different kinds of Joint Arrangements the Company classifies its joint arrangements as joint ventures without a separate legal entity. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers. According to IFRS 11/28 the Company would have to recognize its share of the joint operation's underlying assets, liabilities, revenues and expenses.

The company has not yet established separate reporting requirements for its Eastern European joint ventures and for due to the fact the results to date are immaterial reasons as the joint ventures were just entered into in the second half of 2014 the Company carries in its interests in joint venture at acquisition costs.

### **3. Non Current Assets**

#### ***a) Intangibles***

Investments in intellectual property represent acquired "sui generis" database rights (Directive 96/9/EC of the European Parliament and of the Council of 11 March 1996 on the legal protection of databases) and copyrights relating to creative databases, websites and domains. These investments are recorded at the acquisition costs.

In general, those database rights are legally valid for 15 years, but as the Company modifies these databases in developing its business and as a new set of rights are created for each modification of the database, indefinite lifetime is assumed for these investments acquired.

As of the December 31, 2014 these investments were recorded unchanged at acquisition costs of \$254,405.

Expenses incurred in modifying the databases and websites amounted to \$121,619 for 2014 (2013: \$232,907) and are expensed as incurred and shown in business development expenses. In accordance with the Company's accounting policy these assets were evaluated for impairment at year end. As on December 31, 2014 and 2013 management has determined that the intangibles were not impaired.



## **MezzaCap GmbH**

### **Notes to the Consolidated Financial Statements as of December 31, 2014 (expressed in Canadian Dollars)**

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#### ***b) Investments in joint ventures***

Investments in joint ventures represent acquisition costs for a 50% investment in database rights and copyrights requesting the joint control for some cryptocurrency entertainment websites (Coincheckin, CoinDigger) as well as in a Bitcoin technology project (Coinadvert; an adbroker) totaling 16 BTC paid. Revenues and expenses totaling to 16.06 BTC were shared between the partners of the joint ventures when incurred on a monthly net basis and are included in business development expenses.

#### **4. Subordinated convertibles debentures**

On November 30, 2013 the Company issued interest free unsecured subordinated convertible loans with a principal amount of \$310,904 (EURO 220.000).

These convertible debentures are subordinated to all other existing and future liabilities of the Company, with the exception of liabilities to shareholders of the Company. The debentures are senior to the liabilities to shareholders.

These convertible debentures are due and payable in full on September 30, 2018 and prior cancellation of the debenture is not possible. The subscribers have the option to convert the debenture into shares of the Company. The conversion of the outstanding amount into shares is only available in its entirety. The declaration to convert must be addressed in writing by registered mail to the Company's managing director by not later than September 30, 2018. Upon conversion the Subscribers will be entitled to a bonus payment of 100% of the nominal value entitling him/her to a total of 200% of the subscribed debenture. The value of the Company is to be determined by an independent appraiser nominated by the Company and will be considered final and irrevocable. The Company will make sure that such valuation will be submitted by at latest September 30, 2018; and must not be older than 6 months. If these conditions are not met the conversion period will be extended by two weeks starting on the day of submission of the valuation document.

The Company used the residual value method to allocate the principal amount of the convertible debenture between the liability and equity components. The Company valued the debt component of the debentures by calculating the present value of the principal and interest payments, discounted at a rate of 15%, being management's best estimate of the rate that a non-convertible debenture with similar terms would bear. The equity conversion feature of the debenture comprises the value of the conversion option, being the difference between the face value of the debenture and the liability element calculated above. Based on this calculation, the liability component is \$242,926 and the residual equity component is \$80,958. Accretion charges attributable to the debenture for the period ended December, 31 2014 was \$27,599 (\$1,835 for 2013). This amount was added to the liability component on the consolidated statement of financial position and is included in accretion expense on the consolidated statement of operations and comprehensive loss.

#### **5. Share Capital**

As of the December 31, 2014 the Company is wholly owned by MobileUp GmbH, also located in Vienna Austria, the issued capital stock is fully paid in.

#### **6. Related Party Transactions**

Related parties include the board of Directors, senior management, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

## MezzaCap GmbH

### Notes to the Consolidated Financial Statements as of December 31, 2014 (expressed in Canadian Dollars)

Related party transactions conducted in the normal course of operations are measured at fair value which is equal to the exchange amount.

The Company had a receivable from the holding company amounting to \$499 (2013 – \$nil) and a payable to the president in the amount of \$2,941 (2013 - \$Nil).

The marketing director of the Company has been in the Bitcoin marketing and software business since 2010. During the period ended December 31, 2013 the Company was billed for acquisitions costs totaling \$265,026 by this individual for database rights and copyrights. In addition, the Company was charged by this individual marketing and consulting fees which in 2014 totaled \$121,620 and in 2013 totaled \$232,907. These expenses are included under business development expenses.

On December 31, 2013 this individual waived \$195,153 of the amount which arose on the transfer of the database rights and copyrights and on December 31, 2014 he waived \$109,645 of the \$121,620 in consulting fees incurred in 2014.

As part of the debt waiver agreements granted a provision was given for repayment of the amounts waived should certain condition be met within a three-year period from the date the debt was waived. The conditions are as noted below:

- i) The operating cash flow of the Company exceeds both 3% of gross revenue and \$150,000;
- ii) A Liquidity Event takes place. A “Liquidity Event” is defined as the Company completing one or more equity financings totaling \$2.0 million and including a pre-money valuation of the Company of no less than \$6.0 million.

In management’s opinion neither of these conditions are likely to be met within the stipulated three year periods and therefore no provision has been set up for repayment of the waived amounts.

## 7. Income Taxes

The following table reconciles the expected income tax expense (recovery) at the Austrian statutory rate of 25% to the amounts recognized in the consolidated statement of loss and comprehensive loss.

	2014	2013
Statutory Rate	25%	25%
Loss before income taxes,	\$ (47,085)	\$ (63,173)
Recovery of income taxes based on statutory rate	(11,771)	(15,793)
Adjustment to income taxes:		
Non-deductible items		--
Change in deferred tax assets not recognized	11,771	15,793
Income tax recovery	\$ ---	\$ ---

## **MezzaCap GmbH**

### **Notes to the Consolidated Financial Statements as of December 31, 2014 (expressed in Canadian Dollars)**

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The Company's deferred income tax asset, computed by applying a future federal statutory rate of 25% (2013 – 25%), comprises the following:

	2014	2013
Non-capital losses carried forward	\$ 110,258	\$ 63,173
Deferred tax assets not recognized	(27,565)	(15,793)
	<u>\$ - - -</u>	<u>\$ - - -</u>

Deferred tax assets have not been recognized because at this stage of the Company's development, as it is not determinable that future taxable profit will be available against which the Company can utilize the losses which gave rise to the deferred income tax asset.

#### **8. Commitment**

The Company has not entered in to any contract that requires a minimum payment.

#### **9. Contingencies**

From time to time, the Company may be exposed to claims and legal actions in the normal course of business, some of which may be initiated by the Company. As of December 31, 2014 and 2013, no material claims were outstanding.

The only potential contingency of which the Company is aware relates to a potential repayment of the debt forgiven under a debt waiver as more fully disclosed in Note 6.

#### **10. Financial Instruments and Capital Risk Management**

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency and price risks).

Risk Management is carried out by the Company's managing director.

The Company does not manage risk through the use of hedging transactions. As a part of the overall operation of the Company, management takes steps to avoid undue concentrations of risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

##### ***a) Liquidity Risk***

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The primary source of liquidity is net operating income, which is used to finance working capital and capital expenditure requirements, and to meet the Company's financial obligations associated with financial liabilities.

Additional sources of liquidity are debt and equity financing, which is used to fund additional operating and other expenses and retire debt obligations at their maturity.

## **MezzaCap GmbH**

### **Notes to the Consolidated Financial Statements as of December 31, 2014 (expressed in Canadian Dollars)**

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#### ***b) Market Risk***

Market risk is the risk that changes in market price, such as foreign exchange rates, commodity prices, and interest rates will affect the Company's net income or the value of financial instruments. These risks are generally outside the control of the Company. The objectives of the Company are to mitigate market risk exposure within acceptable limits, while maximizing returns.

#### ***c) Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk.

The Company does not trade in financial instruments and is not exposed to and significant interest rate price risk.

#### ***d) Credit Risk***

Credit risk related to accounts receivable arises from the possibility that debtors may be unable to fulfill their commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. The Company mitigates this risk by regularly monitoring the financial health and aging of any amounts due from its debtors.

#### ***e) Price Risk***

The nature of the Company's operations results in exposure to fluctuations in commodity prices. As at December 31, 2014 and 2013, respectively the Company did not have any significant exposure to derivative financial instrument agreements or fixed physical contracts.

#### ***f) Currency Risk***

Currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. At December 31, 2014 and 2013, the Company included 1,08582 BTC (\$252) in cash and cash equivalents. The Company limits currency risk by storing as few BTC as possible.

## **11. Capital Management and Liquidity**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the business activities maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new debt, acquire or dispose of assets or adjust the amount of cash.

The Company's strategy is to satisfy its liquidity needs using cash on hand and cash flows generated from operating activities. Revenue, available cash balances, and financing of indebtedness are the Company's principal sources of capital used to pay operating expenses and recurring capital and leasing costs in its business.

**MezzaCap GmbH****Notes to the Consolidated Financial Statements****as of December 31, 2014****(expressed in Canadian Dollars)**

The principal liquidity needs for periods beyond the next twelve months are for non-recurring capital expenditures, development costs and potential mining expansion. The Company's strategy is to meet these needs with one or more of the following:

- cash flows from operations;
- Private placements via convertible debts;
- proceeds from sales of assets; and

The following table presents the contractual maturities of the Company's financial liabilities as at December 31, 2014:

(in \$)	Total	< 1 Year	Payments by Periods		
			1 - 3 Years	4 - 5 Years	After 5 Years
Accounts payable and accrued liabilities	20,782	20,782	---	---	---
Convertibles debentures	262,816		262,186	---	---

**12. Financial Instruments****Fair Value of Non-Derivative Financial Instruments**

Fair value is the amount that willing parties would accept to exchange a financial instrument based on the current market for instruments with the same risk, principal and remaining maturity. The fair value of interest bearing financial assets and liabilities is determined by discounting the contractual principal and interest payments at estimated current market interest rates for the instrument. Current market rates are determined by reference to current benchmark rates for a similar term and current credit spreads for debt with similar terms and risk. The carrying value and fair value of financial instruments being of equal value are as follows:

(in \$)	2014	2013
Financial assets		
Cash and cash equivalents	3,154	11,201
Sundry receivable	505	499
Related party receivables	1,903	-
Financial liabilities		
Accounts payable and accrued liabilities	20,848	1,850
Subordinated convertible debentures	262,816	245,625
Related party payable	287	-

**Fair Value Hierarchy**

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Company values instruments carried at fair value using quoted market prices, where available. Quoted market prices represent a Level 1 valuation. When quoted market prices are not available, the Company maximizes the use of observable inputs within valuation models. When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3.

## MezzaCap GmbH

### Notes to the Consolidated Financial Statements as of December 31, 2014 (expressed in Canadian Dollars)

The following table outlines financial assets and liabilities measured at fair value in the consolidated financial statements and the level of the inputs used to determine those fair values in the context of the hierarchy as defined above:

	Level 1	Level 2	Level 3	Total
Assets (\$)				
Cash and cash equivalents	3,154	---	---	3,154
Sundry receivables		505	---	505
Related party receivable		1,903	---	1,903
Total Assets	3,154	2,408	---	5,562

#### Financial Instruments - continued

	Level 1	Level 2	Level 3	Total
Liabilities (\$)				
Accounts payable and accrued liabilities	20,848	---	---	20,848
Related party payables	---	287	---	287
Subordinated debentures	262,816			262,816
Total liabilities	283,664	287	---	283,951

### 13. Subsequent events

#### Agreement with “The Streetwear Corporation”

On March 3, 2015 an Agreement in Principle (“AiP”) was signed between the owner of the Company, MobileUp GmbH (“MobileUp”), and The Streetwear Corporation (“Streetwear”), a public company listed on the Canadian Securities Exchange (“CSE”). Pursuant to this AiP, Streetwear will acquire the MezzaCap shares in consideration of an issuance to MobileUp of 83,287,265 common shares of Streetwear. Upon completion of the Transaction, the share consideration held by the owner of MezzaCap will represent approximately 51% of the issued and outstanding common shares of the Company. In addition MobileUp could earn up to 83,746,586 common shares in the capital of Streetwear (the “Bonus Consideration”) if MezzaCap meets certain performance milestones are met on or before December 31, 2015. If earned in full, and when issued, the Bonus Consideration, when added to the share consideration held by MobileUp, would represent 65% of Streetwear’s issued and outstanding common shares.

The AiP was amended on May 15, 2015, whereby MobileUp has agreed that (1) Streetwear will do a 1:3 roll back of its common shares, and, thereafter, (2) MezzaCap will be fully acquired by Streetwear whereby Streetwear will issue 83,287,265 common shares to MobileUp GmbH which is owned 100% by Alfred Dobias, who has agreed to serve on the board of directors of Streetwear. MobileUp will sell all its assets, liabilities and shares to Streetwear. Upon completion of the acquisition of MezzaCap MobileUp will own approximately 68% of the issued and outstanding shares of Streetwear. Such acquisition will constitute a Fundamental Change pursuant to the regulations of the CSE. It is intended to change the name of Streetwear to BitRush Corp. The Performance Consideration was removed.

## **MezzaCap GmbH**

### **Notes to the Consolidated Financial Statements**

**as of December 31, 2014**

**(expressed in Canadian Dollars)**

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#### **Agreement with “Airwin”**

Pursuant to a Memorandum of Understanding (“MoU”), signed April 15, 2015 with Airwin Informations Technologie GmbH (“Airwin”), a limited liability company registered in Pinkafeld, Austria, the Company’s wholly owned subsidiary Campus Loosdorf GmbH (“Campus”), shall be granted a license to operate and manage a computer games developed by Airwin as well as a pilot game developed by the Company as long as the users for the games pay with bitcoins. In accordance with the terms and conditions of the MoU 49% of the Campus shares will be sold to Airwin.

#### **Subordinated convertible debentures**

As of June 15, 2015 MezzaCap Investments Ltd. (Company No. 9633173, registered in London, United Kingdom - “MezzaCap Ltd”) and fully owned by Alfred Dobias acquired the outstanding subordinated convertible debentures amounting to \$301,532 and agreed with the Company to waive the debentures in full. As a consequence shareholder’s equity will be increased by the debt portion of the subordinated convertible debt amounting to \$ 282,216 (translated as of Dec, 31, 2014) and the liabilities will decrease by the corresponding amount.

#### **Annual and Special General Meeting of Streetwear**

On June 26, 2015, Streetwear had its Annual and Special General Meeting (“Meeting”). As a consequence of such Meeting the Company is now a fully owned subsidiary of Streetwear, which has changed its name to BitRush Corp.

#### **Ownership change**

As of July 1, 2015 MobileUp sold 100% of the issued and outstanding shares of the Company to MezzaCap Ltd, London Great Britain.

## EXHIBIT 8

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MEZZACAP GMBH

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE PERIOD ENDED DECEMBER 31, 2014

DATED DECEMBER 21 , 2015

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### Disclosure Regarding Forward-Looking Statements

This Management Discussion and Analysis contains forward-looking statements that include risks and uncertainties that are disclosed under the section Risk Factors. Other factors that could affect actual results are uncertainties pertaining to government regulations, both domestic as well as foreign, and the changes within the capital markets. Other risks may be disclosed from time to time in MezzaCap's public disclosures.



MezzaCap GmbH  
Management Discussion and Analysis  
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Unless otherwise indicated, all reference to “dollar” or the use of the symbol “\$” are to the Canadian dollar and all references to “US dollars” or “US\$” are to the United States dollar in this Management Analysis and Discussion.

The preparation of the interim financial statements are in conformity with Austrian Generally Accepted Accounting Principles (“AGAAP”) that have been revised to incorporate International Financial Reporting Standards (“IFRS”) and requires management to make assumptions that affect the reported amounts of assets, liabilities and expenses in addition to the disclosure of contingent liabilities at the date of the interim financial statements and reporting amounts. MezzaCap GmbH (“MezzaCap” or the “Company”) bases its estimates on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ and will most likely differ from those estimates.

## **ITEM 1 - Overview**

MezzaCap was incorporated on October 15, 2013 pursuant to the laws of Austria. The Company has its registered office at Mooslackengasse 17, 1190 Vienna, Austria and is registered with FN 405032 k at the Commercial Court in Vienna, Austria.

The Company is a development stage internet technology and focused on the cryptocurrency payment services business. MezzaCap develops and operates cryptocurrency payment channels. The revenues generated by the Corporation consists of license and marketing agreements of (1) the Company’s proprietary technology “BITCORE”, (2) the intellectual property of affiliated partners and (3) advertising income of the Corporation’s adBit.co (“AdBit”) and coinadvert.net (“Coinadvert”) platforms, servicing the online entertainment and financial industries.

The Company’s common shares are privately held and not traded on a public exchange.

As at December 31, 2014, the Company had not yet achieved profitable operations and continues to be dependent upon its ability to obtain sufficient working capital from external financing to meet the Company’s liabilities as they become payable and ultimately to generate profitable future operations. As at December 31, 2014, the Company had a negative working capital of \$ 15,573 (December 31, 2013 – positive working capital of \$ 9,850) and cumulative losses of \$ 110,259 (December 31, 2014 - \$ 63,174). These unaudited condensed interim consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of operations, and at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material.

On November 30, 2013 the Company issued interest free unsecured subordinated convertible loans with a principal amount of \$310,904 (EURO 220.000) of which \$195,153 was waived on December 31, 2013 and a further \$109,645 on December 31, 2014.

## **ITEM 2 - Selected Annual Information**

The following is selected annual information for the preceding three fiscal years:

	December 2014	December 2013
Revenues	\$ 72,655	\$ Nil
Operating income	(19,499)	(61,342)
Net income	(47,085)	(63,174)
Total assets	266,819	277,676
Total liabilities	283,951	247,475
Shareholders' equity	(17,132)	30,201
Loss per share	N/A	N/A
Dividends per share	N/A	N/A

### ITEM 3 - Results of Operations

#### For the period ended December 31, 2014 versus December 31, 2013

During the year ended December 31, 2014, the Company kept pursuing business development activities as it sought to be listed on a stock exchange in order to increase its visibility and to have increase access to funding by the capital markets. In November 2014 the Company initiated discussions with The Streetwear Corporation (“Streetwear”), a publicly traded corporation listed on the Canadian Securities Exchange, to be acquired in its entirety. Streetwear was in the business of minerals exploration at that time but was considering a fundamental change of business. The negotiations with the management of Streetwear lead into the Agreement in Principle, announced March 3, 2015 and amended May 15, 2015 as described under ITEM 9 – Subsequent Events.

BitRush has invested substantial time, effort and financial resources on the development of a variety of cryptocurrency related websites and its strategic application platform BitCore, representing its technical infrastructure including scalable hosting, transaction processing, web reporting engine, and software.

The Corporation has assembled a team of skilled engineers and computer scientists with broad technical expertise to develop and maintain BitCore. BitCore is a blockchain based application that uses the Bitcoin protocol. BitCore works by storing extra data in regular Bitcoin transactions, which makes every Bitcore transaction a Bitcoin transaction. When BitCore transactions are broadcast to the Bitcoin network they are verified by Bitcoin miners and saved in the Bitcoin blockchain to make a secure, verifiable record. Bitcoin’s proven technology is the base of the BitCore technology.

- BitCore offers Application Interfaces (API) to enable third parties to connect their websites and technology based services to BitCore.
- The trade secrets associated with BitCore are protected via copyright.
- BitCore source code is maintained at BitRush’s head office in Toronto. BitRush intends to grow by continuing to invest in its technology platform and enhancing customer services. BitRush is advancing multiple patent applications that relate to various aspects of BitRush’s products and technology. It is expected that future research and development will focus on enhancing existing products and services and on developing new products, including enhanced mobile capabilities.
- BitCore is the development environment and runtime for BitRush.Land portal that is hosted on the domain [www.bitrush.land](http://www.bitrush.land). As described above, BitCore was built for scale. A “single sign on wallet services” across all services, simple-to-navigate personal interface enables users to execute transactions, track past transactions, BitRush wallet account, and track the

value digital currencies through internet connected personal computers, tablets, mobile devices. The platform is multi-lingual. At the time of the scheduled launch [www.bitrush.land](http://www.bitrush.land) will be offered in English and Russian.

The management of the Corporation assumes that the trend toward cryptographic payment systems will continue to grow with the public and permissionless blockchain based on the open source Bitcoin protocol as its centerpiece. Financial institutions like banks and exchanges are already working on so called private blockchain solutions with proprietary cryptographic technologies. Startup companies like Counterparty ([www.counterparty.io](http://www.counterparty.io)) are licensing their proprietary cryptographic technologies to 3rd parties. The Management expects that BitCore will be one of several cryptographic payment and clearing solutions on a fast growing market. In order to stay competitive the Corporation has to invest into the ongoing development of BitCore to integrate new features and functionality.

It is anticipated that the Company will generate modest revenues during 2015 with expectations to increase revenues significantly in subsequent years in this market segment of payment services using Bitcoin and cryptocurrency payment channels. With its proprietary technology BitCore the Company believes that the business will be in the position to gain a significant market share within the cryptocurrency ecosphere, i.e. the number of users making payments for online services with Bitcoins or cryptocurrencies.

The increased revenues will be generated as a result of the finishing of some of the Company's application development projects and the associated launching of several projects based on these applications. As typical for technology companies no revenue will be generated in the development stage. Once the technological along with the organizational development has reached a stage to be launched to the public a startup has the chance to generate revenues. Thus it is not unusual for tech startups to have no revenue in first years and month of their operation.

Including the acquisition of the AdBit platform the Corporation meanwhile has access to approximately 40 million ad impressions per day and 32,000 active registered advertisers will contribute to the increased revenues and cash flows. We expect that fast and inexpensive blockchain-based clearing system will result in a ongoing growth of the whole blockchain-related ad services. We believe that blockchain-related ad services will be adopted by online marketing industry over the months and years to come. BitRush works to expand its ad services with innovative plugins and apps.

With the launch of the Consumer-to-Consumer exchange CoinEx Ltd. ("CoinEx") BitRush will create additional revenues from commissions paid to BitRush from the buyers and sellers on the platform [www.coinex.co](http://www.coinex.co). CoinEx itself will be launched in invitation mode on December 30, 2015 and will enable its registered users to buy and sell cryptocurrency from each other against FIAT-money using PayPal. Users have to register with their PayPal credentials at CoinEx (ID verification thus is done by PayPal). The CoinEx system re-checks the ID automatically with PayPal using PayPal application interfaces. Users can offer to buy or sell cryptocurrencies on CoinEx, their offer will be published on CoinEx. If another registered user of CoinEx accepts an offer the FIAT-payment is done via PayPal from the buyers PayPal account to the sellers PayPal account. After confirmation of Payment the cryptocurrencies will be transferred automatically from the seller's cryptocurrency wallet to the buyer's cryptocurrency wallet. BitRush automatically receives a commission of 1.5% (0.075% from buyer and 0.075% from sellers). The commission is paid in cryptocurrencies to the BitRush wallet automatically.

With CoinAdvert ([www.coinadvert.net](http://www.coinadvert.net)) and the acquisition of AdBit ([www.adbit.co](http://www.adbit.co)) the corporation has already gained a significant market share within the blockchain-related ad services industry. According to the Corporation's estimate BitRush's market share within the cryptocurrency ecosphere is in excess of 20% according to the Company's own assessment. The term "cryptocurrency ecosphere" relates to users making payments for online services with Bitcoins and other cryptocurrencies

For the year ended December 31, 2014, the Corporation had revenues of \$72,655 versus nil the year before, for an increase of \$72,655 as a result of the Company's efforts to gain market visibility. The \$72,655 total revenues consist of \$50,216 consulting revenues with the balance generated by advertising revenues from websites (CoinAdvert) having started in September 2014. MezzaCap expects those revenues to increase due to the acquisition of the AdBit assets in October 2015. Revenues from consulting will not occur anymore in the foreseeable future.

For the year ended December 31, 2014, the Corporation had administrative expenditures of \$6,696 versus \$2,212 the year earlier, representing an increase of \$4,484 or 102.7%. The increase is mainly attributable to the fact that the Company was only established in October 2013.

For the year ended December 31, 2014, the Company had business development expenditures of \$178,936 versus \$252,659 the year earlier, for a decrease of \$73,723 or 29.2%. Management anticipates investing further in business development activities as it seeks to further identify opportunities to build shareholder value. The business development expenditures of \$178,936 in 2014 and \$252,659 in 2013 consisted primarily in expenses to the Company's marketing director for the development of the acquired database rights and copyrights as well as the development expenses charged for the design and architecture of BitCore. No exact split can be done between these two big projects as no exact records were kept by the marketing manager. In 2015 some of the business development expenses were borne by Streetwear and the marketing manager was also heavily engaged in the restructuring of the organization. For the year ended December 31, 2014, the Company had selling expenses of \$10,125 versus \$ nil the year earlier, for an increase of \$10,125. The increase is due to commission payments to expand the Company's business in the Ukraine. The main part of the \$10,125 consists of the Company's participation in the joint ventures the Company is involved in (Compare Note 3 to the Financial Statements as of December 31, 2014).

For the year ended December 31, 2014, the Company had professional expenditures of \$5,668 versus \$1,438 the year earlier, for an increase of \$4,230 or 194.2% , again due to a short operating period in 2013.

For the period ended December 31, 2014, the Company had an operating loss of \$19,499 versus \$61,342 the year earlier, a decrease of \$41,843 or 68.2%. Investors can anticipate this amount to stay about the same or, perhaps, turn into operating income as the Company intends to generate increased revenues during 2015 which will offset increased business development costs..

For the period ended December 31, 2014, the Company had accretion expenses of \$27,599 relating the issuance of the subordinated convertible debentures (for more details please refer to Note 4 of the Notes to the Audited Consolidated Financial Statements as of December 31, 2014).

The net loss for the period ended December 31, 2014 was \$47,085 versus \$65,480 for the previous period.

The Company showed a cash balance at the end as at December 31, 2014 of \$3,154 (2013 \$11,201), with a negative working capital amounting to \$15,573 (2013 – \$9,850).

**ITEM 4 - Summary of Quarterly Results**

	Revenues	Net profits
December 31, 2014	\$22,498	(\$19,174)
September 30, 2014	7,751	(7,136)
June 30, 2014	(961)	(22,390)
March 31, 2014	43,567	8,515
December 31, 2013	---	(63,174)

**ITEM 5 - Liquidity**

The current liabilities of \$21,135 exceed the current assets of \$5,562 for a negative working capital of \$15,573 versus a positive working capital as at December 31, 2013 of \$9,850.

In addition, the following transactions has also an impact on the liquidity of the Company significantly:

The marketing director of the Company has been in the Bitcoin marketing and software business since 2010. During the period ended December 31, 2013 the Company was billed for acquisitions costs totaling \$265,026 by this individual for database rights and copyrights. In addition, the Company was charged by this individual marketing and consulting fees which in 2014 totaled \$121,620 and in 2013 totaled \$232,907. These expenses are included under business development expenses.

On December 31, 2013 this individual waived \$195,153 of the amount which arose on the transfer of the database rights and copyrights and on December 31, 2014 he waived \$109,645 of the \$121,620 in consulting fees incurred in 2014. As part of the debt waiver agreements granted a provision was given for repayment of the amounts waived should certain conditions be met within a three-year period from the date the debt was waived. The conditions are as noted below:

- i) The operating cash flow of the Company exceeds 3% of gross revenue and \$150,000;
- ii) A Liquidity Event takes place. A "Liquidity Event" is defined as the Company completing one or more equity financings totaling \$2.0 million and including a pre-money valuation of the Company of no less than \$6.0 million.

In management's opinion neither of these conditions are likely to be met within the stipulated three year periods and therefore no provision has been set up for repayment of the waived amounts.

**ITEM 6- Capital Resources**

The Company expects to show moderate revenues during the next 12 months generating cash from operations as explained in ITEM 3 above – *Results of Operations*.

Furthermore, with the Company's intention to be acquired by Streetwear it would increase its visibility and accessibility for funding by strategic investors or the capital markets. In order to finance the Company's future development and expansion, management will be seeking to raise funds primarily by way of the issuance of common shares from the treasury of Streetwear or short term debt, which would most likely be from parties related to the new business of the Company, which is still not known with certainty. The timing and ability to fulfill these objectives will depend on the liquidity of the financial markets as well as the willingness of investors to finance junior companies and in particular junior companies with no operations or limited history.

Currently, the Company does not have any options issued and outstanding.

Management believes that the Company will have sufficient cash on hand to meet its current obligations for the following 12 months including capital commitments as discussed herein. However, there is no certainty that it will be successful in raising such funds and therefore the Company will be dependent on the management and insiders of the Company to advance funds as necessary and assume expenses on behalf of the Company.

#### **ITEM 7 - Off-Balance Sheet Arrangement**

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

#### **ITEM 8 - Transactions With Related Parties**

Amounts due from and to the related parties, are a result of transactions with entities controlled by shareholders, officers or directors of the Corporation. These amounts are non-interest bearing, unsecured and not subject to specific terms of repayment unless stated.

The Company had a receivable from its holding company amounting to \$1,903 (2013 – \$nil) and a payable to the managing director in the amount of \$287 (2013 - \$nil).

In addition, the transaction described in Item 5 above (Liquidity) involving a debt waiver by the Company's marketing director is also considered a related party transaction.

#### **ITEM 9 - Subsequent Events**

##### **Agreement with “The Streetwear Corporation”**

On March 3, 2015 an Agreement in Principle (“AiP”) was signed between the owner of the Company, MobileUp GmbH (“MobileUp”), and Streetwear, a public corporation listed on the Canadian Securities Exchange (“CSE”). Pursuant to this AiP, Streetwear would acquire the MezzaCap shares in consideration of an issuance to MobileUp of 83,287,265 common shares of Streetwear. Upon completion of the transaction, the share consideration held by the owner of MezzaCap would represent approximately 51% of the issued and outstanding common shares of the Company. In addition MobileUp could earn up to 83,746,586 common shares in the capital of Streetwear (the “Bonus Consideration”) if MezzaCap meets certain performance milestones are met on or before December 31, 2015. If earned in full, and when issued, the Bonus Consideration, when added to the share consideration held by MobileUp, would represent 65% of Streetwear's issued and outstanding common shares.

The AiP was amended on May 15, 2015, whereby MobileUp has agreed that (1) Streetwear will do a 1:3 roll back of its common shares, and, thereafter, (2) MezzaCap will be fully acquired by Streetwear whereby Streetwear would issue 83,287,265 common shares to MobileUp GmbH which is owned 100% by Alfred Dobias, who has agreed to serve on the board of directors of Streetwear. MobileUp will sell all its assets, liabilities and shares to Streetwear. Upon completion of the acquisition of MezzaCap MobileUp would own approximately 68% of the issued and outstanding shares of Streetwear. Such acquisition would constitute a Fundamental Change pursuant to the regulations of the CSE. It was intended to change the name of Streetwear to BitRush Corp. The Performance Consideration was removed.

**Agreement with “Airwin”**

Pursuant to a Memorandum of Understanding (“MoU”), signed April 15, 2015 with Airwin Informations Technologie GmbH (“Airwin”), a limited liability company registered in Pinkafeld, Austria, the Company’s wholly owned subsidiary Campus Loosdorf GmbH (“Campus”), shall be granted a license to operate and manage a computer games developed by Airwin as well as a pilot game developed by the Company as long as the users for the games pay with bitcoins. In accordance with the terms and conditions of the MoU 49% of the Campus shares would be sold to Airwin and renamed into Lucky symbols Entertainment GmbH (“LSE”).

**Subordinated convertible debentures**

As of June 15, 2015 MezzaCap Investments Ltd. (Company No. 9633173, registered in London, United Kingdom - “MezzaCap Ltd”) and fully owned by Alfred Dobias acquired the outstanding subordinated convertible debentures amounting to \$301,532 and agreed with the Company to waive the debentures in full. As a consequence shareholder’s equity would be increased by the debt portion of the subordinated convertible debt amounting to \$ 282,216 (translated as of Dec, 31, 2014) and the liabilities would decrease by the corresponding amount.

**Annual and Special General Meeting of Streetwear; Closing of the Transaction and Financing**

On June 26, 2015, Streetwear had its Annual and Special General Meeting (“Meeting”). As a consequence of such Meeting the Company is now a fully owned subsidiary of Streetwear, which has changed its name to BitRush Corp. (“BitRush). The Share Exchange Agreement between the Company and Streetwear/BitRush was signed on July 31, 2015 and the transaction was finally closed on September 8, 2015 at which time BitRush also closed a financing of \$725,000.

**Ownership change**

As of July 1, 2015 MobileUp sold 100% of the issued and outstanding shares of the Company to MezzaCap Ltd.

**ITEM 10 - Risk Factors**

- The Company commenced operations in November 2013. Accordingly, the Company only has a limited operating history, and, since incorporation, the business model has changed significantly. 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 market.
- The Company has not made profits since its incorporation and it is expected that it will not be profitable for the entire year 2015. 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, the company does not believe that the operating results to date should not be regarded as indicators for MezzaCap’s future performance.



- 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.
- The Company may be unable to enforce its legal rights in certain circumstances. In the event of disputes arising at or in respect of, the Company's foreign or domestic operations the Company may be subject to the exclusive jurisdiction of foreign or domestic courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada or other jurisdictions. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental entity or instrumentality because of the doctrine of sovereign immunity.
- The Company has a limited operating history, and there is no assurance that it will be capable of consistently producing positive cash flows.
- The Company's prospects depend on its ability to attract and retain key personnel: Recruiting and retaining qualified personnel is critical to the Company's success. The number of persons skilled in the development of cryptocurrency projects is limited and competition for such persons is intense. As the Company's business activity grows, it will require additional key financial, administrative, marketing and public relations personnel as well as additional staff on the operations side. Although the Company believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.
- Difficulties of managing growth: Since commencement of the operations, MezzaCap has experienced rapid growth of revenues and demand for its services and this growth is expected to continue in future years. Growth and expansion of the business places a continuous and significant strain on management, operational and financial resources. The Company's ability to continue to grow will depend on a number of factors, including the following:
  - To attract sufficient numbers of qualified management, technical and other personnel;
  - To establish and manage successfully business relationships with strategic partners, suppliers and customers;
  - To maintain a competitive position through the further development and expansion of the Company's range of services;
  - To penetrate new markets; and
  - To finance such growth internally and externally.It is not assured that the Company will be able to manage and control this expected growth effectively.
- Development of Cryptocurrency: It is intended to focus the business on the development and servicing of cryptocurrency- based platforms. Cryptocurrency 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. The future success of the Company 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:

- Worldwide adoption and usage of Bitcoins and other cryptocurrencies;
  - 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.
  - Changes in consumer demographics and public behavior, tastes and preferences;
  - Redirection and liberalization of using fiat currencies as well as the development of other forms of publicly acceptable means of buying and selling goods and services;
  - General economic conditions and the regulatory environment relating to cryptocurrencies
- 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.
  - Corporate liability for online content; legal uncertainties. There is a risk that claims may be made against either of these associated companies for defamation, negligence, copyright or trademark infringement, or other matters based on the nature, content, publication and distribution of information materials provided on their websites. These associated companies may also be exposed to claims made with respect to the offering of third party content that may be accessible through their websites. Even to the extent that any such claim does not result in liability to one of our associated companies, it could incur significant costs in investigating and defending against such claim. Any costs or liability arising from such claims which is not covered by insurance could, through the Company equity holdings in these associated companies, also harm the Company's core business, results of operations and financial condition. There is also a risk that similar claims could be made directly against the Company in its capacity as application service provider to any of the companies for whom they act as such. Any costs or liability arising from such claims which is not covered by insurance could harm our business, results of operations and financial condition. An increasing number of laws, regulations and directives are being passed which relate to the internet and e-commerce. In addition, efforts are being made to introduce rules and regulations governing the use of cryptocurrencies. Some legal uncertainty exists concerning the applicability of current legislation to cryptocurrency. In particular in relation to issues such as trade law, intellectual property rights, consumer protection and the protection of personal privacy, and as to the application of the laws of other countries whose citizens use products offered over the internet by companies based outside their jurisdiction.
  - Dependence on Internet Infrastructure; Risk of System Failures, Security Risks and Rapid Technological Change: The success as a developer of cryptocurrency-based platforms will depend by and large upon the continued development of a stable public infrastructure, such as a block chain 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 MezzaCap owns as well as the licenses which has 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 it cannot be assured you that all of its r 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 the Mezzacap's business have arisen to date, any such claims and disputes arising may result in liability for substantial damages which in turn could harm our business, results of operations and financial condition.

The Company has applied for a patent of its proprietary technology, BitCore, which should protect the exclusive usage and licensing capability of BitCore. However, no assurances can be given that a developer or a group of developers will not copy such technology by altering certain elements of the technology with the intention not to infringe on a granted patent. Furthermore, the granting of a patent may be declined leaving room for efforts to imitate the BitCore technology without consequences.

- **Volatilities in Bitcoin prices:** The markets for cryptocurrencies, in particular Bitcoin, have experienced much larger fluctuations than other security markets. In particular, there was a "Bitcoin Crisis" late 2013 / early 2014 as a result of the improper usage of Bitcoins to finance questionable, even illegal activities. As a result the price of Bitcoin rose from about \$130 to almost \$1,000 within one month and dropped thereafter continuously showing drastic swings until it reached a value of \$215 early 2015. Thereafter, the Bitcoin price seems to have stabilized having reached more than \$280 in October 2015. However, no assurances can be given that the Bitcoin price might show erratic swings in the future again which could be related not only to improper payment activities involving Bitcoins but also regulations by law makers in various countries

Furthermore, Bitcoins and other 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 Bitcoins is generated by investors and speculators focussing on generating profits by buying and holding Bitcoins which might create limitations on the availability of Bitcoins to pay for goods and services resulting in increased volatility of Bitcoins and other cryptocurrencies which could adversely impact an investment in the Company.

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

- Global Bitcoin demand depending on the acceptance of Bitcoins by retail merchants and commercial businesses, the perception that the use and holding of Bitcoins is safe and secure as well as the lack of regulatory restrictions;
- Investor's expectations with respect to the rate of inflation;
- Interest rates;
- Currency exchange rates, including exchange rates between Bitcoins and fiat currency;
- Fiat currency withdrawal and deposit policies on Bitcoin exchanges and liquidity on such Bitcoin exchanges
- Interruption of services or failures of major Bitcoin exchanges;

- Large investment and trading activities in Bitcoins
  - Monetary policies of governments, trade restrictions, currency de- and revaluations;
  - Regulatory measures restricting the use of Bitcoins as a form of payment or the purchase of Bitcoins;
  - Global or regional political, economic or financial events and situations, including increased threat of terrorist activities;
  - Self-fulfilling expectations of changes in the Bitcoin market.
- Stability of Bitcoin exchanges: The price of Bitcoins is established by public Bitcoin exchanges that have, by nature of their business, a limited operating history. So far, even the largest Bitcoin exchanges have been subject to operational interruptions or even collapse (Mt. Gox). The interruption and the collapse of Bitcoin exchanges may limit the liquidity of Bitcoins resulting in volatile prices and a reduction in confidence in the Bitcoin network and the Bitcoin exchange market. The deposit or withdrawal of fiat currency into or from the Bitcoin exchanges may also affect the price of Bitcoins. Operational limits regarding the settlement with fiat currencies may also reduce the demand to use Bitcoin exchanges which would adversely affect an investment in the Company.

Bitcoin 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 Bitcoin exchanges are lacking infrastructure and capitalization the larger Bitcoin exchanges are more likely to become targets of hackers and malware. Also, arbitraging activities between Bitcoin exchanges may destabilize some of the smaller Bitcoin exchanges. A lack of stability in the Bitcoin exchange market may reduce the confidence in the Bitcoin network affecting adversely an investment in the Company.

- License Requirements: MezzaCap has not been required to apply for brokerage licenses as the cryptocurrencies have only recently come into the focus of regulation authorities in various countries. As a result of those regulations MezzaCap might be required to apply for a brokerage and/or banking license or permits which could become very expensive and unaffordable. This is one of the reasons why the Company is constantly looking for funding, but no assurances can be given that funding to secure such licenses or permits is available at any given time. Furthermore, appropriately qualified personnel might be required to maintain such licenses and permits, but there are no assurances that MezzaCap might be in the position to hire such qualified personnel when required.
- Changes in the Bitcoin network protocol: The Bitcoin network is based on a protocol governing the peer-to-peer interactions between computers that are connected to each other within the Bitcoin network. The governing code regulating such math-based protocol is informally managed by a development team initially appointed by the purported creator of the Bitcoin network, Satoshi Nakamoto. This development team, though, might propose and implement amendments to the Bitcoin network's source code through software upgrades altering the original protocol, including fundamental ideas such as the irreversibility of transactions and limitations on the mining of Bitcoins. Such changes of the original protocol and software may adversely affect an investment in the Company.
- Acceptance of virtual currencies: Although the Corporation believes that the usage of Bitcoins and 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 individual will be increasingly reluctant to accept virtual currencies, such limited usage of Bitcoins and 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 Bitcoin mining activities and altering the blockchain which the Bitcoin network and all Bitcoin transactions is relied upon. For instance, the malicious actor or botnet could reuse its own Bitcoins more than once preventing the confirmation of other users' transactions which would mean a serious breach of the original protocol which could adversely affect an investment in the Company.

Moreover, if the award for solving transaction blocks declines and transaction fees are not sufficiently high, the incentive to continue mining would decrease and could lead to a stoppage of mining activities. The collective processing power of the Bitcoin 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 Bitcoin network more vulnerable to malicious actors or botnets obtaining control of the Bitcoin network processing power.

- **Recording of transactions:** It is feasible that Bitcoin miners 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 Bitcoin miners who are not required to pay such transaction fees. Any widespread delays in the recording of Bitcoin transactions could result in a loss of confidence in the Bitcoin network which could adversely affect an investment in the Company.
- **Deviations from the Bitcoin network:** Bitcoin is an open source project; there is no official developer or group of developers formally controlling the Bitcoin network. Any individual may download the Bitcoin network software and make any desired modifications. However, Bitcoin miners and users must consent to those software modifications by downloading the altered software or upgrading the implemented changes, otherwise the changes do not become a part of the Bitcoin network. Since the network's inception, changes to the Bitcoin network have been accepted by the vast majority of users and Bitcoin miners which was necessary for the Bitcoin network to remain a coherent economic system. However, a developer or a group of developers could potentially propose a modification to the Bitcoin network that is not accepted by the vast majority of Bitcoin miners and users, which could result in the development of a second open source Bitcoin network running the modified version side by side with the Bitcoin network running the not modified software program. While the development of several blockchains could be viewed as opportunity to expand the entire Bitcoin network addressing the desires of different target groups it could be also viewed as risk element disrupting the ideas and objectives of the original protocol.

The Company's proprietary key technology BitCore is a blockchain based application using the Bitcoin protocol. BitCore stores extra data onto regular Bitcoin transactions, which makes every BitCore transaction a Bitcoin transaction, i.e. BitCore operates an "add-on" to the publicly available blockchain. Extensive use of BitCore, however, could lead to the creation of an alternative blockchain which could be viewed as a disruption of the original intent described in the Bitcoin protocol

**ITEM 11 - Critical Accounting Estimates**

The accounting policies used impacts the Company's financial statements, and the estimates and assumptions made, by management during their preparation. The Company's accounting policies are described within the financial statements. The accounting estimates considered to be significant to the Company include the computations of agents' warrants value, share-based compensation expense, valuation of exploration and evaluation assets and the recovery of deferred income tax assets.

**ITEM 12 - Changes in Accounting Policies**

The Company would like to direct readers to its audited financial statements for the period ending December 31, 2014 which can be found on the regulator's web site at [www.sedar.com](http://www.sedar.com).

**ITEM 13 - Financial Instruments and Other Instruments**

The Company would like to direct readers to its audited financial statements for the period ending December 31, 2014 which can be found on the regulator's web site at [www.sedar.com](http://www.sedar.com).

**ITEM 14 - Capital Structure**

The Company is a limited liability company, similar to a partnership, and has only one common share issued and outstanding that is owned by BitRush.

**ITEM 15 - Other MD&A Requirements**

As defined in Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, disclosure controls and procedures require that controls and other procedures be designed to provide reasonable assurance that material information required to be disclosed is duly gathered and reported to senior management in order to permit timely decisions and timely and accurate public disclosure.

The Company has evaluated the effectiveness of its disclosure controls and procedures, as defined, and has concluded that they were effective as of the end of the period covered by this report as well as of the date of this report.

The Company has evaluated its internal controls and financial reporting procedures and has found them to be effective with the objective of reporting the Company's financial transactions.

Exhibit 9

**MEZZACAP GMBH**  
**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014**

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**NOTICE TO READER**

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

The accompanying unaudited interim condensed consolidated financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management.

The Corporation's independent auditor has not performed a review of these consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

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**MezzaCap GmbH**  
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015

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Notes to the Condensed Interim Consolidated Financial Statements



## **Management's Responsibility**

The accompanying financial statements of the Company are the responsibility of management.

These financial statements have been prepared by management in accordance with the accounting policies disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the date of the statement of financial position. In the opinion of management, these financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards ("IFRS") appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Corporation, as of the date of and for the periods presented by the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Corporation and for ensuring that management fulfills its financial reporting responsibilities.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

November 30, 2015

/s/ ALFRED Dobias

Alfred Dobias

Director, Chief Executive Officer

**MezzaCap GmbH****Interim Consolidated Statements of Financial Position**  
(Expressed In Canadian Dollars)

As at	March 31, 2015 \$	December 31, 2014 \$
<b>Assets</b>	<b>(Unaudited)</b>	
<b>Current</b>		
Cash	3,103	3,154
Sundry receivables	1,864	504
Related Party Receivable	2,669	1,903
<b>Total current assets</b>	<b>7,636</b>	<b>5,561</b>
Property and equipment	442	546
Intangibles	246,923	254,405
Investments in joint ventures	6,120	6,307
<b>Total Assets</b>	<b>261,122</b>	<b>266,819</b>
<b>Liabilities and Shareholders' Deficiency</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	27,537	20,848
Related party payable	1,185	287
<b>Total current liabilities</b>	<b>28,722</b>	<b>21,135</b>
<b>Subordinated convertible debentures</b>	<b>260,791</b>	<b>262,816</b>
<b>Total Liabilities</b>	<b>289,513</b>	<b>283,951</b>
<b>Shareholders' Deficiency</b>		
Share Capital	14,722	14,722
Equity portion of convertible debentures	80,958	80,958
Foreign exchange losses	(2,328)	(2,554)
Deficit	(121,743)	(110,258)
<b>Total Shareholders' Deficiency</b>	<b>(28,391)</b>	<b>(17,132)</b>
<b>Total Liabilities and Shareholders' Deficiency</b>	<b>261,122</b>	<b>266,819</b>

APPROVED ON BEHALF OF THE BOARD:

Signed /s/ "Alfred Dobias", Director

## MezzaCap GmbH

Consolidated Interim Statements of Operations and  
Comprehensive Income/Loss (expressed in Canadian  
Dollars)

For the periods ended March 31,	2015 \$	2014 \$
<b>Revenue</b>	<b>13,938</b>	<b>43,567</b>
<b>Expenditures</b>		
<b>General and administrative expenses</b>		
Administrative	(1,305)	(1,276)
Business development	(8,205)	(26,066)
Selling expenses	(8,355)	(568)
Professional fees	(1,678)	0
Depreciation	(90)	(90)
<b>Total general and administration expenses</b>	<b>(19,633)</b>	<b>(27,909)</b>
Loss before the following items:	(5,694)	15,658
Foreign exchange loss		-
Accretion expense	(5,791)	(7,143)
<b>Net income/loss for the period</b>	<b>(11,484)</b>	<b>8,515</b>
<b>Effect of foreign currency translation</b>	<b>412</b>	<b>181</b>
<b>Net loss and comprehensive loss for the period</b>	<b>(11,072)</b>	<b>8,736</b>

See accompanying notes to the unaudited interim consolidated financial statements.

**MezzaCap GmbH****Notes to the Interim Consolidated Financial Statements  
for the three months ended March 31, 2015  
(expressed in Canadian Dollars)****MezzaCap GmbH  
Consolidated Statements of Cash Flows  
(Expressed In Canadian Dollars)  
(Unaudited)**

For the periods ended March 31,	2015 \$	2014 \$
<b>Cash flows (used in) from:</b>		
<b>Operating activities</b>		
Net loss for the period (excluding foreign exchange loss)	(11,484)	8,515
Adjust for: operating items not involving cash		
Depreciation	90	90
Accretion expense	5,791	7,143
Change in non-cash working capital:		
Prepays and other assets	(2,126)	(9,848)
Accounts payable and accrued liabilities	7,023	(10,143)
	(707)	(4,243)
<b>Financing activities</b>		
Proceeds received from issuance of shares	-	-
	-	-
<b>Investing activities</b>		
Investing in intangible assets	-	-
Purchase available-for-sale financial assets	-	-
	-	-
<b>(Decrease) increase in cash</b>	<b>(707)</b>	<b>(4,243)</b>
<b>Differences due to foreign exchange translation</b>	<b>656</b>	<b>(201)</b>
<b>Cash at beginning of period</b>	<b>3,154</b>	<b>11,202</b>
<b>Cash at end of period</b>	<b>3,103</b>	<b>6,758</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Interest paid	-	-
Taxes paid	-	-

**MezzaCap GmbH****Notes to the Interim Consolidated Financial Statements****for the three months ended March 31, 2015****(expressed in Canadian Dollars)****MezzaCap GmbH****Consolidated Statements of Changes in Shareholders' Deficiency****(Expressed In Canadian Dollars)****(Unaudited)**

	Share Capital \$	Equity Portion of Convertible Debentures \$	Accumulated Comprehensive Loss \$	Deficit \$	Total Shareholder's Equity \$
<b>Balance January 1, 2014</b>	14,722	80,958	(2,306)	(63,174)	30,200
Net loss for the period	-	-	181	8,515	8,736
<b>Balance March 31, 2014</b>	14,722	80,958	(2,125)	(54,659)	38,936
<b>Balance December 31, 2014</b>	14,722	80,958	(2,554)	(110,259)	(17,132)
Net loss for the period	-	-	412	(11,484)	(11,072)
<b>Balance March 31, 2015</b>	14,722	80,958	(2,328)	(121,743)	(28,391)

## **MezzaCap GmbH**

### **Notes to the Interim Consolidated Financial Statements for the three months ended March 31, 2015 (expressed in Canadian Dollars)**

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## **1. Nature of Operations**

MezzaCap was incorporated on October 15, 2013 pursuant to the laws of Austria. The Company has its registered office at Mooslackengasse 17, 1190 Vienna, Austria and is registered with FN 405032 k at the Commercial Court in Vienna, Austria.

The Company is a development stage internet technology and focused on the cryptocurrency payment services business. MezzaCap develops and operates cryptocurrency micropayment channels.

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern, under which material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern must be disclosed. As at March, 2015, the Company had not yet achieved profitable operations and continues to be dependent upon its ability to obtain sufficient working capital from external financing to meet the Company’s liabilities as they become payable and ultimately to generate profitable future operations. As at March 30, 2015, the Company had a negative working capital of \$ 21,086 (December 31, 2014 – working capital deficiency of \$15,574) and cumulative losses of \$ 121,743 (December 31, 2014 - \$110,258). These unaudited condensed interim consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of operations, and at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material.

## **2. Significant Accounting Policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### ***a) Basis of Presentation and International Financial Reporting Standards***

The unaudited interim consolidated financial statements of the Company for the period ended March 31, 2015 have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) effective for the Company’s reporting for the period ended March 31, 2015.

### ***b) Basis of Measurement***

These financial statements have been prepared on a historical cost basis except for certain financial assets, which are recorded at fair value.

## MezzaCap GmbH

### Notes to the Interim Consolidated Financial Statements for the three months ended March 31, 2015 (expressed in Canadian Dollars)

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#### *c) Use of Estimates and Judgments*

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results could differ from those estimates.

The significant estimates and judgements of management include the following:

- i) The determination that the useful lives of the Company's intangible assets are indefinite
- ii) The determination that the intangible assets of the Company are not impaired as at March 31, 2015;
- iii) The assumption that conditions under which the waived debt (see Note 6) totaling \$354,526 would have to be repaid are not likely to be met;
- iv) The fact that the assets and liabilities of the Company should be valued on the basis that the Company is a going concern.

#### *d) Functional and presentation currency*

As the Company operates mainly in Eastern and Western Europe, the functional currency of the Company is the EURO. For reorganisation purposes (Compare Note **13. Subsequent events**) the financial statements of the Company are presented in Canadian Dollars by applying the rules set forth in paragraph 39 of International Accounting Standard 21 (IAS 21). Hence the assets and liabilities for the consolidated

## **MezzaCap GmbH**

### **Notes to the Interim Consolidated Financial Statements for the three months ended March 31, 2015 (expressed in Canadian Dollars)**

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#### **Significant Accounting Policies (continued)**

financial statements as of March 31, 2015 (as well as at December 31, 2014) were translated at the closing rate at March 31, 2015 and December 31, 2014 (1,37164 resp. 1,4132). For practical reasons and as there are no material exchange rate fluctuations, an average exchange rate for the period (January 1, to March 30, 2015) and (January 1 to December 31, 2014) was used to translate the income and expense items for the three months ended March 31, 2015 and 2014 as well as for presenting the Cash Flow Statements for the respective periods.

The resulting exchange difference is recognised in other comprehensive income/loss.

Bitcoins (BTC) bought are accounted for at the exchange rate at the purchase date (EURO/BTC), the expenses are accounted for on a FIFO basis. Bitcoin revenue is accounted for at the exchange rate ruling at the date when the Bitcoins are transferred to the Company's wallets.

#### ***e) Cash and Cash Equivalents***

Cash and cash equivalents include demand deposits with banks as well as BTC's stored as of the balance sheet date.

#### ***f) Intangible Assets***

Intangible assets acquired from third-parties by applying the arm's length principle are recognized at acquisition costs, depending on the nature of the intangible assets (infinite or finite useful lives) amortization is accounted for to the extent that they were subject to wear and tear.

#### ***g) Research and development***

Research and development costs are expensed in the period incurred unless development costs meet the criteria for capitalization as an intangible asset. The Company did not capitalize any development costs in the period.

#### ***h) Property and equipment***

Property and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of property and equipment consists of the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for its intended use.

Depreciation is recognised based on the cost of an item of property and equipment, less its estimated residual value over its estimated useful life.

An asset's residual value, useful life and depreciation method are reviewed, and adjusted if appropriate, on an annual basis.

#### **Significant Accounting Policies (continued)**



## **MezzaCap GmbH**

### **Notes to the Interim Consolidated Financial Statements for the three months ended March 31, 2015 (expressed in Canadian Dollars)**

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#### **Significant Accounting Policies (continued)**

##### ***i) Provisions (continued)***

and the amount of the obligation can be reliably estimated. Provisions are determined by discounting the expected future cash flows to present value.

##### ***j) Revenue recognition***

Revenue from consulting and management fees is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Advertising revenues are generated in operating Bitcoin websites on a global scale. Advertising revenue are accounted for on a cash basis when credited by Google Adsense and other Bitcoin advertising systems to the bank account of the Company.

##### ***k) Financial Instruments***

Financial instruments are defined as any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

Financial assets are classified into the following categories at their initial recognition:

- Financial assets at fair value through profit or loss (“FVTPL”)
- Held-to-maturity investments;
- Loans and receivables; and
- Available-for-sale financial assets.

Financial liabilities are classified into the following categories at their initial recognition:

- Financial liabilities at fair value through profit or loss; and
- Other financial liabilities.

Financial assets and liabilities are initially measured at fair value, plus, in the case of a financial asset or liability not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issuance of the financial asset or liability. In a purchase or sale of financial assets, recognition and derecognition occurs using trade date accounting.

Financial assets are subsequently measured after initial recognition at fair value, except for financial assets classified as held-to-maturity investments or loans and receivables, which are subsequently measured at amortized cost using the effective interest method.

Financial liabilities at fair value through profit or loss are subsequently measured after recognition at fair value. All other financial liabilities are subsequently measured at amortized cost using the effective interest method.

**MezzaCap GmbH****Notes to the Interim Consolidated Financial Statements  
for the three months ended March 31, 2015  
(expressed in Canadian Dollars)**

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**Significant Accounting Policies (continued)*****Financial Instruments (continued)***

Financial assets are derecognized when:

- the contractual rights to the cash flows from the financial asset expire;
- the contractual rights to the cash flows from the financial asset are retained, but a contractual obligation to pay the cash flows to another party without material delay is assumed by the Company; or
- when the Company transfers substantially all the risks and rewards of ownership of the financial asset.

Financial liabilities are derecognized when the obligations are discharged, cancelled or expire.

Financial assets (other than a financial asset defined as FVTPL) are assessed at each reporting date in order to determine whether objective evidence exists that the assets are impaired as a result of one or more events which have had a negative effect on the estimated future cash flows of the asset.

If there is objective evidence that a financial asset has become impaired, the amount of the impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows from the asset discounted at its original effective interest rate. Impairment losses are recorded in earnings. If the amount of the impairment loss decreases in a subsequent period and the decrease can be objectively related to an event occurring after the impairment was recognized, the impairment loss is reversed up to the original carrying value of the asset. Any reversal is recognized in earnings.

## **MezzaCap GmbH**

### **Notes to the Interim Consolidated Financial Statements for the three months ended March 31, 2015 (expressed in Canadian Dollars)**

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#### **Significant Accounting Policies (continued)**

##### ***l) Impairment of non-financial assets***

At each financial position reporting date, the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the assets are estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of an asset's fair value less cost to sell and its 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 current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statement of loss and comprehensive loss.

The Company will reverse any previous impairment losses where circumstances have changed such that the level of impairment in the value of the assets has been reduced.

Assets with an indefinite useful life that are not amortized are tested annually for impairment, irrespective of whether there is any indication these assets may be impaired.

As of March 31, 2015, there were no indicators that suggested that the Company's non-financial assets were impaired.

##### ***m) New accounting standards and interpretations***

IFRS 9 – Financial Instruments ("IFRS 9") addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009, October 2010, November 2013 and finalized in July 2014. It replaces the parts of IAS 39 Financial Instruments: Recognition and Measurements that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into three measurement categories: those measured at FVTPL; those measured at FVOCI and those measured at amortized cost, with the determination made at initial recognition. The classification depends on an entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that in cases where the fair value option is selected for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the consolidated statements of operations, unless this creates an accounting mismatch. IFRS 9 has also been updated to amend the requirements around hedge accounting. However, there is no impact to the Company from these amendments as it does not apply hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company has not yet assessed the impact of adoption.

IFRS 15, "Revenue from contracts with customer" deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount,

## **MezzaCap GmbH**

### **Notes to the Interim Consolidated Financial Statements for the three months ended March 31, 2015 (expressed in Canadian Dollars)**

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#### **Significant Accounting Policies (continued)**

##### ***n) New accounting standards and interpretations (continued)***

timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 "Revenue" and IAS 11 "Construction Contracts" and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017. The Company has not yet assessed the impact of adoption.

##### ***o) Joint Venture Accounting***

In accordance with the guidelines set in IFRS 11 for the different kinds of Joint Arrangements the Company classifies its joint arrangements as joint ventures without a separate legal entity. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers. According to IFRS 11/28 the Company would have to recognize his share of the joint operation's underlying assets, liabilities, revenues and expenses

As the company has not yet established an separate reporting requirements for its Eastern European joint ventures and for immateriality reasons as the joint ventures were just entered in the second half of 2014 the Company recognises its interests in joint venture at acquisition costs.

## **MezzaCap GmbH**

### **Notes to the Interim Consolidated Financial Statements for the three months ended March 31, 2015 (expressed in Canadian Dollars)**

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#### **3. Non Current Assets**

##### **a) *Intangibles***

Investments in intellectual property represent acquired “sui generis” database rights (Directive 96/9/EC of the European Parliament and of the Council of 11 March 1996 on the legal protection of databases) and copyrights relating to creative databases, websites and domains. These investments are recorded at acquisition costs.

In general those database rights are legally valid for 15 years, but as the Company modifies these databases in developing its business and as a new set of rights are created for each modification of the database, infinite lifetime is assumed for these investments acquired.

As of the March 31, 2015 these investments were recorded unchanged to December 31, 2014 at acquisition costs of \$254,405.

Expenses incurred in modifying the databases and websites amounted to \$8,205 for the period ended March 31, 2015 (2014: \$26,066 resp.) are expensed when incurred and shown in business development expenses. In accordance with the Company’s accounting policy these assets were evaluated at year for impairment at year end. As on March 31, 2015 management has determined that the intangibles were not impaired.

##### **b) *Investments in joint ventures***

Investments in joint ventures represent acquisition costs for a 50% investment in database rights and copyrights requesting the joint control for some cryptocurrency entertainment websites (Coincheckin, CoinDigger) as well as in a Bitcoin technology project (Coinadvert; an adbroker) totaling 16 BTC paid. Revenues and expenses totaling to 8,06 BTC for the three months period ended March 31, 2015 (2014: nil) were shared between the partners of the joint ventures when incurred on a monthly net basis and are included in business development expenses.

#### **4. Subordinated convertibles debentures**

On November 30, 2013 the Company issued interest free unsecured subordinated convertible loans with a principal amount of EURO 220.000 (\$310,904 at the exchange rate as of Dec. 31, 2014).

These convertible debentures are subordinated to all other existing and future liabilities of the Company, with the exception of liabilities to shareholders of the Company. The debentures are senior to the liabilities to shareholders.

These convertible debentures shall be due and payable in full on September 30, 2018 prior cancellation of the debenture is not possible. The subscribers have the option to convert the debenture into shares of the Company. The conversion of the outstanding amount into shares is only possible in its entirety. The declaration to convert is to be addressed in writing by registered mail to the Company’s managing

## **MezzaCap GmbH**

### **Notes to the Interim Consolidated Financial Statements for the three months ended March 31, 2015 (expressed in Canadian Dollars)**

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director by not later than September 30, 2018. Upon conversion the Subscribers will be entitled to a bonus payment of 100% of the nominal value entitling him/her to a total of 200% of the subscribed debenture. The value of the Company is to be determined by an independent appraiser nominated by the Company and will be considered final and irrevocable. The Company will make sure that such valuation will be submitted by latest September 30, 2018; the valuation has to be not older than 6 months. If these conditions are not met the conversion period will be extended by two weeks starting on the day of submission of the valuation document.

The Company used the residual value method to allocate the principal amount of the convertible debenture between the liability and equity components. The Company valued the debt component of the debentures by calculating the present value of the principal and interest payments, discounted at a rate of 15%, being management's best estimate of the rate that a non-convertible debenture with similar terms would bear. The equity conversion feature of the debenture comprises the value of the conversion option, being the difference between the face value of the debenture and the liability element calculated above. Based on this calculation, the liability component is \$242,926 and the residual equity component is \$80,958. Accretion charges attributable to the debenture for the period ended March, 31 2015 were \$5,791 (\$7,143 for the three months ended March 31, 2014). This amount is added to the liability component on the consolidated statement of financial position and is included in accretion expense on the consolidated statement of loss and comprehensive loss.

## **5. Share Capital**

As of the March 31, 2015 the Company is wholly owned by MobileUp GmbH, also located in Vienna Austria, the authorized capital stock is fully paid in.

## **6. Related Party Transactions**

Related parties include the board of Directors, senior management, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Related party transactions conducted in the normal course of operations are measured at fair value.

The Company had a receivable from the holding company amounting to \$1,864 (2014: \$504) and a payable to the president in the amount of \$1,185 (2014: \$287).

The marketing director of the Company has been in the Bitcoin marketing and software business since 2010. During the period ended December 31, 2013 the Company was billed for acquisitions costs totaling \$265,026 by this individual for database rights and copyrights. In addition, the Company was charged by this individual marketing and consulting fees which in 2014 totaled \$121,620 and in 2013 totaled \$232,907. These expenses are included under business development expenses.

On December 31, 2013 this individual waived \$195,153 of the amount which arose on the transfer of the database rights and copyrights and on December 31, 2014 he waived \$109,645 of the \$121,620 in consulting fees incurred in 2014.

## **MezzaCap GmbH**

### **Notes to the Interim Consolidated Financial Statements for the three months ended March 31, 2015 (expressed in Canadian Dollars)**

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As part of the debt waiver agreements granted a provision was given for repayment of the amounts waived should certain condition be met within a three-year period from the date the debt was waived. The conditions are as noted below:

- i) The operating cash flow of the Company exceeds 3% of gross revenue and \$150,000;
- ii) A Liquidity Event takes place. A “Liquidity Event” is defined as the Company completing one or more equity financings totaling \$2.0 million and including a pre-money valuation of the Company of no less than \$6.0 million.

In management’s opinion neither of these conditions are likely to be met within the stipulated period.

During the period ended March 31, 2015 the Company incurred additional expenses amounting to \$7,344 (2014: \$26,066) for additional services rendered, which are expensed when incurred and are included in business development expenses.

## **7. Financial Instruments and Capital Risk Management**

The Company’s activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency and price risks).

Risk Management is carried out by the Company’s managing director.

The Company does not manage risk through the use of hedging transactions. As a part of the overall operation of the Company, management takes steps to avoid undue concentrations of risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

### ***a) Liquidity Risk***

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The primary source of liquidity is net operating income, which is used to finance working capital and capital expenditure requirements, and to meet the Company’s financial obligations associated with financial liabilities.

Additional sources of liquidity are debt and equity financing, which is used to fund additional operating and other expenses and retire debt obligations at their maturity.

### ***b) Market Risk***

Market risk is the risk that changes in market price, such as foreign exchange rates, commodity prices, and interest rates will affect the Company’s net income or the value of financial instruments. These risks are generally outside the control of the Company. The objectives of the Company are to mitigate market risk exposure within acceptable limits, while maximizing returns.

## **MezzaCap GmbH**

### **Notes to the Interim Consolidated Financial Statements for the three months ended March 31, 2015 (expressed in Canadian Dollars)**

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#### ***c) Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk.

The Company does not trade in financial instruments and is not exposed to and significant interest rate price risk.

#### ***d) Credit Risk***

Credit risk related to accounts receivable arises from the possibility that debtors may be unable to fulfill their commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. The Company mitigates this risk by regularly monitoring the financial health and aging of any amounts due from its debtors.

#### ***e) Price Risk***

The nature of the Company's operations results in exposure to fluctuations in commodity prices. As at December 31, 2014 and 2013, respectively the Company did not have any significant exposure to derivative financial instrument agreements or fixed physical contracts.

#### ***f) Currency Risk***

Currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. At March 31, 2015 (2014: nil) the Company included 0,25 BTC(converted at the ruling foreign exchange rate BTC/€ as of March 31, 2015) in cash and cash equivalents. The Company tries to limit the currency risk by storing as few BTC as possible.

## **8. Capital Management and Liquidity**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the business activities maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new debt, acquire or dispose of assets or adjust the amount of cash.

The Company's strategy is to satisfy its liquidity needs using cash on hand and cash flows generated from operating activities. Revenue, available cash balances, and financing of indebtedness are the Company's principal sources of capital used to pay operating expenses and recurring capital and leasing costs in its business.

The principal liquidity needs for periods beyond the next twelve months are for non-recurring capital expenditures, development costs and potential mining expansion. The Company's strategy is to meet these needs with one or more of the following:



**MezzaCap GmbH****Notes to the Interim Consolidated Financial Statements  
for the three months ended March 31, 2015  
(expressed in Canadian Dollars)**

- 
- cash flows from operations;
  - Private placements via convertible debts;
  - proceeds from sales of assets; and

The following table presents the contractual maturities of the Company's financial liabilities as at March 31, 2015:

(in \$)	Total	< 1 Year	Payments by Periods		
			1 - 3 Years	4 - 5 Years	After 5 Years
Accounts payable and accrued liabilities	28,722	28,722	---	---	---
Convertibles debentures	260,791		260,791	--	---

**MezzaCap GmbH**

**Notes to the Interim Consolidated Financial Statements**  
**for the three months ended March 31, 2015**  
**(expressed in Canadian Dollars)**

**9. Financial Instruments****Fair Value of Non-Derivative Financial Instruments**

Fair value is the amount that willing parties would accept to exchange a financial instrument based on the current market for instruments with the same risk, principal and remaining maturity. The fair value of interest bearing financial assets and liabilities is determined by discounting the contractual principal and interest payments at estimated current market interest rates for the instrument. Current market rates are determined by reference to current benchmark rates for a similar term and current credit spreads for debt with similar terms and risk. The carrying value and fair value of financial instruments being of equal value are as follows:

(in \$) for the period ended	March 31, 2015	December 31, 2014
Financial assets		
Cash and cash equivalents	3,103	3,154
Sundry receivable	1,864	505
Related party receivables	2,669	1,903
Financial liabilities		
Accounts payable and accrued liabilities	27,537	20,848
Subordinated convertible debentures	260,791	262,816
Related party payable	1,185	287

**Fair Value Hierarchy**

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Company values instruments carried at fair value using quoted market prices, where available. Quoted market prices represent a Level 1 valuation. When quoted market prices are not available, the Company maximizes the use of observable inputs within valuation models. When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3.

The following table outlines financial assets and liabilities measured at fair value in the consolidated financial statements and the level of the inputs used to determine those fair values in the context of the hierarchy as defined above:

	Level 1	Level 2	Level 3	Total
Assets (\$)				
Cash and cash equivalents	3,103	---	---	3,103
Sundry receivables		1,864		1,864
Related party receivable		2,669	---	2,669

**MezzaCap GmbH**

**Notes to the Interim Consolidated Financial Statements**  
**for the three months ended March 31, 2015**  
**(expressed in Canadian Dollars)**

Total Assets	3,103	4,533	- - -	7,636
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**Financial Instruments - continued**

( \$ )	Level 1	Level 2	Level 3	Total
Liabilities				
Accounts payable and accrued liabilities	27,537	- - -	- - -	27,537
Related party payables	1,185		- - -	1,185
Subordinated debentures	260,791			260,791
Total liabilities	289,513		- - -	289,513

**10. Subsequent events****Agreement with “The Streetwear Corporation”**

On March 3, 2015 an Agreement in Principle (“AiP”) was signed between the owner of the Company, MobileUp GmbH (“MobileUp”), and The Streetwear Corporation (“Streetwear”), a public company listed on the Canadian Securities Exchange (“CSE”). Pursuant to this AiP, Streetwear will acquire the MezzaCap shares in consideration of an issuance to MobileUp of 83,287,265 common shares of Streetwear. Upon completion of the Transaction, the share consideration held by the owner of MezzaCap will represent approximately 51% of the issued and outstanding common shares of the Company. In addition MobileUp could earn up to 83,746,586 common shares in the capital of Streetwear (the “Bonus Consideration”) if MezzaCap meets certain performance milestones are met on or before December 31, 2015. If earned in full, and when issued, the Bonus Consideration, when added to the share consideration held by MobileUp, would represent 65% of Streetwear’s issued and outstanding common shares.

The AiP was amended on May 15, 2015, whereby MobileUp has agreed that (1) Streetwear will do a 1:3 roll back of its common shares, and, thereafter, (2) MezzaCap will be fully acquired by Streetwear whereby Streetwear will issue 83,287,265 common shares to MobileUp GmbH which is owned 100% by Alfred Dobias, who has agreed to serve on the board of directors of Streetwear. MobileUp will sell all its assets, liabilities and shares to Streetwear. Upon completion of the acquisition of MezzaCap MobileUp will own approximately 68% of the issued and outstanding shares of Streetwear. Such acquisition will constitute a Fundamental Change pursuant to the regulations of the CSE. It is intended to change the name of Streetwear into BitRush Corp. There will be no performance shared anymore.

**Agreement with “Airwin”**

Pursuant to a Memorandum of Understanding (“MoU”), signed April 15, 2015 with Airwin Informationstechnologie GmbH (“Airwin”), a limited liability company registered in Pinkafeld, Austria, the Company’s wholly owned subsidiary Campus Loosdorf GmbH (“Campus”), shall be granted a license

## **MezzaCap GmbH**

### **Notes to the Interim Consolidated Financial Statements for the three months ended March 31, 2015 (expressed in Canadian Dollars)**

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to operate and manage a computer games developed by Airwin as well as a pilot game developed by the Company as long as the users for the games pay with bitcoins. In accordance with the terms and conditions of the MoU 49% of the campus shares will be sold to Airwin.

#### **Subordinated convertible debentures**

As of June 15, 2015 MezzaCap Investments Ltd. (Company No. 9633173, registered in London, United Kingdom - "MezzaCap Ltd") and fully owned by Alfred Dobias acquired the outstanding subordinated convertible debentures amounting to \$301,532 and agrees with the Company to waive the debentures in full effective July 1, 2015. As a consequence shareholder's equity will be increased by the debt portion of the subordinated convertible debt.

#### **Ownership change**

As of July 1, 2015 MobileUp sold 100% of the issued and outstanding shares of the Company to MezzaCap Ltd, London Great Britain.  
Agreement with "The Streetwear Corporation"

#### **Annual and Special General Meeting of Streetwear**

On June 26, 2015, Streetwear had its Annual and Special General Meeting ("Meeting"). As a consequence of such Meeting the Company is now a fully owned subsidiary of Streetwear, which has changed its name to BitRush Corp.

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## EXHIBIT 10

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MEZZACAP GMBH

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE PERIOD ENDED MARCH 31, 2015

DATED DECEMBER 21, 2015

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### Disclosure Regarding Forward-Looking Statements

This Management Discussion and Analysis contains forward-looking statements that include risks and uncertainties that are disclosed under the section Risk Factors. Other factors that could affect actual results are uncertainties pertaining to government regulations, both domestic as well as foreign, and the changes within the capital markets. Other risks may be disclosed from time to time in MezzaCap's public disclosures.

MezzaCap GmbH  
Management Discussion and Analysis  
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Unless otherwise indicated, all reference to “dollar” or the use of the symbol “\$” are to the Canadian dollar and all references to “US dollars” or “US\$” are to the United States dollar in this Management Analysis and Discussion.

The preparation of the interim financial statements are in conformity with Austrian Generally Accepted Accounting Principles (“AustrianGAAP”) that have been revised to incorporate International Financial Reporting Standards (“IFRS”) and requires management to make assumptions that affect the reported amounts of assets, liabilities and expenses in addition to the disclosure of contingent liabilities at the date of the interim financial statements and reporting amounts. MezzaCap GmbH (“MezzaCap” or the “Company”) bases its estimates on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ and will most likely differ from those estimates.

## **ITEM 1 - Overview**

MezzaCap was incorporated on October 15, 2013 pursuant to the laws of Austria. The Company has its registered office at Mooslackengasse 17, 1190 Vienna, Austria and is registered with FN 405032 k at the Commercial Court in Vienna, Austria.

The Company is a development stage internet technology and focused on the cryptocurrency payment services business. MezzaCap develops and operates cryptocurrency payment channels. The revenues generated by the Corporation consists of license and marketing agreements of (1) the Company’s proprietary technology “BitCore”, (2) the intellectual property of affiliated partners and (3) advertising income of the Corporation’s adBit.co (“AdBit”) and coinadvert.net (“Coinadvert”) platforms, servicing the online entertainment and financial industries.

The Company’s common shares are privately held and not traded on a public exchange.

As at March 31, 2015, the Company had not yet achieved profitable operations and continues to be dependent upon its ability to obtain sufficient working capital from external financing to meet the Company’s liabilities as they become payable and ultimately to generate profitable future operations. As at March 31, 2015, the Company had a negative working capital of \$ 21,087 (December 31, 2014 – negative working capital of \$ 15,573) and cumulative losses of \$ 121,743 (December 31, 2014 - \$ 110,259). These unaudited condensed interim consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of operations, and at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material.

On November 30, 2013 the Company issued interest free unsecured subordinated convertible loans with a principal amount of \$310,904 (EURO 220.000) of which \$195,153 was waived on December 31, 2013 and a further \$109,645 on December 31, 2014.

## **ITEM 2 - Selected Annual Information**

The following is selected annual information for the preceding three fiscal years:

	December 2014	December 2013
Revenues	\$ 72,655	\$ Nil
Operating income	(19,499)	(61,342)
Net income	(47,085)	(63,174)
Total assets	266,819	277,676
Total liabilities	283,951	247,475
Shareholders' equity	(17,132)	30,201
Loss per share	N/A	N/A
Dividends per share	N/A	N/A

For further audited financial information, please refer to the Company's audited financial statements that have been filed on SEDAR.

### **ITEM 3 - Results of Operations**

For the period ended December 31, 2014 versus December 31, 2013

During the year ended December 31, 2014, the Company kept pursuing business development activities as it sought to be listed on a stock exchange in order to increase its visibility and to have increase access to funding by the capital markets. In November 2014 the Company initiated discussions with The Streetwear Corporation ("Streetwear"), a publicly traded corporation listed on the Canadian Securities Exchange, to be acquired in its entirety. Streetwear was in the business of minerals exploration at that time but was considering a fundamental change of business. The negotiations with the management of Streetwear lead into the Agreement in Principle, announced March 3, 2015 and amended May 15, 2015, as described under ITEM 9 – Subsequent Events.

BitRush has invested substantial time, effort and financial resources on the development of a variety of cryptocurrency related websites and its strategic application platform BitCore, representing its technical infrastructure including scalable hosting, transaction processing, web reporting engine, and software.

The Corporation has assembled a team of skilled engineers and computer scientists with broad technical expertise to develop and maintain BitCore. BitCore is a blockchain based application that uses the Bitcoin protocol. BitCore works by storing extra data in regular Bitcoin transactions, which makes every Bitcore transaction a Bitcoin transaction. When BitCore transactions are broadcast to the Bitcoin network they are verified by Bitcoin miners and saved in the Bitcoin blockchain to make a secure, verifiable record. Bitcoin's proven technology is the base of the BitCore technology.

- BitCore offers Application Interfaces (API) to enable third parties to connect their websites and technology based services to BitCore.
- The trade secrets associated with BitCore are protected via copyright.
- BitCore source code is maintained at BitRush's head office in Toronto. BitRush intends to grow by continuing to invest in its technology platform and enhancing customer services. BitRush is advancing multiple patent applications that relate to various aspects of BitRush's products and technology. It is expected that future research and development will focus on enhancing existing products and services and on developing new products, including enhanced mobile capabilities.
- BitCore is the development environment and runtime for BitRush.Land portal that is hosted on the domain [www.bitrush.land](http://www.bitrush.land). As described above, BitCore was built for scale. A "single



sign on wallet services” across all services, simple-to-navigate personal interface enables users to execute transactions, track past transactions, BitRush wallet account, and track the value digital currencies through internet connected personal computers, tablets, mobile devices. The platform is multi-lingual. At the time of the scheduled launch [www.bitrush.land](http://www.bitrush.land) will be offered in English and Russian.

The management of the Corporation assumes that the trend toward cryptographic payment systems will continue to grow with the public and permissionless blockchain based on the open source Bitcoin protocol as its centerpiece. Financial institutions like banks and exchanges are already working on so called private blockchain solutions with proprietary cryptographic technologies. Startup companies like Counterparty ([www.counterparty.io](http://www.counterparty.io)) are licensing their proprietary cryptographic technologies to 3rd parties. The Management expects that BitCore will be one of several cryptographic payment and clearing solutions on a fast growing market. In order to stay competitive the Corporation has to invest into the ongoing development of BitCore to integrate new features and functionality.

It is anticipated that the Company will generate modest revenues during 2015 with expectations to increase revenues significantly in subsequent years in this market segment of payment services using Bitcoin and cryptocurrency payment channels. With its proprietary technology “BitCoreBitCore” the Company believes that the business will be in the position to gain a significant market share within the cryptocurrency ecosphere, i.e. the number of users making payments for online services with Bitcoins or cryptocurrencies.

The increased revenues will be generated as a result of the finishing of some of the Company’s application development projects and the associated launching of several projects based on these applications. As typical for technology companies no revenue will be generated in the development stage. Once the technological along with the organizational development has reached a stage to be launched to the public a startup has the chance to generate revenues. Thus it is not unusual for tech startups to have no revenue in first years and month of their operation.

Including the acquisition of the AdBit platform the Corporation meanwhile has access to approximately 40 million ad impressions per day and 32,000 active registered advertisers will contribute to the increased revenues and cash flows. We expect that fast and inexpensive blockchain-based clearing system will result in a ongoing growth of the whole blockchain-related ad services. We believe that blockchain-related ad services will be adopted by online marketing industry over the months and years to come. BitRush works to expand its ad services with innovative plugins and apps.

With the launch of the Consumer-to-Consumer exchange CoinEx Ltd. (“CoinEx”) BitRush will create additional revenues from commissions paid to BitRush from the buyers and sellers on the platform [www.coinex.co](http://www.coinex.co). CoinEx itself will be launched in invitation mode on December 30, 2015 and will enable its registered users to buy and sell cryptocurrency from each other against FIAT-money using PayPal. Users have to register with their PayPal credentials at CoinEx (ID verification thus is done by PayPal). The CoinEx system re-checks the ID automatically with PayPal using PayPal application interfaces. Users can offer to buy or sell cryptocurrencies on CoinEx, their offer will be published on CoinEx. If another registered user of CoinEx accepts an offer the FIAT-payment is done via PayPal from the buyers PayPal account to the sellers PayPal account. After confirmation of Payment the cryptocurrencies will be transferred automatically from the seller’s cryptocurrency wallet to the buyer’s cryptocurrency wallet. BitRush automatically receives a commission of 1.5% (0.075% from buyer and 0.075% from sellers). The commission is paid in cryptocurrencies to the BitRush wallet automatically.

With CoinAdvert ([www.coinadvert.net](http://www.coinadvert.net)) and the acquisition of AdBit ([www.adbit.co](http://www.adbit.co)) the corporation has already gained a significant market share within the blockchain-related ad services industry. According to the Corporation’s estimate BitRush’s market share within the cryptocurrency ecosphere is in excess of 20% according to the Company’s own assessment. The term “cryptocurrency

ecosphere” relates to users making payments for online services with Bitcoins and other cryptocurrencies

For the year ended December 31, 2014, the Corporation had revenues of \$72,655 versus nil the year before, for an increase of \$72,655 as a result of the Company’s efforts to gain market visibility. The \$72,655 total revenues consist of \$50,216 consulting revenues with the balance generated by advertising revenues from websites (CoinAdvert) having started in September 2014. MezzaCap expects those revenues to increase due to the acquisition of the AdBit assets in October 2015. Revenues from consulting will not occur anymore in the foreseeable future.

For the year ended December 31, 2014, the Corporation had administrative expenditures of \$6,696 versus \$ 2,212 the year earlier, for an increase of \$4,484 or 102.7%. The increase is mainly attributable to the fact that the Company was only established in October 2013.

For the year ended December 31, 2014, the Company had business development expenditures of \$178,936 versus \$252,659 the year earlier, for a decrease of \$73,723 or 29.2%. Management anticipates investing further in business development activities as it seeks to further identify opportunities to build shareholder value. The business development expenditures of \$178,936 in 2014 and \$252,659 in 2013 consisted primarily in expenses to the Company’s marketing director for the development of the acquired database rights and copyrights as well as the development expenses charged for the design and architecture of BitCore. No exact split can be done between these two big projects as no exact records were kept by the marketing manager. In 2015 some of the business development expenses were borne by Streetwear and the marketing manager was also heavily engaged in the restructuring of the organization.

For the year ended December 31, 2014, the Company had selling expenses of \$10,125 versus \$ nil the year earlier, for an increase of \$10,125. The increase is due to commission payments to expand the Company’s business in the Ukraine. The main part of the \$10,125 consists of the Company’s participation in the joint ventures the Company is involved in (Compare Note 3 to the Financial Statements as of December 31, 2014).

For the year ended December 31, 2014, the Company had professional expenditures of \$5,668 versus \$1,438 the year earlier, for an increase of \$4,230 or 194.2% , again due to a short operating period in 2013.

For the period ended December 31, 2014, the Company had an operating loss of \$19,499 versus \$61,342 the year earlier, a decrease of \$41,843 or 68.2%. Investors can anticipate this amount to stay about the same or, perhaps, turn into operating income as the Company intends to generate increased revenues during 2015 which will offset increased business development costs..

For the period ended December 31, 2014, the Company had accretion expenses amounting to \$27,599,- relating to the subordinated convertible debenture issued in 2013.

The net loss for the period ended December 31, 2014 was \$47,085 versus \$65,480 for the previous period.

The Company had a cash balance at the end as at December 31, 2014 was \$3,154 (2013 - \$11,201), with a working capital of negative \$15,573 (2013 – \$9,850).

#### **ITEM 4 - Summary of Quarterly Results**

The following table sets forth the Corporation’s revenue and net loss for each quarter ended on the

date indicated.

	Revenues	Net profits
March 31, 2015	\$13,938	\$(11,484)
December 31, 2014	22,498	(19,174)
September 30, 2014	7,551	(7,136)
June 30, 2014	(961)	(22,390)
March 31, 2014	43,567	8,515
December 31, 2013	---	(63,174)

#### For the Three Months Ended March 31, 2015 versus March 31, 2014

During the quarter ended March 31, 2015, the Company continued its negotiations with The Streetwear Corporation (“Streetwear”), a publicly traded corporation listed on the Canadian Securities Exchange (“CSE”), to be acquired in its entirety. Streetwear was in the business of minerals exploration at that time but was considering a fundamental change of business. The negotiations with the management of Streetwear lead into the Agreement in Principle, announced March 3, 2015.

Such Agreement in Principle (“AiP”) was signed between the owner of the Company, MobileUp GmbH (“MobileUp”), and Streetwear. Pursuant to this AiP, Streetwear would acquire the MezzaCap shares in consideration of an issuance to MobileUp of 83,287,265 common shares of Streetwear. Upon completion of the transaction, the share consideration held by the owner of MezzaCap would represent approximately 51% of the issued and outstanding common shares of the Company. In addition MobileUp could earn up to 83,746,586 common shares in the capital of Streetwear (the “Bonus Consideration”) if MezzaCap meets certain performance milestones are met on or before December 31, 2015. If earned in full, and when issued, the Bonus Consideration, when added to the share consideration held by MobileUp, would represent 65% of Streetwear’s issued and outstanding common shares.

The AiP was amended on May 15, 2015, as further described in ITEM 9 – Subsequent Events.

It is anticipated that the Company will generate modest revenues during 2015 with expectations to increase revenues significantly in subsequent years in this fast growing market segment of payment services using Bitcoin and cryptocurrency payment channels. With its proprietary technology “BitCoreBitCore” the Company believes that the business will be in the position to gain a significant market share within the cryptocurrency ecosphere.

For the period ended March 31, 2015, the Corporation had revenues of \$13,938 versus \$43,567 the year before, showing a decrease of \$29,629. The revenues for the quarter ended March 31, 2014 (\$43,567) were for consulting services only. It was only in September 2014 that MezzaCap started to generate advertising revenues whereas the consulting services had been discontinued. Hence, the decrease in overall revenues between the reporting periods.

For the period ended March 31, 2015, the Corporation had administrative expenditures of \$1,305 versus \$1,276 the period earlier, for an increase of \$29 or 2.3%.

For the period ended March 31, 2015, the Company had business development expenditures of \$8,205

versus \$26,066 the year earlier, for a decrease of \$17,861 or 68.5% due to the fact that some of the business development expenses during the reporting period were borne by Streetwear. Management anticipates investing further in business development activities as it seeks to further identify opportunities to build shareholder value.

For the period ended March 31, 2015, the Company had selling expenses of \$8,355 versus \$ 568 the year earlier, for an increase of \$7,787. The increase is mainly due to increased advertising payments to expand the Company's business in the Ukraine.

For the period ended March 31, 2015, the Company had professional expenditures of \$1,678 versus nil the year earlier, for an increase of \$1,678 due to expenses related to the financial reporting.

For the period ended March 31, 2015, the Company had an operating loss of \$5,694 versus an operating profit of \$15,658 the year earlier, a decrease of \$21,352. Investors can anticipate this amount to stay about the same or, perhaps, turn into operating income as the Company intends to generate increased revenues during 2015 which will offset increased business development costs.

For the period ended March 31, 2015, the Company had accretion expenses of \$5,791, versus \$7,143 an increase of \$1,352 or 23.3% from prior year's expenses.

The net loss for the period ended March 31, 2015 was \$11,484 versus a profit of \$8,515 for the previous period due to the consulting revenues gained.

The Company had a cash balance of \$ 3,103 at the end as at March 31, 2015 (December 2014 - \$3,154), with a negative working capital of \$21,087 (December 2014 – \$15,573).

#### **ITEM 5 - Liquidity**

The current liabilities of \$28,722 exceed the current assets of \$7,636 for a negative working capital of \$21,078 versus a negative working capital as at December 31, 2014 of \$15,573.

In addition, the following transactions showed an effect on the liquidity of the Company:

The marketing director of the Company has been in the Bitcoin marketing and software business since 2010. During the period ended December 31, 2013 the Company was billed for acquisitions costs totaling \$265,026 by this individual for database rights and copyrights. In addition, the Company was charged by this individual marketing and consulting fees which in 2014 totaled \$121,620 and in 2013 totaled \$232,907. These expenses are included under business development expenses.

On December 31, 2013 this individual waived \$195,153 of the amount which arose on the transfer of the database rights and copyrights and on December 31, 2014 he waived \$109,645 of the \$121,620 in consulting fees incurred in 2014. As part of the debt waiver agreements granted a provision was given for repayment of the amounts waived should certain condition be met within a three-year period from the date the debt was waived. The conditions are as noted below:

- i) The operating cash flow of the Company exceeds 3% of gross revenue and \$150,000;
- ii) A Liquidity Event takes place. A "Liquidity Event" is defined as the Company completing one or more equity financings totaling \$2.0 million and including a pre-money valuation of the Company of no less than \$6.0 million.

In management's opinion neither of these conditions are likely to be met within the stipulated three year periods and therefore no provision has been set up for repayment of the waived amounts.

**ITEM 6- Capital Resources**

The Company expects to show moderate revenues during the next 12 months generating cash from operations as explained in ITEM 3 above – *Results of Operations*.

Furthermore, with the Company's intention to be acquired by Streetwear it would increase its visibility and accessibility for funding by strategic investors or the capital markets. In order to finance the Company's future development and expansion, management will be seeking to raise funds primarily by way of the issuance of common shares from the treasury of Streetwear or short term debt, which would most likely be from parties related to the new business of the Company, which is still not known with certainty. The timing and ability to fulfill these objectives will depend on the liquidity of the financial markets as well as the willingness of investors to finance junior companies and in particular junior companies with no operations or limited history.

Currently, the Company does not have any options issued and outstanding.

Management believes that the Company will have sufficient cash on hand to meet its current obligations for the following 12 months including capital commitments as discussed herein. However, there is no certainty that it will be successful in raising such funds and therefore the Company will be dependent on the management and insiders of the Company to advance funds as necessary and assume expenses on behalf of the Company.

**ITEM 7 - Off-Balance Sheet Arrangement**

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

**ITEM 8 - Transactions With Related Parties**

Amounts due from and to the related parties, are a result of transactions with entities controlled by shareholders, officers or directors of the Corporation. These amounts are non-interest bearing, unsecured and not subject to specific terms of repayment unless stated.

The Company had a receivable from its holding company amounting to \$2,669 (December 2014 – \$1,903) and a payable to the managing director in the amount of \$1,185 (December 2014 - \$287).

In addition, the transaction described in Item 5 above (Liquidity) involving a debt waiver by the Company's marketing director is also considered a related party transaction.

**ITEM 9 - Subsequent Events****Agreement with "The Streetwear Corporation"**

The AiP of March 3, 2015 was amended on May 15, 2015, whereby MobileUp has agreed that (1) Streetwear will do a 1:3 roll back of its common shares, and, thereafter, (2) MezzaCap will be fully acquired by Streetwear whereby Streetwear would issue 83,287,265 common shares to MobileUp GmbH which is owned 100% by Alfred Dobias, who has agreed to serve on the board of directors of Streetwear. MobileUp will sell all its assets, liabilities and shares to Streetwear. Upon completion of the acquisition of MezzaCap MobileUp would own approximately 68% of the issued and outstanding shares of Streetwear. Such acquisition would constitute a Fundamental Change pursuant to the

regulations of the CSE. It was intended to change the name of Streetwear to BitRush Corp. The Performance Consideration was removed.

### **Agreement with “Airwin”**

Pursuant to a Memorandum of Understanding (“MoU”), signed April 15, 2015 with Airwin Informations Technologie GmbH (“Airwin”), a limited liability company registered in Pinkafeld, Austria, the Company’s wholly owned subsidiary Campus Loosdorf GmbH (“Campus”), shall be granted a license to operate and manage a computer games developed by Airwin as well as a pilot game developed by the Company as long as the users for the games pay with Bitcoins. In accordance with the terms and conditions of the MoU 49% of the Campus shares would be sold to Airwin and renamed into Lucky Symbols Entertainment GmbH (“LSE”).

### **Subordinated convertible debentures**

As of June 15, 2015 MezzaCap Investments Ltd. (Company No. 9633173, registered in London, United Kingdom - “MezzaCap Ltd”) and fully owned by Alfred Dobias acquired the outstanding subordinated convertible debentures amounting to \$301,532 and agreed with the Company to waive the debentures in full. As a consequence shareholder’s equity would be increased by the debt portion of the subordinated convertible debt amounting to \$ 282,216 (translated as of Dec, 31, 2014) and the liabilities would decrease by the corresponding amount.

### **Annual and Special General Meeting of Streetwear; Closing of the Transaction and Financing**

On June 26, 2015, Streetwear had its Annual and Special General Meeting (“Meeting”). As a consequence of such Meeting the Company is now a fully owned subsidiary of Streetwear, which has changed its name to BitRush Corp. (“BitRush). The Share Exchange Agreement between the Company and Streetwear/BitRush was signed on July 31, 2015 and the transaction was finally closed on September 8, 2015 at which time BitRush also closed a financing of \$725,000.

### **Ownership change**

As of July 1, 2015 MobileUp sold 100% of the issued and outstanding shares of the Company to MezzaCap Ltd.

## **ITEM 10 - Risk Factors**

- The Company commenced operations in November 2013. Accordingly, the Company only has a limited operating history, and, since incorporation, the business model has changed significantly. 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 market.
- The Company has not made profits since its incorporation and it is expected that it will not be profitable for the entire year 2015. 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, the company does not believe that the operating results to date should not be regarded as indicators for MezzaCap’s future performance.

- 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.
- The Company may be unable to enforce its legal rights in certain circumstances. In the event of disputes arising at or in respect of, the Company's foreign or domestic operations the Company may be subject to the exclusive jurisdiction of foreign or domestic courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada or other jurisdictions. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental entity or instrumentality because of the doctrine of sovereign immunity.
- The Company has a limited operating history, and there is no assurance that it will be capable of consistently producing positive cash flows.
- The Company's prospects depend on its ability to attract and retain key personnel: Recruiting and retaining qualified personnel is critical to the Company's success. The number of persons skilled in the development of cryptocurrency projects is limited and competition for such persons is intense. As the Company's business activity grows, it will require additional key financial, administrative, marketing and public relations personnel as well as additional staff on the operations side. Although the Company believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.
- Difficulties of managing growth: Since commencement of the operations, MezzaCap has experienced rapid growth of revenues and demand for its services and this growth is expected to continue in future years. Growth and expansion of the business places a continuous and significant strain on management, operational and financial resources. The Company's ability to continue to grow will depend on a number of factors, including the following:
  - To attract sufficient numbers of qualified management, technical and other personnel;
  - To establish and manage successfully business relationships with strategic partners, suppliers and customers;
  - To maintain a competitive position through the further development and expansion of the Company's range of services;
  - To penetrate new markets; and
  - To finance such growth internally and externally.It is not assured that the Company will be able to manage and control this expected growth effectively.
- Development of Cryptocurrency: It is intended to focus the business on the development and servicing of cryptocurrency- based platforms. Cryptocurrency 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. The future success of the Company 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:

- Worldwide adoption and usage of Bitcoins and other cryptocurrencies;
  - 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.
  - Changes in consumer demographics and public behavior, tastes and preferences;
  - Redirection and liberalization of using fiat currencies as well as the development of other forms of publicly acceptable means of buying and selling goods and services;
  - General economic conditions and the regulatory environment relating to cryptocurrencies
- **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.
  - **Corporate liability for online content; legal uncertainties.** There is a risk that claims may be made against either of these associated companies for defamation, negligence, copyright or trademark infringement, or other matters based on the nature, content, publication and distribution of information materials provided on their websites. These associated companies may also be exposed to claims made with respect to the offering of third party content that may be accessible through their websites. Even to the extent that any such claim does not result in liability to one of our associated companies, it could incur significant costs in investigating and defending against such claim. Any costs or liability arising from such claims which is not covered by insurance could, through the Company equity holdings in these associated companies, also harm the Company's core business, results of operations and financial condition. There is also a risk that similar claims could be made directly against the Company in its capacity as application service provider to any of the companies for whom they act as such. Any costs or liability arising from such claims which is not covered by insurance could harm our business, results of operations and financial condition. An increasing number of laws, regulations and directives are being passed which relate to the internet and e-commerce. In addition, efforts are being made to introduce rules and regulations governing the use of cryptocurrencies. Some legal uncertainty exists concerning the applicability of current legislation to cryptocurrency. In particular in relation to issues such as trade law, intellectual property rights, consumer protection and the protection of personal privacy, and as to the application of the laws of other countries whose citizens use products offered over the internet by companies based outside their jurisdiction.
  - **Dependence on Internet Infrastructure; Risk of System Failures, Security Risks and Rapid Technological Change:** The success as a developer of cryptocurrency-based platforms will depend by and large upon the continued development of a stable public infrastructure, such as a block chain 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 Mezzacap owns as well as the licenses which has 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 it cannot be assured you that all of its r 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 the Mezzacap's business have arisen to date, any such claims and disputes arising may result in liability for substantial damages which in turn could harm our business, results of operations and financial condition.

The Company has applied for a patent of its proprietary technology, BitCore, which should protect the exclusive usage and licensing capability of BitCore. However, no assurances can be given that a developer or a group of developers will not copy such technology by altering certain elements of the technology with the intention not to infringe on a granted patent. Furthermore, the granting of a patent may be declined leaving room for efforts to imitate the BitCore technology without consequences.

- **Volatilities in Bitcoin prices:** The markets for cryptocurrencies, in particular Bitcoin, have experienced much larger fluctuations than other security markets. In particular, there was a "Bitcoin Crisis" late 2013 / early 2014 as a result of the improper usage of Bitcoins to finance questionable, even illegal activities. As a result the price of Bitcoin rose from about \$130 to almost \$1,000 within one month and dropped thereafter continuously showing drastic swings until it reached a value of \$215 early 2015. Thereafter, the Bitcoin price seems to have stabilized having reached more than \$280 in October 2015. However, no assurances can be given that the Bitcoin price might show erratic swings in the future again which could be related not only to improper payment activities involving Bitcoins but also regulations by law makers in various countries

Furthermore, Bitcoins and other 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 Bitcoins is generated by investors and speculators focussing on generating profits by buying and holding Bitcoins which might create limitations on the availability of Bitcoins to pay for goods and services resulting in increased volatility of Bitcoins and other cryptocurrencies which could adversely impact an investment in the Company.

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

- Global Bitcoin demand depending on the acceptance of Bitcoins by retail merchants and commercial businesses, the perception that the use and holding of Bitcoins is safe and secure as well as the lack of regulatory restrictions;
- Investor's expectations with respect to the rate of inflation;
- Interest rates;
- Currency exchange rates, including exchange rates between Bitcoins and fiat currency;
- Fiat currency withdrawal and deposit policies on Bitcoin exchanges and liquidity on such Bitcoin exchanges
- Interruption of services or failures of major Bitcoin exchanges;
- Large investment and trading activities in Bitcoins
- Monetary policies of governments, trade restrictions, currency de- and revaluations;
- Regulatory measures restricting the use of Bitcoins as a form of payment or the purchase of Bitcoins;

- Global or regional political, economic or financial events and situations, including increased threat of terrorist activities;
  - Self-fulfilling expectations of changes in the Bitcoin market.
- **Stability of Bitcoin exchanges:** The price of Bitcoins is established by public Bitcoin exchanges that have, by nature of their business, a limited operating history. So far, even the largest Bitcoin exchanges have been subject to operational interruptions or even collapse (Mt. Gox). The interruption and the collapse of Bitcoin exchanges may limit the liquidity of Bitcoins resulting in volatile prices and a reduction in confidence in the Bitcoin network and the Bitcoin exchange market. The deposit or withdrawal of fiat currency into or from the Bitcoin exchanges may also affect the price of Bitcoins. Operational limits regarding the settlement with fiat currencies may also reduce the demand to use Bitcoin exchanges which would adversely affect an investment in the Company.

Bitcoin 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 Bitcoin exchanges are lacking infrastructure and capitalization the larger Bitcoin exchanges are more likely to become targets of hackers and malware. Also, arbitraging activities between Bitcoin exchanges may destabilize some of the smaller Bitcoin exchanges. A lack of stability in the Bitcoin exchange market may reduce the confidence in the Bitcoin network affecting adversely an investment in the Company.

- **License Requirements:** MezzaCap has not been required to apply for brokerage licenses as the cryptocurrencies have only recently come into the focus of regulation authorities in various countries. As a result of those regulations MezzaCap might be required to apply for a brokerage and/or banking license or permits which could become very expensive and unaffordable. This is one of the reasons why the Company is constantly looking for funding, but no assurances can be given that funding to secure such licenses or permits is available at any given time. Furthermore, appropriately qualified personnel might be required to maintain such licenses and permits, but there are no assurances that MezzaCap might be in the position to hire such qualified personnel when required.
- **Changes in the Bitcoin network protocol:** The Bitcoin network is based on a protocol governing the peer-to-peer interactions between computers that are connected to each other within the Bitcoin network. The governing code regulating such math-based protocol is informally managed by a development team initially appointed by the purported creator of the Bitcoin network, Satoshi Nakamoto. This development team, though, might propose and implement amendments to the Bitcoin network's source code through software upgrades altering the original protocol, including fundamental ideas such as the irreversibility of transactions and limitations on the mining of Bitcoins. Such changes of the original protocol and software may adversely affect an investment in the Company.
- **Acceptance of virtual currencies:** Although the Corporation believes that the usage of Bitcoins and 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 individual will be increasingly reluctant to accept virtual currencies, such limited usage of Bitcoins and 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 Bitcoin mining activities and altering the blockchain which the Bitcoin network and all Bitcoin transactions is relied upon. For instance, the malicious actor or botnet could reuse its own Bitcoins more than once preventing the confirmation of other users' transactions which would mean a serious breach of the original protocol which could adversely affect an investment in the Company.

Moreover, if the award for solving transaction blocks declines and transaction fees are not sufficiently high, the incentive to continue mining would decrease and could lead to a stoppage of mining activities. The collective processing power of the Bitcoin 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 Bitcoin network more vulnerable to malicious actors or botnets obtaining control of the Bitcoin network processing power.

- **Recording of transactions:** It is feasible that Bitcoin miners 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 Bitcoin miners who are not required to pay such transaction fees. Any widespread delays in the recording of Bitcoin transactions could result in a loss of confidence in the Bitcoin network which could adversely affect an investment in the Company.
- **Deviations from the Bitcoin network:** Bitcoin is an open source project; there is no official developer or group of developers formally controlling the Bitcoin network. Any individual may download the Bitcoin network software and make any desired modifications. However, Bitcoin miners and users must consent to those software modifications by downloading the altered software or upgrading the implemented changes, otherwise the changes do not become a part of the Bitcoin network. Since the network's inception, changes to the Bitcoin network have been accepted by the vast majority of users and Bitcoin miners which was necessary for the Bitcoin network to remain a coherent economic system. However, a developer or a group of developers could potentially propose a modification to the Bitcoin network that is not accepted by the vast majority of Bitcoin miners and users, which could result in the development of a second open source Bitcoin network running the modified version side by side with the Bitcoin network running the not modified software program. While the development of several blockchains could be viewed as opportunity to expand the entire Bitcoin network addressing the desires of different target groups it could be also viewed as risk element disrupting the ideas and objectives of the original protocol.

The Company's proprietary key technology BitCore is a blockchain based application using the Bitcoin protocol. BitCore stores extra data onto regular Bitcoin transactions, which makes every BitCore transaction a Bitcoin transaction, i.e. BitCore operates an "add-on" to the publicly available blockchain. Extensive use of BitCore, however, could lead to the creation of an alternative blockchain which could be viewed as a disruption of the original intent described in the Bitcoin protocol.

## **ITEM 11 - Critical Accounting Estimates**

The accounting policies used impacts the Company's financial statements, and the estimates and assumptions made, by management during their preparation. The Company's accounting policies are described within the financial statements. The accounting estimates considered to be significant to the Company include the computations of agents' warrants value, share-based compensation expense, valuation of exploration and evaluation assets and the recovery of deferred income tax assets.

**ITEM 12 - Changes in Accounting Policies**

The Company would like to direct readers to its audited financial statements for the period ending December 31, 2014 which can be found on the regulator's web site at [www.sedar.com](http://www.sedar.com).

**ITEM 13 - Financial Instruments and Other Instruments**

The Company would like to direct readers to its audited financial statements for the period ending December 31, 2014 which can be found on the regulator's web site at [www.sedar.com](http://www.sedar.com).

**ITEM 14 - Capital Structure**

The Company is a limited liability company, similar to a partnership, and has only one common share issued and outstanding that is owned by BitRush.

**ITEM 15 - Other MD&A Requirements**

As defined in Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, disclosure controls and procedures require that controls and other procedures be designed to provide reasonable assurance that material information required to be disclosed is duly gathered and reported to senior management in order to permit timely decisions and timely and accurate public disclosure.

The Company has evaluated the effectiveness of its disclosure controls and procedures, as defined, and has concluded that they were effective as of the end of the period covered by this report as well as of the date of this report.

The Company has evaluated its internal controls and financial reporting procedures and has found them to be effective with the objective of reporting the Company's financial transactions.

Exhibit 11

**MEZZACAP GMBH**  
**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2015 AND 2014**

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**NOTICE TO READER**

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

The accompanying unaudited interim condensed consolidated financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management. The Company's independent auditor has not performed a review of these consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

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**MezzaCap GmbH**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS June 30, 2015**  
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Management's Responsibility

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Condensed Interim Consolidated Statements of Changes in Equity

Condensed Interim Consolidated Statements of Operations and Comprehensive Losses

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Notes to the Condensed Interim Consolidated Financial Statements

## Management's Responsibility

The accompanying financial statements of the Company are the responsibility of management.

These financial statements have been prepared by management in accordance with the accounting policies disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the date of the statement of financial position. In the opinion of management, these financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards ("IFRS") appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

November 30, 2015

/s/ ALFRED Dobias  
Alfred Dobias  
Director, Chief Executive Officer

# MezzaCap GmbH

Consolidated Interim Statements of Financial Position  
(Expressed In Canadian Dollars)

As at	June 30, 2015 \$	December 31, 2014 \$
<b>Assets</b>	(Unaudited)	
<b>Current</b>		
Cash	6,959	3,154
Sundry receivables	2,201	504
Related Party Receivable	3,904	1,903
<b>Total current assets</b>	13,063	5,561
Property and equipment	354	546
Intangibles	246,738	254,405
Investments in joint ventures	6,116	6,307
<b>Total Assets</b>	<b>266,271</b>	<b>266,819</b>
<b>Liabilities and Shareholders' Deficiency</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	34,391	20,848
Related party payable	916	287
<b>Total current liabilities</b>	<b>35,307</b>	<b>21,135</b>
Subordinated convertible debentures	266,296	262,816
<b>Total Liabilities</b>	<b>301,603</b>	<b>283,951</b>
<b>Shareholders' Deficiency</b>		
Share Capital	14,722	14,722
Equity portion of convertible debentures	80,958	80,958
Foreign exchange losses	(2,205)	(2,554)
		-
Deficit	(128,807)	(110,258)
<b>Total Shareholders' Deficiency</b>	<b>(35,332)</b>	<b>(17,132)</b>
<b>Total Liabilities and Shareholders' Deficiency</b>	<b>266,271</b>	<b>266,819</b>

APPROVED ON BEHALF OF THE BOARD:

Signed /s/ "Alfred Dobias", Director



**MezzaCap GmbH**

Consolidated Interim Statements of Loss and Comprehensive Loss  
 (Expressed In Canadian Dollars)  
 (Unaudited)

For the periods ended June 30,	Three months ended		Six months ended	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>Revenue</b>	14,630	(961)	28,569	42,606
<b>Expenditures</b>				
<b>General and administrative expenses</b>				
Administrative	1,625	2,130	2,930	3,406
Business development	6,957	8,467	15,162	34,533
Selling expenses	6,817	(13)	15,172	555
Professional fees	418	4,092	2,096	4,092
Depreciation	90	96	180	186
<b>Total general and administration expenses</b>	15,907	14,772	35,540	42,772
Loss before the following items:	(1,277)	(15,773)	(6,971)	(166)
Accretion expense	(5,786)	(6,657)	(11,577)	(13,800)
Interest income	-	-	-	-
<b>Net loss for the period</b>	(7,064)	(22,390)	(18,548)	(13,966)
Effect of foreign currency translation	124	71	350	241
<b>Net loss and comprehensive loss for the period</b>	(1,153)	(22,319)	(18,199)	(13,725)

See accompanying notes to the unaudited interim consolidated financial statements.

**MezzaCap GmbH****Notes to the Interim Consolidated Financial Statements****THREE AND SIX MONTHS ENDED JUNE 30, 2015****(expressed in Canadian Dollars)**

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MezzaCap GmbH  
Consolidated Statements of Cash Flows  
(Expressed In Canadian Dollars)  
(Unaudited)

For the periods ended June 30,	2015 \$	2014 \$
<hr/>		
Cash flows (used in) from:		
Operating activities		
Net loss for the period (excluding foreign exchange loss)	(18,548)	(13,966)
Adjust for: operating items not involving cash		
Depreciation	180	186
Accretion expense	11,577	13,800
Change in non-cash working capital:		
Prepays and other assets	(3,697)	(4,107)
Accounts payable and accrued liabilities	14,172	(257)
	<hr/> 3,684	<hr/> (4,344)
Financing activities		
Proceeds received from issuance of shares	-	-
	<hr/> -	<hr/> -
Investing activities		
Investing in intangible assets	-	-
Purchase available-for-sale financial assets	-	-
	<hr/> -	<hr/> -
(Decrease) increase in cash	3,684	(4,344)
Differences due to foreign exchange translation	121	(100)
Cash at beginning of period	3,154	11,202
Cash at end of period	<hr/> 6,959	<hr/> 6,758
<hr/>		
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	-	-
Taxes paid	-	-
	<hr/> -	<hr/> -

**MezzaCap GmbH****Notes to the Interim Consolidated Financial Statements****THREE AND SIX MONTHS ENDED JUNE 30, 2015****(expressed in Canadian Dollars)****MezzaCap GmbH****Consolidated Statements of Changes in Shareholders' Deficiency****(Expressed In Canadian Dollars)****(Unaudited)**

	<b>Share Capital \$</b>	<b>Equity Portion of Convertible Debentures \$</b>	<b>Accumulated Comprehensiv e Loss \$</b>	<b>Deficit \$</b>	<b>Total Shareholder' s Equity \$</b>
Balance December 31, 2013	14,722	80,958	(2,306)	(63,174)	30,200
Net loss for the period Jan. 1 to June 30	-	-	241	(13,966)	(13,725)
Balance June 30, 2014	14,722	80,958	(2,065)	(77,140)	16,475
Net loss for the period July 1 to Dec. 31			(489)	(33,119)	(33,608))
Balance Dec. 31, 2014	14,722	80,958	(2,554)	(110,259)	(17,133)
Net loss for the period	-	-	350	(18,548)	(18,199)
Balance June 30, 2015	14,722	80,958	(2,205)	(128,807)	(35,332)

## **MezzaCap GmbH**

### **Notes to the Interim Consolidated Financial Statements**

#### **THREE AND SIX MONTHS ENDED JUNE 30, 2015**

**(expressed in Canadian Dollars)**

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## **1. Nature of Operations**

MezzaCap was incorporated on October 15, 2013 pursuant to the laws of Austria. The Company has its registered office at Mooslackengasse 17, 1190 Vienna, Austria and is registered with FN 405032 k at the Commercial Court in Vienna, Austria.

The Company is a development stage internet technology and focused on the cryptocurrency payment services business. MezzaCap develops and operates cryptocurrency micropayment channels.

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern, under which material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern must be disclosed. As at March, 2015, the Company had not yet achieved profitable operations and continues to be dependent upon its ability to obtain sufficient working capital from external financing to meet the Company’s liabilities as they become payable and ultimately to generate profitable future operations. As at June 30, 2015, the Company had a negative working capital of \$ 22,246 (December 31, 2014 – working capital deficiency of \$15,573) and cumulative losses of \$ 128,807 (December 31, 2014 - \$110,259). These unaudited condensed interim consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of operations, and at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material.

## **2. Significant Accounting Policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### ***a) Basis of Presentation and International Financial Reporting Standards***

The unaudited interim consolidated financial statements of the Company for the period ended March 31, 2015 have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) effective for the Company’s reporting for the period ended June 30, 2015.

### ***b) Basis of Measurement***

These financial statements have been prepared on a historical cost basis except for certain financial assets, which are recorded at fair value.

## **MezzaCap GmbH**

### **Notes to the Interim Consolidated Financial Statements**

#### **THREE AND SIX MONTHS ENDED JUNE 30, 2015**

**(expressed in Canadian Dollars)**

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#### ***c) Use of Estimates and Judgments***

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results could differ from those estimates.

The significant estimates and judgements of management include the following:

- i) The determination that the useful lives of the Company's intangible assets are indefinite
- ii) The determination that the intangible assets of the Company are not impaired as at June 30, 2015 2015;
- iii) The assumption that conditions under which the waived debt (see Note 6) totaling \$\$354,526 would have to be repaid are not likely to be met;
- iv) The fact that the assets and liabilities of the Company should be valued on the basis that the Company is a going concern.

#### ***d) Functional and presentation currency***

As the Company operates mainly in Eastern and Western Europe, the functional currency of the Company is the EURO. For reorganisation purposes (Compare Note **13. Subsequent events**) the financial statements of the Company are presented in Canadian Dollars by applying the rules set forth in paragraph 39 of International Accounting Standard 21 (IAS 21). Hence the assets and liabilities for the consolidated

## **MezzaCap GmbH**

### **Notes to the Interim Consolidated Financial Statements**

#### **THREE AND SIX MONTHS ENDED JUNE 30, 2015**

**(expressed in Canadian Dollars)**

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#### **Significant Accounting Policies (continued)**

financial statements as of June 30, 2015 (as well as at December 31, 2014) were translated at the closing rate at June 30, 2015 and December 31, 2014. For practical reasons and as there are no material exchange rate fluctuations, an average exchange rate for the period (January 1, to June 30, 2015) and (January 1 to December 31, 2014) was used to translate the income and expense items for 2014 and 2013 as well as for presenting the Cash Flow Statements for the respective periods.

The resulting exchange difference is recognised in other comprehensive income/loss.

Bitcoins (BTC) bought are accounted for at the exchange rate at the purchase date (EURO/BTC), the expenses are accounted for on a FIFO basis. Bitcoin revenue is accounted for at the exchange rate ruling at the date when the Bitcoins are transferred to the Company's wallets.

#### ***e) Cash and Cash Equivalents***

Cash and cash equivalents include demand deposits with banks as well as BTC's stored as of the balance sheet date.

#### ***f) Intangible Assets***

Intangible assets acquired from third-parties by applying the arm's length principle are recognized at acquisition costs, depending on the nature of the intangible assets (infinite or finite useful lives) amortization is accounted for to the extent that they were subject to wear and tear.

#### ***g) Research and development***

Research and development costs are expensed in the period incurred unless development costs meet the criteria for capitalization as an intangible asset. The Company did not capitalize any development costs in the period.

#### ***h) Property and equipment***

Property and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of property and equipment consists of the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for its intended use.

Depreciation is recognised based on the cost of an item of property and equipment, less its estimated residual value over its estimated useful life.

An asset's residual value, useful life and depreciation method are reviewed, and adjusted if appropriate, on an annual basis.

**MezzaCap GmbH****Notes to the Interim Consolidated Financial Statements****THREE AND SIX MONTHS ENDED JUNE 30, 2015****(expressed in Canadian Dollars)**

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**Significant Accounting Policies (continued)*****i) Income Taxes***

Income tax expense comprises current and deferred tax. Income tax is recognized in the statements of operations and comprehensive loss except to the extent it relates to items recognized in other comprehensive income or directly in equity.

***Current Income Tax***

Current tax is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and tax laws that were enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

***Deferred Tax***

In general, deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period, and which are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

**Deferred tax liabilities:**

- are generally recognized for all taxable temporary differences; and
- are recognized for taxable temporary differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

**Deferred tax assets:**

- are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized; and
- are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise upon initial recognition of goodwill or arise on initial recognition of assets and liabilities acquired other than in a business combination where at the time of transaction effects neither accounting profit or taxable income (tax loss).

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation,

## **MezzaCap GmbH**

### **Notes to the Interim Consolidated Financial Statements**

#### **THREE AND SIX MONTHS ENDED JUNE 30, 2015**

**(expressed in Canadian Dollars)**

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#### **Significant Accounting Policies (continued)**

##### ***j) Provisions (continued)***

and the amount of the obligation can be reliably estimated. Provisions are determined by discounting the expected future cash flows to present value.

##### ***k) Revenue recognition***

Revenue from consulting and management fees is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Advertising revenues are generated in operating Bitcoin websites on a global scale. Advertising revenue are accounted for on a cash basis when credited by Google Adsense and other Bitcoin advertising systems to the bank account of the Company.

##### ***l) Financial Instruments***

Financial instruments are defined as any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

Financial assets are classified into the following categories at their initial recognition:

- Financial assets at fair value through profit or loss (“FVTPL”)
- Held-to-maturity investments;
- Loans and receivables; and
- Available-for-sale financial assets.

Financial liabilities are classified into the following categories at their initial recognition:

- Financial liabilities at fair value through profit or loss; and
- Other financial liabilities.

Financial assets and liabilities are initially measured at fair value, plus, in the case of a financial asset or liability not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issuance of the financial asset or liability. In a purchase or sale of financial assets, recognition and derecognition occurs using trade date accounting.

Financial assets are subsequently measured after initial recognition at fair value, except for financial assets classified as held-to-maturity investments or loans and receivables, which are subsequently measured at amortized cost using the effective interest method.

Financial liabilities at fair value through profit or loss are subsequently measured after recognition at fair value. All other financial liabilities are subsequently measured at amortized cost using the effective interest method.



**MezzaCap GmbH****Notes to the Interim Consolidated Financial Statements****THREE AND SIX MONTHS ENDED JUNE 30, 2015****(expressed in Canadian Dollars)**

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**Significant Accounting Policies (continued)*****Financial Instruments (continued)***

Financial assets are derecognized when:

- the contractual rights to the cash flows from the financial asset expire;
- the contractual rights to the cash flows from the financial asset are retained, but a contractual obligation to pay the cash flows to another party without material delay is assumed by the Company; or
- when the Company transfers substantially all the risks and rewards of ownership of the financial asset.

Financial liabilities are derecognized when the obligations are discharged, cancelled or expire.

Financial assets (other than a financial asset defined as FVTPL) are assessed at each reporting date in order to determine whether objective evidence exists that the assets are impaired as a result of one or more events which have had a negative effect on the estimated future cash flows of the asset.

If there is objective evidence that a financial asset has become impaired, the amount of the impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows from the asset discounted at its original effective interest rate. Impairment losses are recorded in earnings. If the amount of the impairment loss decreases in a subsequent period and the decrease can be objectively related to an event occurring after the impairment was recognized, the impairment loss is reversed up to the original carrying value of the asset. Any reversal is recognized in earnings.

**MezzaCap GmbH****Notes to the Interim Consolidated Financial Statements****THREE AND SIX MONTHS ENDED JUNE 30, 2015****(expressed in Canadian Dollars)**

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**Significant Accounting Policies (continued)****m) *Impairment of non-financial assets***

At each financial position reporting date, the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the assets are estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of an asset's fair value less cost to sell and its 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 current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statement of loss and comprehensive loss.

The Company will reverse any previous impairment losses where circumstances have changed such that the level of impairment in the value of the assets has been reduced.

Assets with an indefinite useful life that are not amortized are tested annually for impairment, irrespective of whether there is any indication these assets may be impaired.

As of June 30, 2015, there were no indicators that suggested that the Company's non-financial assets were impaired.

**n) *New accounting standards and interpretations***

IFRS 9 – Financial Instruments ("IFRS 9") addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009, October 2010, November 2013 and finalized in July 2014. It replaces the parts of IAS 39 Financial Instruments: Recognition and Measurements that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into three measurement categories: those measured at FVTPL; those measured at FVOCI and those measured at amortized cost, with the determination made at initial recognition. The classification depends on an entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that in cases where the fair value option is selected for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the consolidated statements of operations, unless this creates an accounting mismatch. IFRS 9 has also been updated to amend the requirements around hedge accounting. However, there is no impact to the Company from these amendments as it does not apply hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company has not yet assessed the impact of adoption.

IFRS 15, "Revenue from contracts with customer" deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount,

**MezzaCap GmbH****Notes to the Interim Consolidated Financial Statements****THREE AND SIX MONTHS ENDED JUNE 30, 2015****(expressed in Canadian Dollars)**

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**Significant Accounting Policies (continued)*****o) New accounting standards and interpretations (continued)***

timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 "Revenue" and IAS 11 "Construction Contracts" and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017. The Company has not yet assessed the impact of adoption.

***p) Joint Venture Accounting***

In accordance with the guidelines set in IFRS 11 for the different kinds of Joint Arrangements the Company classifies its joint arrangements as joint ventures without a separate legal entity. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers. According to IFRS 11/28 the Company would have to recognize his share of the joint operation's underlying assets, liabilities, revenues and expenses

As the company has not yet established an separate reporting requirements for its Eastern European joint ventures and for immateriality reasons as the joint ventures were just entered in the second half of 2014 the Company recognises its interests in joint venture at acquisition costs.

## **MezzaCap GmbH**

### **Notes to the Interim Consolidated Financial Statements**

#### **THREE AND SIX MONTHS ENDED JUNE 30, 2015**

**(expressed in Canadian Dollars)**

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### **3. Non Current Assets**

#### ***a) Intangibles***

Investments in intellectual property represent acquired “sui generis” database rights (Directive 96/9/EC of the European Parliament and of the Council of 11 March 1996 on the legal protection of databases) and copyrights relating to creative databases, websites and domains. These investments are recorded at acquisition costs.

In general those database rights are legally valid for 15 years, but as the Company modifies these databases in developing its business and as a new set of rights are created for each modification of the database, infinite lifetime is assumed for these investments acquired.

As of the June 30, 2015 these investments were recorded unchanged to December 31, 2014 at acquisition costs of \$254,405.

Expenses incurred in modifying the databases and websites amounted to \$18,893 for the period ended June 30, 2015 (2014: \$34,533 resp.) are expensed when incurred and shown in business development expenses. In accordance with the Company’s accounting policy these assets were evaluated at year for impairment at year end. As on June 30, 2015 management has determined that the intangibles were not impaired.

#### ***b) Investments in joint ventures***

Investments in joint ventures represent acquisition costs for a 50% investment in database rights and copyrights requesting the joint control for some cryptocurrency entertainment websites (Coincheckin, CoinDigger) as well as in a Bitcoin technology project (Coinadvert; an adbroker) totaling 16 BTC paid. Revenues and expenses totaling to 14,02 BTC for the six months period ended June 30, 2015 (2014: nil ) were shared between the partners of the joint ventures when incurred on a monthly net basis and are included in business development expenses.

### **4. Subordinated convertibles debentures**

On November 30, 2013 the Company issued interest free unsecured subordinated convertible loans with a principal amount of EURO 220.000 (\$310,904 at the exchange rate as of Dec. 31, 2014).

These convertible debentures are subordinated to all other existing and future liabilities of the Company, with the exception of liabilities to shareholders of the Company. The debentures are senior to the liabilities to shareholders.

These convertible debentures shall be due and payable in full on September 30, 2018 prior cancellation of the debenture is not possible. The subscribers have the option to convert the debenture into shares of the Company. The conversion of the outstanding amount into shares is only possible in its entirety. The declaration to convert is to be addressed in writing by registered mail to the Company’s managing

## **MezzaCap GmbH**

### **Notes to the Interim Consolidated Financial Statements**

#### **THREE AND SIX MONTHS ENDED JUNE 30, 2015**

**(expressed in Canadian Dollars)**

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director by not later than September 30, 2018. Upon conversion the Subscribers will be entitled to a bonus payment of 100% of the nominal value entitling him/her to a total of 200% of the subscribed debenture. The value of the Company is to be determined by an independent appraiser nominated by the Company and will be considered final and irrevocable. The Company will make sure that such valuation will be submitted by latest September 30, 2018; the valuation has to be not older than 6 months. If these conditions are not met the conversion period will be extended by two weeks starting on the day of submission of the valuation document.

The Company used the residual value method to allocate the principal amount of the convertible debenture between the liability and equity components. The Company valued the debt component of the debentures by calculating the present value of the principal and interest payments, discounted at a rate of 15%, being management's best estimate of the rate that a non-convertible debenture with similar terms would bear. The equity conversion feature of the debenture comprises the value of the conversion option, being the difference between the face value of the debenture and the liability element calculated above. Based on this calculation, the liability component is \$242,926 and the residual equity component is \$80,958. Accretion charges attributable to the debenture for the period ended June 31, 2015 were \$8,316 (\$13,800 for the three months ended June 30, 2014). This amount is added to the liability component on the consolidated statement of financial position and is included in accretion expense on the consolidated statement of loss and comprehensive loss.

## **5. Share Capital**

As of the June 30, 2015 the Company is wholly owned by MobileUp GmbH, also located in Vienna Austria, the authorized capital stock is fully paid in.

## **6. Related Party Transactions**

Related parties include the board of Directors, senior management, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Related party transactions conducted in the normal course of operations are measured at fair value.

The Company had a receivable from the holding company amounting to \$3,904 (2014: \$499) and a payable to the president in the amount of \$916 (2014: \$287).

The marketing director of the Company has been in the Bitcoin marketing and software business since 2010. During the period ended December 31, 2013 the Company was billed for acquisitions costs totaling \$265,026 by this individual for database rights and copyrights. In addition, the Company was charged by this individual marketing and consulting fees which in 2014 totaled \$121,620 and in 2013 totaled \$232,907. These expenses are included under business development expenses.

On December 31, 2013 this individual waived \$195,153 of the amount which arose on the transfer of the database rights and copyrights and on December 31, 2014 he waived \$109,645 of the \$121,620 in consulting fees incurred in 2014.

## **MezzaCap GmbH**

### **Notes to the Interim Consolidated Financial Statements**

#### **THREE AND SIX MONTHS ENDED JUNE 30, 2015**

**(expressed in Canadian Dollars)**

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As part of the debt waiver agreements granted a provision was given for repayment of the amounts waived should certain condition be met within a three-year period from the date the debt was waived. The conditions are as noted below:

- i) The operating cash flow of the Company exceeds 3% of gross revenue and \$150,000;
- ii) A Liquidity Event takes place. A “Liquidity Event” is defined as the Company completing one or more equity financings totaling \$2.0 million and including a pre-money valuation of the Company of no less than \$6.0 million.

In management’s opinion neither of these conditions are likely to be met within the stipulated period.

During the period ended June 30, 2015 the Company incurred additional expenses amounting to \$16,543 (2014: \$34,533) for additional services rendered, which are expensed when incurred and are included in business development expenses.

## **7. Financial Instruments and Capital Risk Management**

The Company’s activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency and price risks).

Risk Management is carried out by the Company’s managing director.

The Company does not manage risk through the use of hedging transactions. As a part of the overall operation of the Company, management takes steps to avoid undue concentrations of risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

### ***a) Liquidity Risk***

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The primary source of liquidity is net operating income, which is used to finance working capital and capital expenditure requirements, and to meet the Company’s financial obligations associated with financial liabilities.

Additional sources of liquidity are debt and equity financing, which is used to fund additional operating and other expenses and retire debt obligations at their maturity.

### ***b) Market Risk***

Market risk is the risk that changes in market price, such as foreign exchange rates, commodity prices, and interest rates will affect the Company’s net income or the value of financial instruments. These risks are generally outside the control of the Company. The objectives of the Company are to mitigate market risk exposure within acceptable limits, while maximizing returns.

## **MezzaCap GmbH**

### **Notes to the Interim Consolidated Financial Statements**

**THREE AND SIX MONTHS ENDED JUNE 30, 2015**

**(expressed in Canadian Dollars)**

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#### ***c) Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk.

The Company does not trade in financial instruments and is not exposed to and significant interest rate price risk.

#### ***d) Credit Risk***

Credit risk related to accounts receivable arises from the possibility that debtors may be unable to fulfill their commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. The Company mitigates this risk by regularly monitoring the financial health and aging of any amounts due from its debtors.

#### ***e) Price Risk***

The nature of the Company's operations results in exposure to fluctuations in commodity prices. As at December 31, 2014 and 2013, respectively the Company did not have any significant exposure to derivative financial instrument agreements or fixed physical contracts.

#### ***f) Currency Risk***

Currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. As of June 31, 2015 (2014: nil) the Company included 0,86 BTC in cash and cash equivalents. The Company tries to limit the currency risk by storing as few BTC as possible.

## **8. Capital Management and Liquidity**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the business activities maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new debt, acquire or dispose of assets or adjust the amount of cash.

The Company's strategy is to satisfy its liquidity needs using cash on hand and cash flows generated from operating activities. Revenue, available cash balances, and financing of indebtedness are the Company's principal sources of capital used to pay operating expenses and recurring capital and leasing costs in its business.

The principal liquidity needs for periods beyond the next twelve months are for non-recurring capital expenditures, development costs and potential mining expansion. The Company's strategy is to meet these needs with one or more of the following:

- cash flows from operations;

**MezzaCap GmbH****Notes to the Interim Consolidated Financial Statements****THREE AND SIX MONTHS ENDED JUNE 30, 2015****(expressed in Canadian Dollars)**

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- Private placements via convertible debts;
  - proceeds from sales of assets; and

The following table presents the contractual maturities of the Company's financial liabilities as at June 30, 2015:

(in \$)	Total	< 1 Year	Payments by Periods		
			1 - 3 Years	4 - 5 Years	After 5 Years
Accounts payable, accrued liabilities	34,391	34,391	---	---	---
Convertibles debentures	266,296		266,296	--	---



**MezzaCap GmbH****Notes to the Interim Consolidated Financial Statements****THREE AND SIX MONTHS ENDED JUNE 30, 2015****(expressed in Canadian Dollars)****9. Financial Instruments****Fair Value of Non-Derivative Financial Instruments**

Fair value is the amount that willing parties would accept to exchange a financial instrument based on the current market for instruments with the same risk, principal and remaining maturity. The fair value of interest bearing financial assets and liabilities is determined by discounting the contractual principal and interest payments at estimated current market interest rates for the instrument. Current market rates are determined by reference to current benchmark rates for a similar term and current credit spreads for debt with similar terms and risk. The carrying value and fair value of financial instruments being of equal value are as follows:

(in \$) for the period ended	June 30, 2015	December 31, 2014
Financial assets		
Cash and cash equivalents	6,939	3,154
Sundry receivable	2,201	505
Related party receivables	3,904	1,903
Financial liabilities		
Accounts payable and accrued liabilities	34,391	20,848
Subordinated convertible debentures	266,296	262,816
Related party payable	1,565	287

**Fair Value Hierarchy**

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Company values instruments carried at fair value using quoted market prices, where available. Quoted market prices represent a Level 1 valuation. When quoted market prices are not available, the Company maximizes the use of observable inputs within valuation models. When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3.

The following table outlines financial assets and liabilities measured at fair value in the consolidated financial statements and the level of the inputs used to determine those fair values in the context of the hierarchy as defined above:

	Level 1	Level 2	Level 3	Total
Assets (\$)				
Cash and cash equivalents	6,959	---	---	6,959
Sundry receivables		2,201		2,201
Related party receivable		3,904	---	3,904
Total Assets	6,959	6,105	---	13,063

## MezzaCap GmbH

### Notes to the Interim Consolidated Financial Statements

#### THREE AND SIX MONTHS ENDED JUNE 30, 2015

(expressed in Canadian Dollars)

#### Financial Instruments - continued

( \$ )	Level 1	Level 2	Level 3	Total
Liabilities				
Accounts payable and accrued liabilities	32,826	- - -	- - -	32,826
Related party payables	916		- - -	916
Subordinated debentures	266,296			266,296
Other payables	1,565			1,565
Total liabilities	301,603		- - -	301,603

## 10. Business developments

### Agreement with “The Streetwear Corporation”

On March 3, 2015 an Agreement in Principle (“AiP”) was signed between the owner of the Company, MobileUp GmbH (“MobileUp”), and The Streetwear Corporation (“Streetwear”), a public company listed on the Canadian Securities Exchange (“CSE”). Pursuant to this AiP, Streetwear will acquire the MezzaCap shares in consideration of an issuance to MobileUp of 83,287,265 common shares of Streetwear. Upon completion of the Transaction, the share consideration held by the owner of MezzaCap will represent approximately 51% of the issued and outstanding common shares of the Company. In addition MobileUp could earn up to 83,746,586 common shares in the capital of Streetwear (the “Bonus Consideration”) if MezzaCap meets certain performance milestones are met on or before December 31, 2015. If earned in full, and when issued, the Bonus Consideration, when added to the share consideration held by MobileUp, would represent 65% of Streetwear’s issued and outstanding common shares.

The AiP was amended on May 15, 2015, whereby MobileUp has agreed that (1) Streetwear will do a 1:3 roll back of its common shares, and, thereafter, (2) MezzaCap will be fully acquired by Streetwear whereby Streetwear will issue 83,287,265 common shares to MobileUp GmbH which is owned 100% by Alfred Dobias, who has agreed to serve on the board of directors of Streetwear. MobileUp will sell all its assets, liabilities and shares to Streetwear. Upon completion of the acquisition of MezzaCap MobileUp will own approximately 68% of the issued and outstanding shares of Streetwear. Such acquisition will constitute a Fundamental Change pursuant to the regulations of the CSE. It is intended to change the name of Streetwear into BitRush Corp. There will be no performance shared anymore.

### Agreement with “Airwin”

Pursuant to a Memorandum of Understanding (“MoU”), signed April 15, 2015 with Airwin Informationstechnologie GmbH (“Airwin”), a limited liability company registered in Pinkafeld, Austria, the Company’s wholly owned subsidiary Campus Loosdorf GmbH (“Campus”), shall be granted a license to operate and manage a computer games developed by Airwin as well as a pilot game developed by the

## **MezzaCap GmbH**

### **Notes to the Interim Consolidated Financial Statements**

#### **THREE AND SIX MONTHS ENDED JUNE 30, 2015**

**(expressed in Canadian Dollars)**

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Company as long as the users for the games pay with bitcoins. In accordance with the terms and conditions of the MoU 49% of the campus shares will be sold to Airwin.

#### **Annual and Special General Meeting of Streetwear**

On June 26, 2015, Streetwear had its Annual and Special General Meeting (“Meeting”). As a consequence of such Meeting the Company is now a fully owned subsidiary of Streetwear, which has changed its name to BitRush Corp.

### **10. Subsequent events**

#### **Subordinated convertible debentures**

As of June 15, 2015 MezzaCap Investments Ltd. (Company No. 9633173, registered in London, United Kingdom - “MezzaCap Ltd”) and fully owned by Alfred Dobias acquired the outstanding subordinated convertible debentures amounting to \$301,532 and agrees with the Company to waive the debentures in full effective July 1, 2015. As a consequence shareholder’s equity will be increased by the debt portion of the subordinated convertible debt.

#### **Ownership change**

As of July 1, 2015 MobileUp sold 100% of the issued and outstanding shares of the Company to MezzaCap Ltd, London Great Britain.

## EXHIBIT 12

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MEZZACAP GMBH

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE PERIOD ENDED JUNE 30, 2015

DATED DECEMBER 21, 2015

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### Disclosure Regarding Forward-Looking Statements

This Management Discussion and Analysis contains forward-looking statements that include risks and uncertainties that are disclosed under the section Risk Factors. Other factors that could affect actual results are uncertainties pertaining to government regulations, both domestic as well as foreign, and the changes within the capital markets. Other risks may be disclosed from time to time in MezzaCap's public disclosures.

MezzaCap GmbH  
Management Discussion and Analysis  
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Unless otherwise indicated, all reference to “dollar” or the use of the symbol “\$” are to the Canadian dollar and all references to “US dollars” or “US\$” are to the United States dollar in this Management Analysis and Discussion.

The preparation of the interim financial statements are in conformity with Austrian Generally Accepted Accounting Principles (“AGAAP”) that have been revised to incorporate International Financial Reporting Standards (“IFRS”) and requires management to make assumptions that affect the reported amounts of assets, liabilities and expenses in addition to the disclosure of contingent liabilities at the date of the interim financial statements and reporting amounts. MezzaCap GmbH (“MezzaCap” or the “Company”) bases its estimates on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ and will most likely differ from those estimates.

## **ITEM 1 - Overview**

MezzaCap was incorporated on October 15, 2013 pursuant to the laws of Austria. The Company has its registered office at Mooslackengasse 17, 1190 Vienna, Austria and is registered with FN 405032 k at the Commercial Court in Vienna, Austria.

The Company is a development stage internet technology and focused on the cryptocurrency payment services business. MezzaCap develops and operates cryptocurrency payment channels. The revenues generated by the Corporation consists of license and marketing agreements of (1) the Company’s proprietary technology “BitCore”, (2) the intellectual property of affiliated partners and (3) advertising income of the Corporation’s adBit.co (“AdBit”) and coinadvert.net (“Coinadvert”) platforms, servicing the online entertainment and financial industries.

The Company’s common shares are privately held and not traded on a public exchange.

As at June 30, 2015, the Company had not yet achieved profitable operations and continues to be dependent upon its ability to obtain sufficient working capital from external financing to meet the Company’s liabilities as they become payable and ultimately to generate profitable future operations. As at June 30, 2015, the Company had a negative working capital of \$ 22,244 (December 31, 2014 – negative working capital of \$ 15,573) and cumulative losses of \$128,807 (December 31, 2014 - \$ 110,259). These unaudited condensed interim consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of operations, and at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material.

## **ITEM 2 - Selected Annual Information**

The following is selected annual information for the preceding three fiscal years:

	December 2014	December 2013
Revenues	\$ 72,655	\$ Nil
Operating income	(19,499)	(61,342)
Net income	(47,085)	(63,174)
Total assets	266,819	277,676
Total liabilities	283,951	247,475

Shareholders' equity	(17,132)	30,201
Loss per share	N/A	N/A
Dividends per share	N/A	N/A

For further audited financial information, please refer to the Company's audited financial statements that have been filed on SEDAR.

### **ITEM 3 - Results of Operations**

#### **For the period ended December 31, 2014 versus December 31, 2013**

During the year ended December 31, 2014, the Company kept pursuing business development activities as it sought to be listed on a stock exchange in order to increase its visibility and to have increase access to funding by the capital markets. In November 2014 the Company initiated discussions with The Streetwear Corporation ("Streetwear"), a publicly traded corporation listed on the Canadian Securities Exchange. to be acquired in its entirety. Streetwear was in the business of minerals exploration at that time but was considering a fundamental change of business. The negotiations with the management of Streetwear lead into the Agreement in Principle, announced March 3, 2015 and amended May 15, 2015.

BitRush has invested substantial time, effort and financial resources on the development of a variety of cryptocurrency related websites and its strategic application platform BitCore, representing its technical infrastructure including scalable hosting, transaction processing, web reporting engine, and software.

The Corporation has assembled a team of skilled engineers and computer scientists with broad technical expertise to develop and maintain BitCore. BitCore is a blockchain based application that uses the Bitcoin protocol. BitCore works by storing extra data in regular Bitcoin transactions, which makes every Bitcore transaction a Bitcoin transaction. When BitCore transactions are broadcast to the Bitcoin network they are verified by Bitcoin miners and saved in the Bitcoin blockchain to make a secure, verifiable record. Bitcoin's proven technology is the base of the BitCore technology.

- BitCore offers Application Interfaces (API) to enable third parties to connect their websites and technology based services to BitCore.
- The trade secrets associated with BitCore are protected via copyright.
- BitCore source code is maintained at BitRush's head office in Toronto. BitRush intends to grow by continuing to invest in its technology platform and enhancing customer services. BitRush is advancing multiple patent applications that relate to various aspects of BitRush's products and technology. It is expected that future research and development will focus on enhancing existing products and services and on developing new products, including enhanced mobile capabilities.
- BitCore is the development environment and runtime for BitRush.Land portal that is hosted on the domain [www.bitrush.land](http://www.bitrush.land). As described above, BitCore was built for scale. A "single sign on wallet services" across all services, simple-to-navigate personal interface enables users to execute transactions, track past transactions, BitRush wallet account, and track the value digital currencies through internet connected personal computers, tablets, mobile devices. The platform is multi-lingual. At the time of the scheduled launch [www.bitrush.land](http://www.bitrush.land) will be offered in English and Russian.

The management of the Corporation assumes that the trend toward cryptographic payment systems will continue to grow with the public and permissionless blockchain based on the open source Bitcoin protocol as its centerpiece. Financial institutions like banks and exchanges are already working on so called private blockchain solutions with proprietary cryptographic technologies. Startup companies like Counterparty ([www.counterparty.io](http://www.counterparty.io)) are licensing their proprietary cryptographic technologies to 3rd parties. The Management expects that BitCore will be one of several cryptographic payment and clearing solutions on a fast growing market. In order to stay competitive the Corporation has to invest into the ongoing development of BitCore to integrate new features and functionality.

It is anticipated that the Company will generate modest revenues during 2015 with expectations to increase revenues significantly in subsequent years in this market segment of payment services using Bitcoin and cryptocurrency payment channels. With its proprietary technology “BitCore” the Company believes that the business will be in the position to gain a significant market share within the cryptocurrency ecosphere, i.e. the number of users making payments for online services with Bitcoins or cryptocurrencies.

The increased revenues will be generated as a result of the finishing of some of the Company’s application development projects and the associated launching of several projects based on these applications. As typical for technology companies no revenue will be generated in the development stage. Once the technological along with the organizational development has reached a stage to be launched to the public a startup has the chance to generate revenues. Thus it is not unusual for tech startups to have no revenue in first years and month of their operation.

Including the acquisition of the AdBit platform the Corporation meanwhile has access to approximately 40 million ad impressions per day and 32,000 active registered advertisers will contribute to the increased revenues and cash flows. We expect that fast and inexpensive blockchain-based clearing system will result in a ongoing growth of the whole blockchain-related ad services. We believe that blockchain-related ad services will be adopted by online marketing industry over the months and years to come. BitRush works to expand its ad services with innovative plugins and apps.

With the launch of the Consumer-to-Consumer exchange CoinEx Ltd. (“CoinEx”) BitRush will create additional revenues from commissions paid to BitRush from the buyers and sellers on the platform [www.coinex.co](http://www.coinex.co). CoinEx itself will be launched in invitation mode on December 30, 2015 and will enable its registered users to buy and sell cryptocurrency from each other against FIAT-money using PayPal. Users have to register with their PayPal credentials at CoinEx (ID verification thus is done by PayPal). The CoinEx system re-checks the ID automatically with PayPal using PayPal application interfaces. Users can offer to buy or sell cryptocurrencies on CoinEx, their offer will be published on CoinEx. If another registered user of CoinEx accepts an offer the FIAT-payment is done via PayPal from the buyers PayPal account to the sellers PayPal account. After confirmation of Payment the cryptocurrencies will be transferred automatically from the seller’s cryptocurrency wallet to the buyer’s cryptocurrency wallet. BitRush automatically receives a commission of 1.5% (0.075% from buyer and 0.075% from sellers). The commission is paid in cryptocurrencies to the BitRush wallet automatically.

With CoinAdvert ([www.coinadvert.net](http://www.coinadvert.net)) and the acquisition of AdBit ([www.adbit.co](http://www.adbit.co)) the corporation has already gained a significant market share within the blockchain-related ad services industry. According to the Corporation’s estimate BitRush’s market share within the cryptocurrency ecosphere is in excess of 20% according to the Company’s own assessment. The term “cryptocurrency ecosphere” relates to users making payments for online services with Bitcoins and other cryptocurrencies.

For the year ended December 31, 2014, the Corporation had revenues of \$72,655 versus nil the year before, for an increase of \$72,655 as a result of the Company’s efforts to gain market visibility. The \$72,655 total revenues consist of \$50,216 consulting revenues during the first quarter 2014 with the



balance generated by advertising revenues from websites (CoinAdvert) having started in October 2014. MezzaCap expects those revenues to increase due to the acquisition of the AdBit assets in October 2015. Revenues from consulting will not occur anymore in the foreseeable future.

For the year ended December 31, 2014, the Corporation had administrative expenditures of \$6,696 versus \$ 2,212 the year earlier, for an increase of \$4,484 or 102.7%. The increase is mainly attributable to the fact that the Company was only established in October 2013.

For the year ended December 31, 2014, the Company had business development expenditures of \$178,936 versus \$252,659 the year earlier, for a decrease of \$73,723 or 29.2%. Management anticipates investing further in business development activities as it seeks to further identify opportunities to build shareholder value. The business development expenditures of \$178,936 in 2014 and \$252,659 in 2013 consisted primarily in expenses to the Company's marketing director for the development of the acquired database rights and copyrights as well as the development expenses charged for the design and architecture of BitCore. No exact split can be done between these two big projects as no exact records were kept by the marketing manager. In 2015 some of the business development expenses were borne by Streetwear and the marketing manager was also heavily engaged in the restructuring of the organization.

For the year ended December 31, 2014, the Company had selling expenses of \$10,125 versus \$ nil the year earlier, for an increase of \$10,125. The increase is due to commission payments to expand the Company's business in the Ukraine. The main part of the \$10,125 consists of the Company's participation in the joint ventures the Company is involved in (Compare Note 3 to the Financial Statements as of December 31, 2014).

For the year ended December 31, 2014, the Company had professional expenditures of \$5,668 versus \$1,438 the year earlier, for an increase of \$4,230 or 194.2% , again due to a short operating period in 2013.

For the period ended December 31, 2014, the Company had an operating loss of \$19,499 versus \$61,342 the year earlier, a decrease of \$41,843 or 68.2%. Investors can anticipate this amount to stay about the same or, perhaps, turn into operating income as the Company intends to generate increased revenues during 2015 which will offset increased business development costs..

For the period ended December 31, 2014, the Company had accretion expenses of \$27,599, a sharp increase of \$25,764 from prior year's expenses of \$1,835 mainly due to expenses associated with the search for gaining access to corporate funding..

The net loss for the period ended December 31, 2014 was \$47,085 versus \$65,480 for the previous period.

The Company had a cash balance at the end as at December 31, 2014 was \$3,154 (2013 - \$11,201), with a working capital of negative \$15,573 (2013 – \$9,850).

#### **ITEM 4 - Summary of Quarterly Results**

The following table sets forth the Corporation's revenue and net loss for each quarter ended on the date indicated.

	Revenues	Net profits
June 30, 2015	\$14,631	\$ (7,064)
March 31, 2015	13,938	(11,484)
December 31, 2014	22,498	(19,174)
September 30, 2014	7,551	(7,136)
June 30, 2014	(961)	(22,390)
March 31, 2014	43,567	8,515
December 31, 2013	- - -	(63,174)

#### For the Three Months Ended June 30, 2015 versus June 30, 2014

Pursuant to a Memorandum of Understanding (“MoU”), signed April 15, 2015 with Airwin Informations Technologie GmbH (“Airwin”), a limited liability company registered in Pinkafeld, Austria, the Company’s wholly owned subsidiary Campus Loosdorf GmbH (“Campus”), shall be granted a license to operate and manage a computer games developed by Airwin as well as a pilot game developed by the Company as long as the users for the games pay with bitcoins. In accordance with the terms and conditions of the MoU 49% of the Campus shares would be sold to Airwin and renamed into Lucky symbols Entertainment GmbH (“LSE”).

During the quarter ended June 30, 2015, continued its negotiations with The Streetwear Corporation (“Streetwear”), a publicly traded corporation listed on the Canadian Securities Exchange (“CSE”) to be acquired in its entirety. Streetwear was in the business of minerals exploration at that time but was considering a fundamental change of business. The negotiations with the management of Streetwear lead into the Agreement in Principle, announced March 3, 2015 and its amendment of May 15, 2015.

The AiP of March 3, 2015 as described further in the Management Discussion & Analysis for the period ending March 31, 2015, was amended on May 15, 2015, whereby MobileUp has agreed that (1) Streetwear will do a 1:3 roll back of its common shares, and, thereafter, (2) MezzaCap will be fully acquired by Streetwear whereby Streetwear would issue 83,287,265 common shares to MobileUp GmbH which is owned 100% by Alfred Dobias, who has agreed to serve on the board of directors of Streetwear. MobileUp will sell all its assets, liabilities and shares to Streetwear. Upon completion of the acquisition of MezzaCap MobileUp would own approximately 68% of the issued and outstanding shares of Streetwear. Such acquisition would constitute a Fundamental Change pursuant to the regulations of the CSE. It was intended to change the name of Streetwear to BitRush Corp. The Performance Consideration was removed.

As of June 15, 2015 MezzaCap Investments Ltd. (Company No. 9633173, registered in London, United Kingdom - “MezzaCap Ltd”) and fully owned by Alfred Dobias acquired the outstanding subordinated convertible debentures amounting to \$301,532 and agreed with the Company to waive the debentures in full effective as of July 1, 2015. As a consequence shareholder’s equity would be increased by the debt portion of the subordinated convertible debt amounting to \$ 282,216 (translated as of Dec, 31, 2014) and the liabilities would decrease by the corresponding amount.

On June 26, 2015, Streetwear had its Annual and Special General Meeting (“Meeting”). As a consequence of such Meeting the Company is now a fully owned subsidiary of Streetwear, which has changed its name to BitRush Corp. (“BitRush”). The Share Exchange Agreement between the

Company and Streetwear/BitRush was signed on July 31, 2015 and the transaction was finally closed on September 8, 2015 at which time BitRush also closed a financing of \$725,000.

It is anticipated that the Company will generate modest revenues during 2015 with expectations to increase revenues significantly in subsequent years in this fast growing market segment of payment services using bitcoin and cryptocurrency payment channels. With its proprietary technology “BitCore” the Company believes that the business will be in the position to gain a significant market share within the cryptocurrency ecosphere.

For the period ended June 30, 2015, the Corporation had revenues of \$14,630 versus a negative \$961 the year before, for an increase of \$15,592. The Company had no revenues whatsoever during the reporting period in 2014 (the negative \$961 reflects a foreign exchange conversion adjustment to the revenues for the period before).

For the period ended June 30, 2015, the Corporation had administrative expenditures of \$1,625 versus \$2,130 the period earlier, for a decrease of \$505 or 23.7%.

For the period ended June 30, 2015, the Company had business development expenditures of \$6,957 versus \$8,467 the year earlier, for a decrease of \$1,510 or 17.8% due to the fact that some of the business development expenses during the reporting period were borne by Streetwear. Management anticipates investing further in business development activities as it seeks to further identify opportunities to build shareholder value.

For the period ended June 30, 2015, the Company had selling expenses of \$6,817 versus a negative \$13 the year earlier, for an increase of \$6,830 mainly due to advertising expenses relating to the gain a market share in the advertising business (relates also to the Ukrainian business activities).

For the period ended June 30, 2015, the Company had professional expenditures of \$418 versus \$4,092 the year earlier, for a decrease of \$3,674 or 89.8%.

For the period ended June 30, 2015, the Company had an operating loss of \$1,277 versus \$15,773 the year earlier, a decrease of \$14,496. Investors can anticipate this amount to stay about the same or, perhaps, turn into operating income as the Company intends to generate increased revenues during 2015 which will offset increased business development costs..

For the period ended June 30, 2015, the Company had accretion expenses of \$5,786, versus \$6,657 a decrease of \$871 or 13.1% from prior year's expenses.

The net loss for the period ended June 30, 2015 was \$7,064 versus \$22,390 for the previous period.

The Company had a cash balance at the end as at June 30, 2015 amounting to \$6,959 (December 2014 - \$3,154), with a negative working capital of \$22,244 (December 2014 – \$15,573).

#### For the Six Months Ended June 30, 2015 versus June 30, 2014

For the period ended June 30, 2015, the Corporation had revenues of \$28,569 versus \$42,606 the year before, for a decrease of \$14,037. The decrease is due to a discontinuation of the consulting services. The revenues for the period ended June 30, 2014 (\$42,606) were for consulting services only. It was only in October 2014 that MezzaCap started to generate advertising revenues whereas the consulting services had been discontinued. Hence, the decrease in overall revenues between the reporting periods.

For the period ended June 30, 2015, the Corporation had administrative expenditures of \$2,930 versus \$3,406 the period earlier, for a decrease of \$476 or 14.0%.

For the period ended June 30, 2015, the Company had business development expenditures of \$15,162 versus \$34,533 the year earlier, for a decrease of \$19,371 or 56.1% due to the fact that some of the business development expenses during the reporting period were borne by Streetwear. Management anticipates investing further in business development activities as it seeks to further identify opportunities to build shareholder value.

For the period ended June 30, 2015, the Company had selling expenses of \$15,172 versus \$555 the year earlier, for an increase of \$14,617. The increase is due to advertising expenses to expand the Company's business in the Ukraine.

For the period ended June 30, 2015, the Company had professional expenditures of \$2,096 versus \$4,092 the year earlier, for a decrease of \$1,996 or 48.8%.

For the period ended June 30, 2015, the Company had an operating loss of \$6,971 versus \$166 the year earlier, an increase of \$6,805. Investors can anticipate this amount to stay about the same or, perhaps, turn into operating income as the Company intends to generate increased revenues during 2015 which will offset increased business development costs..

For the period ended June 30, 2015, the Company had accretion expenses of \$11,577, versus \$13,800 a decrease of \$2,223 or 16.1% from prior year's expenses.

The net loss for the period ended June 30, 2015 was \$18,584 versus \$13,966 for the previous period, an increase of \$4,618 or 33.1%.

#### **ITEM 5 - Liquidity**

The current liabilities of \$35,307 exceed the current assets of \$13,063 for a negative working capital of \$22,244 versus a negative working capital as at December 31, 2014 of \$15,573.

In addition, the following transactions had an negative impact on the liquidity of the Company:

The marketing director of the Company has been in the Bitcoin marketing and software business since 2010. During the period ended December 31, 2013 the Company was billed for acquisitions costs totaling \$265,026 by this individual for database rights and copyrights. In addition, the Company was charged by this individual marketing and consulting fees which in 2014 totaled \$121,620 and in 2013 totaled \$232,907. These expenses are included under business development expenses.

On December 31, 2013 this individual waived \$195,153 of the amount which arose on the transfer of the database rights and copyrights and on December 31, 2014 he waived \$109,645 of the \$121,620 in consulting fees incurred in 2014. As part of the debt waiver agreements granted a provision was given for repayment of the amounts waived should certain condition be met within a three-year period from the date the debt was waived. The conditions are as noted below:

- i) The operating cash flow of the Company exceeds 3% of gross revenue and \$150,000;
- ii) A Liquidity Event takes place. A "Liquidity Event" is defined as the Company completing one or more equity financings totaling \$2.0 million and including a pre-money valuation of the Company of no less than \$6.0 million.

In management's opinion neither of these conditions are likely to be met within the stipulated three year periods and therefore no provision has been set up for repayment of the waived amounts.

**ITEM 6- Capital Resources**

The Company expects to show moderate revenues during the next 12 months generating cash from operations as explained in ITEM 3 above – *Results of Operations*

Furthermore, with the Company's intention to be acquired by Streetwear it would increase its visibility and accessibility for funding by strategic investors or the capital markets. In order to finance the Company's future development and expansion, management will be seeking to raise funds primarily by way of the issuance of common shares from the treasury of Streetwear or short term debt, which would most likely be from parties related to the new business of the Company, which is still not known with certainty. The timing and ability to fulfill these objectives will depend on the liquidity of the financial markets as well as the willingness of investors to finance junior companies and in particular junior companies with no operations or limited history.

Currently, the Company does not have any options issued and outstanding.

Management believes that the Company will have sufficient cash on hand to meet its current obligations for the following 12 months including capital commitments as discussed herein. However, there is no certainty that it will be successful in raising such funds and therefore the Company will be dependent on the management and insiders of the Company to advance funds as necessary and assume expenses on behalf of the Company.

**ITEM 7 - Off-Balance Sheet Arrangement**

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

**ITEM 8 - Transactions With Related Parties**

Amounts due from and to the related parties, are a result of transactions with entities controlled by shareholders, officers or directors of the Corporation. These amounts are non-interest bearing, unsecured and not subject to specific terms of repayment unless stated.

The Company had a receivable from its holding company amounting to \$3,904 (December 2014 – \$1,902) and a payable to the managing director in the amount of \$916 (December 2014 - \$287).

In addition, the transaction described in Item 5 above (Liquidity) involving a debt waiver by the Company's marketing director is also considered a related party transaction.

**ITEM 9 - Subsequent Events****Ownership change**

As of July 1, 2015 MobileUp sold 100% of the issued and outstanding shares of the Company to MezzaCap Ltd.

On July 31, 2015 the share exchange agreement between the Company and Streetwear/BitRush was signed.

On September 8, the shares of BitRush commenced trading on the CSE.

#### **ITEM 10 - Risk Factors**

- The Company commenced operations in November 2013. Accordingly, the Company only has a limited operating history, and, since incorporation, the business model has changed significantly. 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 market.
- The Company has not made profits since its incorporation and it is expected that it will not be profitable for the entire year 2015. 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, the company does not believe that the operating results to date should not be regarded as indicators for MezzaCap's future performance.
- 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.
- The Company may be unable to enforce its legal rights in certain circumstances. In the event of disputes arising at or in respect of, the Company's foreign or domestic operations the Company may be subject to the exclusive jurisdiction of foreign or domestic courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada or other jurisdictions. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental entity or instrumentality because of the doctrine of sovereign immunity.
- The Company has a limited operating history, and there is no assurance that it will be capable of consistently producing positive cash flows.
- The Company's prospects depend on its ability to attract and retain key personnel: Recruiting and retaining qualified personnel is critical to the Company's success. The number of persons skilled in the development of cryptocurrency projects is limited and competition for such persons is intense. As the Company's business activity grows, it will require additional key financial, administrative, marketing and public relations personnel as well as additional staff on the operations side. Although the Company believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.
- Difficulties of managing growth: Since commencement of the operations, MezzaCap has experienced rapid growth of revenues and demand for its services and this growth is expected

to continue in future years. Growth and expansion of the business places a continuous and significant strain on management, operational and financial resources. The Company's ability to continue to grow will depend on a number of factors, including the following:

- To attract sufficient numbers of qualified management, technical and other personnel;
- To establish and manage successfully business relationships with strategic partners, suppliers and customers;
- To maintain a competitive position through the further development and expansion of the Company's range of services;
- To penetrate new markets; and
- To finance such growth internally and externally.

It is not assured that the Company will be able to manage and control this expected growth effectively.

- **Development of Cryptocurrency:** It is intended to focus the business on the development and servicing of cryptocurrency- based platforms. Cryptocurrency 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. The future success of the Company 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:

- Worldwide adoption and usage of Bitcoins and other cryptocurrencies;
  - 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.
  - Changes in consumer demographics and public behavior, tastes and preferences;
  - Redirection and liberalization of using fiat currencies as well as the development of other forms of publicly acceptable means of buying and selling goods and services;
  - General economic conditions and the regulatory environment relating to cryptocurrencies
- **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.
  - **Corporate liability for online content; legal uncertainties.** There is a risk that claims may be made against either of these associated companies for defamation, negligence, copyright or trademark infringement, or other matters based on the nature, content, publication and distribution of information materials provided on their websites. These associated companies may also be exposed to claims made with respect to the offering of third party content that may be accessible through their websites. Even to the extent that any such claim does not result in liability to one of our associated companies, it could incur significant costs in investigating and defending against such claim. Any costs or liability arising from such claims which is not covered by insurance could, through the Company equity holdings in these associated companies, also harm the Company's core business, results of operations and

financial condition. There is also a risk that similar claims could be made directly against the Company in its capacity as application service provider to any of the companies for whom they act as such. Any costs or liability arising from such claims which is not covered by insurance could harm our business, results of operations and financial condition. An increasing number of laws, regulations and directives are being passed which relate to the internet and e-commerce. In addition, efforts are being made to introduce rules and regulations governing the use of cryptocurrencies. Some legal uncertainty exists concerning the applicability of current legislation to cryptocurrency. In particular in relation to issues such as trade law, intellectual property rights, consumer protection and the protection of personal privacy, and as to the application of the laws of other countries whose citizens use products offered over the internet by companies based outside their jurisdiction.

- **Dependence on Internet Infrastructure; Risk of System Failures, Security Risks and Rapid Technological Change:** The success as a developer of cryptocurrency-based platforms will depend by and large upon the continued development of a stable public infrastructure, such as a block chain 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 MezzaCap 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 it cannot be assured you that all of 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 the MezzaCap's business have arisen to date, any such claims and disputes arising may result in liability for substantial damages which in turn could harm our business, results of operations and financial condition.

The Company has applied for a patent of its proprietary technology, BitCore, which should protect the exclusive usage and licensing capability of BitCore. However, no assurances can be given that a developer or a group of developers will not copy such technology by altering certain elements of the technology with the intention not to infringe on a granted patent. Furthermore, the granting of a patent may be declined leaving room for efforts to imitate the BitCore technology without consequences.

- **Volatilities in Bitcoin prices:** The markets for cryptocurrencies, in particular Bitcoin, have experienced much larger fluctuations than other security markets. In particular, there was a "Bitcoin Crisis" late 2013 / early 2014 as a result of the improper usage of Bitcoins to finance questionable, even illegal activities. As a result the price of Bitcoin rose from about \$130 to almost \$1,000 within one month and dropped thereafter continuously showing drastic swings until it reached a value of \$215 early 2015. Thereafter, the Bitcoin price seems to have stabilized having reached more than \$280 in October 2015. However, no assurances can be given that the Bitcoin price might show erratic swings in the future again which could be



related not only to improper payment activities involving Bitcoins but also regulations by law makers in various countries

Furthermore, Bitcoins and other 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 Bitcoins is generated by investors and speculators focussing on generating profits by buying and holding Bitcoins which might create limitations on the availability of Bitcoins to pay for goods and services resulting in increased volatility of Bitcoins and other cryptocurrencies which could adversely impact an investment in the Company.

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

- Global Bitcoin demand depending on the acceptance of Bitcoins by retail merchants and commercial businesses, the perception that the use and holding of Bitcoins is safe and secure as well as the lack of regulatory restrictions;
  - Investor's expectations with respect to the rate of inflation;
  - Interest rates;
  - Currency exchange rates, including exchange rates between Bitcoins and fiat currency;
  - Fiat currency withdrawal and deposit policies on Bitcoin exchanges and liquidity on such Bitcoin exchanges
  - Interruption of services or failures of major Bitcoin exchanges;
  - Large investment and trading activities in Bitcoins
  - Monetary policies of governments, trade restrictions, currency de- and revaluations;
  - Regulatory measures restricting the use of Bitcoins as a form of payment or the purchase of Bitcoins;
  - Global or regional political, economic or financial events and situations, including increased threat of terrorist activities;
  - Self-fulfilling expectations of changes in the Bitcoin market.
- **Stability of Bitcoin exchanges:** The price of Bitcoins is established by public Bitcoin exchanges that have, by nature of their business, a limited operating history. So far, even the largest Bitcoin exchanges have been subject to operational interruptions or even collapse (Mt. Gox). The interruption and the collapse of Bitcoin exchanges may limit the liquidity of Bitcoins resulting in volatile prices and a reduction in confidence in the Bitcoin network and the Bitcoin exchange market. The deposit or withdrawal of fiat currency into or from the Bitcoin exchanges may also affect the price of Bitcoins. Operational limits regarding the settlement with fiat currencies may also reduce the demand to use Bitcoin exchanges which would adversely affect an investment in the Company.

Bitcoin 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 Bitcoin exchanges are lacking infrastructure and capitalization the larger Bitcoin exchanges are more likely to become targets of hackers and malware. Also, arbitraging activities between Bitcoin exchanges may destabilize some of the smaller Bitcoin exchanges. A lack of stability in the Bitcoin exchange market may reduce the confidence in the Bitcoin network affecting adversely an investment in the Company.

- **License Requirements:** MezzaCap has not been required to apply for brokerage licenses as the cryptocurrencies have only recently come into the focus of regulation authorities in various countries. As a result of those regulations MezzaCap might be required to apply for a brokerage and/or banking license or permits which could become very expensive and unaffordable. This is one of the reasons why the Company is constantly looking for funding, but no assurances can be given that funding to secure such licenses or permits is available at any given time. Furthermore,

appropriately qualified personnel might be required to maintain such licenses and permits, but there are no assurances that MezzaCap might be in the position to hire such qualified personnel when required.

- **Changes in the Bitcoin network protocol:** The Bitcoin network is based on a protocol governing the peer-to-peer interactions between computers that are connected to each other within the Bitcoin network. The governing code regulating such math-based protocol is informally managed by a development team initially appointed by the purported creator of the Bitcoin network, Satoshi Nakamoto. This development team, though, might propose and implement amendments to the Bitcoin network's source code through software upgrades altering the original protocol, including fundamental ideas such as the irreversibility of transactions and limitations on the mining of Bitcoins. Such changes of the original protocol and software may adversely affect an investment in the Company.
- **Acceptance of virtual currencies:** Although the Corporation believes that the usage of Bitcoins and 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 individual will be increasingly reluctant to accept virtual currencies, such limited usage of Bitcoins and 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 Bitcoin mining activities and altering the blockchain which the Bitcoin network and all Bitcoin transactions is relied upon. For instance, the malicious actor or botnet could reuse its own Bitcoins more than once preventing the confirmation of other users' transactions which would mean a serious breach of the original protocol which could adversely affect an investment in the Company.

Moreover, if the award for solving transaction blocks declines and transaction fees are not sufficiently high, the incentive to continue mining would decrease and could lead to a stoppage of mining activities. The collective processing power of the Bitcoin 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 Bitcoin network more vulnerable to malicious actors or botnets obtaining control of the Bitcoin network processing power.

- **Recording of transactions:** It is feasible that Bitcoin miners 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 Bitcoin miners who are not required to pay such transaction fees. Any widespread delays in the recording of Bitcoin transactions could result in a loss of confidence in the Bitcoin network which could adversely affect an investment in the Company.
- **Deviations from the Bitcoin network:** Bitcoin is an open source project; there is no official developer or group of developers formally controlling the Bitcoin network. Any individual may download the Bitcoin network software and make any desired modifications. However, Bitcoin miners and users must consent to those software modifications by downloading the altered

software or upgrading the implemented changes, otherwise the changes do not become a part of the Bitcoin network. Since the network's inception, changes to the Bitcoin network have been accepted by the vast majority of users and Bitcoin miners which was necessary for the Bitcoin network to remain a coherent economic system. However, a developer or a group of developers could potentially propose a modification to the Bitcoin network that is not accepted by the vast majority of Bitcoin miners and users, which could result in the development of a second open source Bitcoin network running the modified version side by side with the Bitcoin network running the not modified software program. While the development of several blockchains could be viewed as opportunity to expand the entire Bitcoin network addressing the desires of different target groups it could be also viewed as risk element disrupting the ideas and objectives of the original protocol.

- The Company's proprietary key technology BitCore is a blockchain based application using the Bitcoin protocol. BitCore stores extra data onto regular Bitcoin transactions, which makes every BitCore transaction a Bitcoin transaction, i.e. BitCore operates an "add-on" to the publicly available blockchain. Extensive use of BitCore, however, could lead to the creation of an alternative blockchain which could be viewed as a disruption of the original intent described in the Bitcoin protocol.

#### **ITEM 11 - Critical Accounting Estimates**

The accounting policies used impacts the Company's financial statements, and the estimates and assumptions made, by management during their preparation. The Company's accounting policies are described within the financial statements. The accounting estimates considered to be significant to the Company include the computations of agents' warrants value, share-based compensation expense, valuation of exploration and evaluation assets and the recovery of deferred income tax assets.

#### **ITEM 12 - Changes in Accounting Policies**

The Company would like to direct readers to its audited financial statements for the period ending December 31, 2014 which can be found on the regulator's web site at [www.sedar.com](http://www.sedar.com).

#### **ITEM 13 - Financial Instruments and Other Instruments**

The Company would like to direct readers to its audited financial statements for the period ending December 31, 2014 which can be found on the regulator's web site at [www.sedar.com](http://www.sedar.com).

#### **ITEM 14 - Capital Structure**

The Company is a limited liability company, similar to a partnership, and has only one common share issued and outstanding that is owned by BitRush.

#### **ITEM 15 - Other MD&A Requirements**

As defined in Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, disclosure controls and procedures require that controls and other procedures be designed to provide reasonable assurance that material information required to be disclosed is duly gathered and reported to senior management in order to permit timely decisions and timely and accurate public disclosure.

The Company has evaluated the effectiveness of its disclosure controls and procedures, as defined,

and has concluded that they were effective as of the end of the period covered by this report as well as of the date of this report.

The Company has evaluated its internal controls and financial reporting procedures and has found them to be effective with the objective of reporting the Company's financial transactions.

## **EXHIBIT 13**

### **BITRUSH CORP** (Formerly The Streetwear Corporation) **PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS**

**BITRUSH CORP** (Formerly The Streetwear Corporation)  
**Unaudited Consolidated Pro-Forma Statement of Financial Position**

(All Amounts are in Canadian Dollars) as of June 30, 2015	Streetwear Corp.	Mezzacap GmbH (Note 2)	Ref. (Note 3)	Pro-Forma Adjustments	Pro-Forma Consol.
<b>ASSETS</b>					
<b>CURRENT</b>					
Cash	193	6,959	3c 3e	725,000 50,000	682,151
Sundry receivables	8,330	2,201			10,531
Related party receivables	0	3,904			3,904
Available for sale Financial Assets	1,833	0			1,833
	10,356	13,063			698,419
Property and Equipment	0	354			354
Intangibles	0	246,738			246,738
Investments in joint ventures	0	6,116			6,116
Total	0	253,207			253,207
	10,356	266,271			951,626

# BITRUSH CORP (Formerly The Streetwear Corporation)

## Unaudited Consolidated Pro-Forma Statement of Financial Position

(All Amounts are in Canadian Dollars) as of June 30, 2015	Streetwear Corp.	Mezzacap GmbH (Note 2)	Ref. (Note 3)	Pro-Forma Adjustments	Pro-Forma Consol.
<b>LIABILITIES</b>					
<b>CURRENT</b>					
Accounts payable and accrued liabilities	109,115	32,826			141,941
Related party payable	20,000	916			20,916
Other payables	0	1,565			1,565
	129,115	35,307			164,422
SUBORDINATED CONVERTIBLE DEBENTURES	0	266,296	3b	-266,296	0
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>					
<b>Capital Stock</b>					
Issued and Outstanding	992,315	14,722	3a	-992,315	
			3c	473,245	
			3a	4,414,225	4,902,192
Contributed Surplus	130,849	0	3b	266,296	
			3a	-130,849	
			3b	80,958	
			3b	-39,176	
			3c	251,755	559,833
Equity portion of convertibles	0	80,958	3b	-80,958	0
Foreign Exchange gain/loss	0	-2,205			-2,205
Accumulated Deficit	-1,241,923	-128,807	3a	1,241,923	
			3b	39,176	
			3e	-50,000	
			3a	-4,532,984	-4,672,615
Total shareholders's equity	-118,759	-35,332			787,205
<b>TOTAL</b>	<b>10,356</b>	<b>266,271</b>			<b>951,626</b>

**BITRUSH CORP** (Formerly The Streetwear Corporation)  
**Consolidated Pro-Forma Statement of Loss and Comprehensive Loss**  
(Unaudited)

(All Amounts are in Canadian Dollars) For the six months ended June 30, 2015	Streetwear Corp.	Mezzacap GmbH (Note 2)	Ref. (Note 3)	Pro-forma Adjustments	Pro-Forma Bitrush Corp.
Revenue	0	28,569			28,569
	0	28,569			28,569
Expenses					
Administrative expenses	116,522	2,930			119,452
Business development expenses	30,305	15,162			45,467
Selling expenses	0	15,172			15,172
Professional fees	46,490	2,096			48,586
Depreciation	0	180			180
	193,317	35,540			228,857
Income (LOSS) before unternoted	-193,317	-6,971			-200,288
Accretion expense	0	-11,577	3b	11,577	0
Amortization of exploration properties	-82,042	0			-82,042
NET LOSS for the period	-275,359	-18,548			-282,330
Effect of foreign currency translation		350			350
Net loss and comprehensive loss	-275,359	-18,198			-281,980
Basic and diluted weighted average number of common shares	74,021,098				114,794,739
Basic and diluted loss per share	0.00				0.00



**BITRUSH CORP** (Formerly The Streetwear Corporation)  
**Consolidated Pro-Forma Statement of Loss and Comprehensive Loss**  
(Unaudited)

(All Amounts are in Canadian Dollars) For the years ended December 31, 2014	Streetwear Corp. (Note 1)	MezzaCap GmbH (Note 2)	Ref.	Pro-forma Adjustments	Pro-Forma F/S Bitrush Corp.
Revenue	0	72,655			72,655
	0	72,655			22,439
Expenses					
Administrative expenses	-100,012	-6,696	3e	-50,000	-156,708
Business development expenses	-7,132	-178,936			-186,068
Selling expenses	0	-10,125			-10,125
Professional fees	-73,361	-5,668			-79,029
Other items (debt waiver)	0	109,645			109,645
Depreciation/Amortization	0	-373			-373
	-180,505	-92,153			-322,658
Loss before undernoted	-180,505	-19,498			-300,219
Interest Income/Loss	0	13			13
Deemed share listing expenses and transaction costs			3a	-4,532,984	-4,532,984
Accretion expense	0	-27,599	3b	27,599	0
<b>Total loss</b>	-180,505	-47,084			-4,833,190
Other comprehensive gain/loss					
Foreign Exchange gain/loss	0	-248			-248
<b>Net loss and comprehensive loss</b>	-180,505	-47,332			-4,833,438
Basic and diluted weighted average number of common shares	74,021,098				114,794,739
Basic and diluted loss per share	0.00				-0.04

**BITRUSH CORP (Formerly The Streetwear Corporation)**  
**Notes to the Unaudited Consolidated Pro-Forma Financial Statements**  
**(Expressed in Canadian dollars)**

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**1. Incorporation and basis of presentation**

BitRush Corp (Formerly, “The Streetwear Corporation”) (“BitRush”, the “Corporation” or the “Company”) was incorporated under the laws of the Province of Ontario and is governed by the Business Corporation Act (Ontario). The Corporation’s registered office is located at 133 Richmond Street West, Suite 403, Toronto, Ontario.

On May 21, 2015, an agreement in principle was signed with MobileUp GmbH (“MobileUp”) an Austrian holding company, according to which the Corporation will acquire MobileUp’s wholly owned subsidiary MezzaCap GmbH (“MezzaCap”) for the issuance for 83,287,265 common shares. In addition 4,997,236 shares shall be issued to an unrelated third party as a finder’s fee in connection with the transaction. In addition the Company agreed to do a 1:3 roll back of its common shares.

Upon completion of the acquisition of MezzaCap the principal shareholder of MezzaCap will own 69.2% of the issued and outstanding shares of the Corporation. Such acquisition will constitute a Fundamental Change pursuant to the regulations of the CSE. Streetwear is to change the name of Streetwear into BitRush Corp.

For accounting purposes MezzaCap GmbH is considered the accounting acquirer and Bitrush is considered the acquired company. Since Bitrush’s operations do not constitute a business, the acquisition of Bitrush is not a business combination pursuant to IFRS 3 and the transaction is accounted for as a reverse takeover of the publicly traded Company. The reverse takeover will be accounted for under IFRS 2 Share based payments. Accordingly, the acquisition of Chrysalis is accounted at the fair value of the equity instruments of the Company granted to the shareholders of MezzaCap. The difference between the net assets acquired and the fair value of the consideration granted will be treated as a listing expense.

In preparing these unaudited pro-forma financial statements, no adjustments were made to reflect additional costs and savings that could result from the transaction. The unaudited pro-forma consolidated statement of Financial Position is not necessarily indicative of the Company’s financial position on closing the proposed acquisitions. The unaudited consolidated pro-forma statement of Financial Position and statement of operations of the Company have been

Prepared by management of the Company and include information from:

- MezzaCap’s unaudited interim Statement of Financial Position as at June 30, 2015 prepared in accordance with IFRS;
- MezzaCap’s Audited Statement of Operations and Comprehensive Loss for the twelve months ended December 31, 2014 and the unaudited interim Statement of Operations and Comprehensive Loss for the six months ended June 30, 2015.
- Bitrush’s unaudited interim Statement of Financial Position as at June 30, 2015 prepared in accordance with IFRS;
- Bitrush’s Audited Statement of Operations and Comprehensive Loss for the twelve months ended December 31, 2014 and the unaudited interim Statement of Operations and Comprehensive Loss for the six months ended June 30, 2015.

## **BITRUSH CORP (Formerly The Streetwear Corporation)**

### **Notes to the Unaudited Consolidated Pro-Forma Financial Statements**

**(Expressed in Canadian dollars)**

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#### **2. Presentation Currency**

As MezzaCap operates mainly in Eastern and Western Europe, the functional currency of the Company is the EURO.) The financial statements of MezzaCap are presented in Canadian Dollars by applying the rules set forth in paragraph 39 of International Accounting Standard 21 (IAS 21). Hence the assets and liabilities for the audited statement of financial position as of December 31, 2014 and the assets and liabilities for the interim statement of financial position as of June 30, 2015 were translated at the closing foreign exchange rate as at December 31, 2014 resp. June 30, 2015.

For practical reasons and as there were no material exchange rate fluctuations, average exchange rates for the period January 1, to December 31, 2014 resp. for the six months ended as of June 30, 2015 were used to translate the income and expense items for the twelve and six months ended December, 2014 and 2015.

Any resulting exchange difference were recognised in other comprehensive income/loss.

**BITRUSH CORP (Formerly The Streetwear Corporation)**  
**Notes to the Unaudited Consolidated Pro-Forma Financial Statements**  
**(Expressed in Canadian dollars)**

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**3. PRO-FORMA ADJUSTMENTS**

The unaudited consolidated pro-forma Statement of Financial Position and unaudited consolidated statement of operations includes the following pro-forma adjustments to reflect the transactions:

- a. Bitrush will acquire all of the issued and outstanding shares in the capital of MezzaCap. This will result in the elimination of Bitrush's equity accounts as at June 30, 2015 along with the recognition of the fair value of the consideration granted by Mezzacap for the net assets of the Company, the difference being treated as a listing expense. The fair value of the common shares of the Company was calculated at deemed price of \$ 0,05 per share.

**REVERSE TAKEOVER TRANSACTION**

The purchase price of the transaction can be allocated as follows:

Fair value of consideration paid (88,284,500 * 0.05)	4,414,225
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The net assets of Bitrush as at June 30, 2015 prior to the reverse acquisition, were:

Cash	193
Sundry receivables	8,330
Prepays	1,833
Accounts payables	(109,115)
Related party payable	(20,000)
Net assets acquired	(118,759)

Excess of consideration paid over net assets acquired, representing a cost of the transaction	<b>4,532,984</b>
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- b. Immediately prior to the qualifying transaction, Mezzacap Investment Ltd waived its convertible debentures ( recorded \$ 266,296 as a liability and \$ 80,958 as equity in MezzaCap GmbH's statement of Financial Position).
- c. Pursuant to the reverse takeover transaction and change of business, the Corporation was required to complete a financing of a minimum of \$250,000 concurrent with the transaction in order to meet the approval of the CSE.

On September 4, 2015, BitRush completed a private placement through the issuance of 7,250,000 units (the "Units") of the Company for gross proceeds of \$725,000. Each Unit consists of one common share (the "Common Shares") of the Corporation and one common share purchase warrant (the "Warrants"). Each Warrant is exercisable into one Common Share of the Corporation at a price of \$0.15 per Common Share, for a period of three years from the date of close of the financing.. An additional 100,000 Units consisting of one common share and one common share purchase warrant were issued as a finders' fee in connection with the financing concurrent with the Transaction.

**BITRUSH CORP (Formerly The Streetwear Corporation)****Notes to the Unaudited Consolidated Pro-Forma Financial Statements****(Expressed in Canadian dollars)**

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- d. Each warrant issued is exercisable to purchase one common share at a price of \$0.15 per common share for a period of three years following the closing of the Offering. The grant date fair value of all outstanding warrants was estimated using the Black-Scholes option-pricing model assuming the following parameters:

	Grant date share price	Exercise price	Expected volatility	Expected option life (Years)	Expected dividend yield	Risk-free interest rate
Expiry Date	\$	\$	%		%	%
08-Sep-2017	0.15	0.15	100	3.0	0	0.44

- e. Transaction expenses amounting to \$ 50,000 relating to the proposed transaction were allowed for.

**BITRUSH CORP** (Formerly The Streetwear Corporation)  
**Notes to the Unaudited Consolidated Pro-Forma Financial Statements**  
**(Expressed in Canadian dollars)**

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**4. SHARE CAPITAL AND CONTRIBUTED SURPLUS**

(i) As at June 30, 2015 and December 31, 2014, the Company's authorized number of common shares was unlimited without par value.

(ii) **Common Shares, Warrants and Contributed Surplus**

June 30, 2015	Number of Shares	Amount	Warrants	Contributed Surplus
<i>Bitrush Common shares issued</i>	<i>74,021,098</i>			
Roll Back on a 1-for-3 basis	24,672,738	992,315	130,849	
Shares issued in acquisition of MezzaCap (3a)	88,284,501		-	
Issuance of common shares in concurrent financing (3b)	7,350,000	473,245	251,755	
Proforma adjustment (3a) – Fair value adjustment		4,414,225		
Proforma adjustment (3a)- elimination of equity accounts		(992,315)	(130,849)	
	120,307,239	4,887,470	251,755	

June 30, 2015	Number of Shares	Amount	Warrants	Contributed Surplus
<i>MezzaCap GmbH</i>		14,722		
Waived convertible debentures				308,078
			-	
	120,307,239	4,902,192	251,755	308,078