360 Blockchain Inc.

Management's Discussion and Analysis

For the three months ended March 31, 2018

DATE OF REPORT: May 30, 2018

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the condensed consolidated interim financial statements of 360 Blockchain Inc. (the "Company" or "360 Blockchain") for the three months ended March 31, 2018. All amounts are expressed in Canadian dollars unless otherwise stated. The Company's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). References to notes are with reference to the condensed consolidated interim financial statements.

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

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

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and other factors such as those described above and in "Risks and Uncertainties" below. The Company has no policy for updating forward-looking information beyond the procedures required under applicable securities laws.

DESCRIPTION OF BUSINESS

360 Blockchain was incorporated in British Columbia on February 19, 2009. On September 30, 2013 pursuant to a Plan of Arrangement and Amalgamation Agreement (the "Plan"), Global MGA Financial Inc. ("Global") amalgamated with Carnelian Strategic Capital Corp. which was a reporting issuer incorporated in British Columbia on May 3, 2013. Pursuant to the Plan, the amalgamated company was named 360 Capital Financial Services Group Inc. On September 29, 2017 the Company changed its name to 360 Blockchain Inc.

On November 27, 2013, shares of 360 Capital Financial Services Group Inc. were listed on the Canadian Securities Exchange ("CSE") for trading under the trading symbol TSZ. In September 2017, shares of the Company were listed on the Frankfurt Stock Exchange ("FWB") for trading under the trading symbol C5B. In October 2017, shares of 360 Blockchain listed on the CSE started trading under the trading symbol CODE.

The Company's registered address is 734-1055 Dunsmuir Street, British Columbia, Canada.

September 29, 2017 the Company changed its name to 360 Blockchain Inc. to reflect its changed focus to investments in the technology sector surrounding blockchain (a distributed ledger that is transparent and incorruptible) and crypto-technologies.

360 Blockchain Inc. has an all-round view to accelerate the development and application of revolutionary blockchain technologies by investing capital and expertise. The Company believes that blockchain technology has the potential to transform the way business is conducted, delivering security, cost savings and efficiency gains not seen before in our internet-connected world. 360 Blockchain is focused on these technologies as they apply to cryptographic tokens and transactional cryptocurrencies; enterprise-grade smart contracts; global data management; media distribution and ownership; supply chain auditing and beyond.

The Company's former subsidiary, Mega Bright Financial Incorporated ("MBF") provided financial services sales and consultancy. The Company also owned a financial services company, 360 Securities Ltd., an Exempt Market Dealer. The Company has divested of these businesses effective March 31, 2018.

The condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries as follows:

Legal Name	% ownership	Place of Incorporation	Principal Activity
Global MGA (Hong Kong) Limited	100%	Hong Kong	Holding company (non active)
Mega Bright Financial Incorporated	100%	British Columbia, Canada	Financial services and consulting sales
360 Securities Ltd.	100%	British Columbia, Canada	Financial services
360 Blockchain USA Inc.	100%	Delaware, United States	Investment company
SV CryptoLabs	60%	Wyoming, United States	Cryptocurrency mining

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements. The accounting policies of its subsidiaries are consistent with the policies adopted by the Company.

OUTLOOK

The Company focuses on investments in the technology sector surrounding blockchain and crypto-technologies. On October 17, 2017 the Company opened an office in San Carlos, California in the heart of Silicon Valley, the leading high technology hub in the United States, which accounts for 1/3 of all venture capital funding in the country. 360 Blockchain's office in Silicon Valley will provide the Company with a foothold at the center of the latest developments in blockchain technology.

In addition to identifying investment targets, 360 Blockchain's Silicon Valley office will also allow the Company to grow its team and work with leading edge talent and innovations. The Company believes that there is sufficient interest in its services to make it financially rewarding for 360 Blockchain to focus its investments in the growing technology sector surrounding blockchain and crypto-technologies. To ensure that the Company has sufficient working capital while it implements its business model, the Company raised $150,000 in December 2016; $900,000 in May 2017, $1,047,000 in August 2017, and $1,500,000 in October 2017, for a total of $3,597,000 in 2017.

During the period ended March 31, 2018, the Company advanced $350,000 to Capital Blocktech Inc., a private company developing a new blockchain. The Company has the right to earn up to 51% of that company by providing funding of up to $2,000,000 for development.

On January 17, 2018, the Company closed the previously announced acquisition of 60% of the issued and outstanding shares of SV CryptoLab Inc. The Company paid US $250,000 and issued 5,000,000 common shares from treasury as consideration. As at December 31, 2017, the Company had paid the cash portion of consideration being US$250,000 (CAD $322,111). The prepaid consideration was recorded as deferred acquisition costs. The Company has the option to purchase the remaining 40% for US $75,000, which it partially exercised in respect to another 20% in May 2018.

On April 6, 2018, the Company closed its previously announced acquisition of the media directory and website Pressland (http://press.land) from Chaotic Neutral LLC. Under the direction of 360 Blockchain's Strategic Advisor, Jeff Koyen, Pressland will relaunch as a blockchain-powered enterprise platform dedicated to fighting fake news. The Company provided US $250,000 in working capital and issued 2,000,000 common shares from treasury as consideration.

RESULTS OF OPERATIONS

DISCONTINUED OPERATIONS

Effective March 31, 2018, the Company entered into an agreement with a private company (the "Purchaser") controlled by a former director of the Company whereby the Company has agreed to sell its subsidiary 360 Securities Ltd., its LottoGopher investment, its SMV investment and $113,698 cash held in certain subsidiaries in consideration for the Purchaser assuming any and all debts, liabilities or obligations of the Company and any of its subsidiaries owing to a former director and certain consultants. Given the Company's new focus on investments in the technology sector surrounding blockchain and crypto-currencies management has decided to divest of the subsidiary, assets and liabilities.

As at December 31, 2017, the following assets and liabilities associated with the disposal were classified as follows:

		Carrying value at December 31, 2017
Assets held for sale:		
Cash	$	128,709
Long-term investments		115,350
	$	244,059
Liabilities held for sale:		
Current liabilities	$	170,512
Subordinated debt		66,672
	$	237,184

The comparative consolidated statement of comprehensive income (loss) has been restated to show the discontinued operations separately from continuing operations. Operating results of disposed subsidiaries are summarized below:

Results of discontinued operations for the three months ended,		March 31, 2018		March 31, 2017
Revenue:				
Insurance services revenue	$	-	$	3,647
Expenses:				
Office and miscellaneous		(65)		836
Regulatory and transfer agent fees		2,975		2,975
Gain on disposition of assets and liabilities		(3,647)		-
Interest and other income		(69)		(6,377)
Net loss (gain) from discontinued operations	$	(806)	$	164

BUSINESS COMBINATION

On January 17, 2018 the Company acquired 60% of the outstanding common shares of SV Cryptolabs Inc. from three individuals. In exchange the Company paid US$250,000 and issued 5,000,000 common shares with a fair value of $1,075,000. The Company has an option to acquire the remaining 40% interest for cash consideration of US$75,000.

A business combination is defined in IFRS 3, Business Combinations, as a transaction in which an acquirer obtains control of a business, which is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return to investors. For an integrated set of activities and assets to be considered a business, the set must include inputs and processes. The acquisition of SV Cryptolabs Inc. meets the definition of a business combination. Consequently, the transaction was accounted for as a business combination in which the Company is the acquirer.

The identifiable assets acquired and liabilities assumed were recognized at their provisional estimated fair value at the closing date. At the reporting date the Company has not yet completed the acquisition price allocation and will finalize the recognition of this acquisition during the year in order to complete the determination of the fair value of the assets acquired and liabilities assumed and intangible assets, if any, related to the acquisition.

The following table shows the purchase price allocation between the assets acquired and liabilities assumed based on the fair value of the total consideration.

Fair value of consideration paid		
Cash, US $250,000	$	322,111
5,000,000 common shares		1,075,000
	$	1,397,111

Fair value of net assets acquired		
Cash	$	250,386
Computer hardware and network contract		134,169
Accounts payable and accrued liabilities		(137,459)
Non-controlling interest (40%)		(98,838)
Excess of purchase price over fair value of net assets acquired		1,248,853
	$	1,397,111

AMOUNTS RECEIVABLE

As at		March 31, 2018		December 31, 2017
Advance [1]	$	350,000	$	-
Promissory note		12,800		-
Other		114		-
Total	$	362,914	$	-

[1] During the period ended March 31, 2018, the Company advanced $350,000 to Capital Blocktech Inc., a private company developing a new blockchain. The Company has the right to earn up to 51% of that company by providing funding of up to $2,000,000 for development by January 1, 2019. Funds advanced earn interest at 8% per annum. Accrued interest will be forgiven should the Company exercise its option to acquire 51% of Capital Blocktech Inc. The loan matures on December 31, 2019.

LONG-TERM INVESTMENTS

a) Silver Maple Ventures Inc.

On August 29, 2014, the Company acquired a 29% interest in Silver Maple Ventures Inc. ("SMV") by purchasing 2,175,000 common shares of SMV at $0.025 per share for aggregate cash consideration of $54,375. The initial value of the Company's investment in SMV at the time the interest was originally acquired, was based on the subscription price for the shares. The Company was granted a pre-emptive right enabling it to maintain its percentage equity interest in SMV upon subsequent equity financing of SMV.

Effective March 31, 2018, the Company has disposed of the SMV shares as part of the discontinued operations transaction.

(b) Investment in LottoGopher Holding Inc. ("LottoGopher")

During the year ended December 31, 2016, the Company purchased 40,000 common shares of LottoGopher Holdings Inc. at $0.25 per share for a total of $10,000. Effective March 31, 2018, the Company has disposed of the LottoGopher shares as part of the discontinued operations transaction.

(c) Investment in Quikflo Health Inc. ("Quikflo") (now Friday Night Inc.)

During the year ended December 31, 2017, the Company purchased 66,667 (post 2:1 consolidation) units of Quickflo at $0.15 per unit for a total of $10,000. Each unit consisted of one common share and ½ share purchase warrant ("warrant"). During the year ended December 31, 2017, the Company sold 66,667 shares of Quickflo at $0.11 for gross proceeds of $14,436, and a realized gain of $4,436 was recorded in net loss for the year. The Company still holds 33,334 warrants as at March 31, 2018. .

(d) Investment in ePic Blockchain Technologies Inc. ("ePic")

During the year ended December 31, 2017, the Company purchased 100,000 common shares of ePic at $1.00 per share for a total of $100,000. As the shares were acquired in December 2017 management believes the acquisition cost is a reasonable estimate of fair value.

(e) Investment in Nerds on Site Inc. ("Nerds")

During the year ended December 31, 2017, the Company invested $100,000 by way of convertible debenture which bears interest at 10% per annum. The convertible debenture is convertible into Units of Nerds at $0.25 per unit. Each Unit will consist of one common share and one common share purchase warrant ("warrant"). Each warrant will be exercisable at $0.30 per share for a period of 2 years.

The summary of the carrying value of long-term investments throughout the years is as follows:

	SMV	LottoGoph	Quickfl	Nerds	ePic	Total
Balance, December 31, 2016	696,000	10,000	-	-	-	706,000
Purchase of investment	-	-	10,000	100,000	100,000	210,000
Sale of investment	-	-	(14,436)	-	-	(14,436)
Unrealized gain (loss) from change in fair value	(587,250)	(3,400)	28,667	(2,219)	-	(564,202)
Realized gain	-	-	4,436	-	-	4,436
Transfer to assets held for sale	(108,750)	(6,600)	-	-	-	(115,350)
Balance, December 31, 2017 and March 31, 2018	$ -	$ -	$ 28,667	$97,781	$100,000	$226,448

The following table presents the Company's consolidated statement of comprehensive loss for the three months ended March 31, 2018 and 2017. The financial information is presented in Canadian dollars and was prepared in accordance with IFRS.

	Three months ended March 31, 2018 $	Three months ended March 31, 2017 $
Revenues	-	28,500
Operating expenses	884,338	91,360
Share-based compensation	783,248	179,778
Loss from operations	(1,667,586)	(242,638)
Interest and other income	6,219	-
Net gain (loss) from discontinued operations	806	(164)
Net income (loss)	(2,909,414)	(242,802)
Total comprehensive income (loss)	(2,900,426)	(242,802)

Three months ended March 31, 2018

The Company's total comprehensive loss totaled $2,900,426 for the three months ended March 31, 2018 (2017: $242,802), with basic and diluted loss per share of $(0.02) (2017: $0.00).

The Company recorded a loss of $1,248,853 on the purchase of 60% interest in SV CryptoLab Inc. during the period. The Company agreed to the issue of 5,000,000 shares as partial payment for the interest but when the transaction closed, the market price of the issued shares was significantly higher than it was when the agreement was entered into, resulting in a higher recorded purchase price. At the end of the quarter management reviewed the asset for impairment and determined that it should be impaired in the amount of $1,248,853.

In addition to the impairment above, the net loss primarily related to share-based compensation of $783,248 (2017: $179,778), consulting fees of $540,972 (2017: $30,350), travel expenses of $132,650 (2017: $8,474), professional fees of $72,141 (2017: $Nil), computer and internet fees of $50,520 (2017: $Nil), office and miscellaneous of $38,956 (2017: $8,537), advertising and promotion fees of $34,062 (2017: $Nil), and regulatory and transfer agent fees of $9,841 (2017: $2,749). Expenses increased due to the increase in Company activity.

SELECTED QUARTERLY RESULTS

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

Three Months Ended	Revenues	Net (Loss) Gain	Basic and Diluted Loss Per Share
	$	$	$
March 31, 2018	-	(2,900,426)	(0.02)
December 31, 2017	(3,582)	(1,776,987)	(0.03)
September 30, 2017	4,903	(392,799)	(0.00)
June 30, 2017	14,000	(200,886)	(0.00)
March 31, 2017	28,500	(242,802)	(0.00)
December 31, 2016	11,500	524,285	0.01
September 30, 2016	22,572	(647)	(0.00)
June 30, 2016	8,860	(38,134)	(0.00)

The Company's total comprehensive loss totaled $2,900,426 for the three months ended March 31, 2018, with basic and diluted loss per share of $(0.02) (2017: 242,802 with basic and diluted loss per share of $0.00). The Company's net loss increased due to the increase in Company activities and the loss recorded on the acquisition of 60% interest in SV CryptoLab Inc.

LIQUIDITY AND CAPITAL RESOURCES

	March 31, 2018	March 31, 2017
	$	$
Cash used in operating activities	(980,901)	(51,723)
Cash provided by (used in) investing activities	(166,410)	(10,000)
Cash provided by financing activities	4,210,537	-
Increase (decrease) in cash	3,084,383	(62,051)
Cash, beginning	2,732,161	271,026
Cash, ending	5,816,544	208,975

Cash and Working Capital

As at March 31, 2018, the Company had cash of $ 5,816,544 (2017 - $208,975), and working capital of $5,938,768 (2017 - $2,939).

OUTSTANDING SHARE DATA

Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value. All issued shares are fully paid.

On January 17, 2018 the Company closed the acquisition of 60% of the issued and outstanding shares of SV CryptoLab Inc. The Company paid US $250,000 and issued 5,000,000 common shares with a fair value of $1,075,000 from treasury as consideration. As at December 31, 2017, the Company had prepaid the cash portion of consideration being US $250,000 or $322,111. The prepaid consideration was recorded as deferred acquisition costs as at December 31, 2017. The Company has an option to purchase the remaining 40% for US $75,000.

On February 28, 2018, the Company closed a financing of 40,999,500 units at $0.10 per unit for gross proceeds of $4,099,950, of which $102,500 was received as at December 31, 2017. Each unit consists of one share and one warrant, each warrant entitling the holder to subscribe for one additional share for $0.15 for a period of 2 years, with the Company retaining the right to accelerate the expiry date if shares of the Company trade at $0.30 or above for 10 trading days. The warrants attached to the units were valued at nil using the residual value method. The Company paid qualified finders a total of $297,836 and issued 2,978,836 finder’s warrants on the same terms as the warrants issued as part of the units.

During the three months ended March 31, 2018, 7,976,000 warrants were exercised for total amount $506,250 and 300,000 stock options were exercised for total amount $30,000. Stock options were exercised on January 29, 2018 when the stock price was $0.165.

On April 6, 2018 the Company issued 2,000,000 common shares with a fair value of $170,000 from treasury as consideration for acquisition of 70% of a media directory and website.

Total shares outstanding as at May 30, 2018 is 221,253,942.

Share Purchase Option Compensation Plan

The Company has a share purchase option plan (the “Plan”) approved by the Company’s shareholders that allows it to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, employees and service providers.

During the period ended March 31, 2018, the Company recorded share-based compensation of $783,248 with respect to 6,600,000 options granted to directors, officers and consultants which fully vested upon grant. Each option is exercisable at $0.12 for a period of 7 years. The weighted average fair value of these stock options was $0.12 and was estimated using the Black-Scholes option pricing model. The weighted average assumptions used in calculating the fair value are as follows:

Stock price	$0.12
Exercise price	$0.12
Risk free interest rate	2.25%
Expected life of options	7 years
Expected dividend yield	0.0%
Expected annual stock price volatility	190%
Expected forfeiture rate	0.0%

The continuity of share purchase options for the three months ended March 31, 2018 and as at May 30, 2018 is as follows:

	Number of options	Weighted average exercise price
Balance, December 31, 2017	8,600,000	$0.08
Granted	6,600,000	$0.12
Exercised	(300,000)	$0.10
Balance, March 31, 2018 and May 30, 2018	14,900,000	$0.10

The following table summarizes stock options outstanding at May 30, 2018:

Expiry Date	Exercise Price $	Number of options outstanding and exercisable
October 14, 2018	0.10	2,700,000
February 16, 2022	0.05	2,500,000
September 25, 2022	0.08	3,100,000
February 3, 2025	0.12	6,600,000
		14,900,000

Warrants

During the three months ended March 31, 2018, the Company recorded share issue costs of $341,000 with respect to 2,978,836 broker warrants granted as finders' fees. The weighted average fair value of these broker warrants was $0.11 and was estimated using the Black-Scholes option pricing model. The weighted average assumptions used in calculating the fair value are as follows:

Stock price	$0.14
Exercise price	$0.15
Risk free interest rate	1.78%
Expected life of options	2.00 years
Expected dividend yield	0.0%
Expected stock price volatility	190%
Expected forfeiture rate	0.0%

The continuity of warrants for the three months ended March 31, 2018 and as at May 30, 2018 is as follows:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2017	65,515,024	$0.07
Granted	43,978,336	$0.15
Exercised	(7,976,000)	$0.06
Balance, March 31, 2018 and May 30, 2018	101,517,360	$0.11

The following table summarizes warrants outstanding at May 30, 2018:

Expiry Date	Exercise Price $	Number of warrants outstanding and exercisable
December 12, 2019	0.05	1,400,000
May 2, 2020	0.05	15,733,666
August 17, 2020	0.05	16,275,000
October 16, 2020	0.10	24,130,358
February 28, 2020	0.15	43,978,336
		101,517,360

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off balance sheet arrangements.

RELATED PARTIES TRANSACTIONS AND BALANCES

Details of outstanding balances with related parties including key management personnel are as follows:

	March 31, 2018	December 31, 2017
Amounts due to directors and officers included in accounts payable and accrued liabilities	$ 68,384	$ 10,557

The above amounts are unsecured, non-interest bearing with no fixed terms of repayment.

On November 18, 2016, the Company entered into subordinated debt in the form of a promissory note with a director to borrow $60,000 at 5% per annum, due January 31, 2018. On November 18, 2016, the promissory note was extended to June 30, 2018 with interest payable upon maturity. During the year ended December 31, 2017, interest in the amount of $3,232 was accrued on this note (2016 - $3,440). As at December 31, 2017, the subordinated debt of $66,672 was included in liabilities held for sale. As at March 31, 2018, the subordinated debt was disposed of.

Compensation of the executive management team and directors

The key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company. The Company has identified its directors and senior officers as its key management personnel.

Total compensation to key management personnel for the three months ended March 31, 2018 and 2017 were as follows:

For the three months ended March 31,	**2018**	**2017**
Salaries	$ -	$ 22,500
Consulting fees	126,580	15,000
Share-based compensation	367,891	179,778
Total	$ 494,471	$ 217,278

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Significant estimates include:

- the determination of deferred income tax assets and liabilities;
- the determination of the fair value of the assets acquired, liabilities assumed and consideration provided in respect to the acquisition of SV Cryptolabs Inc.;
- the valuation and measurement of the long-term investments, including the determination of fair value.

Critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include the following:

- the determination of the functional currency of the Company and each subsidiary;
- the determination that the acquisition of SV Crytoplabs Inc. was a business combination;
- the evaluation of the Company’s ability to continue as a going concern.

CHANGES IN ACCOUNTING POLICIES

New Accounting Pronouncements Adopted During the Period

IFRS 9

Effective January 1, 2018, the Company adopted IFRS 9. In July 2014, the IASB issued the final publication of the IFRS 9 standard, which supersedes lAS 39, Financial Instruments: recognition and measurement (lAS 39). IFRS 9 includes revised guidance on the classification and measurement of financial instruments, new guidance for measuring impairment on financial assets, and new hedge accounting guidance. The Company has adopted IFRS 9 on a retrospective basis, however, this guidance had no impact to the Company's financial statements.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL").

The new hedge accounting guidance had no impact on the Company's condensed interim consolidated financial statements.

Below is a summary showing the classification and measurement bases of our financial instruments as at January 1, 2018 as a result of adopting IFRS 9 (along with comparison to lAS 39).

Classification	**IAS 39**	**IFRS 9**
Cash	FVTPL	FVTPL
Temporary investments	not applicable	FVTPL
Amounts receivable	Loans and receivables (amortized cost)	Amortized cost
Long term investments	Available-for-sale	FVTOCI
Accounts payable and accrued liabilities	Other financial liabilities (amortized cost)	Amortized cost

As a result of the adoption of IFRS 9, the accounting policy for financial instruments as disclosed in the Company's December 31, 2017 consolidated financial statements has been updated as follows:

Recognition
The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and Measurement
The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

i) those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and,
ii) those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

i) amortized cost;
ii) FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
iii) FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

IFRS 15

Effective January 1, 2018, the Company has adopted IFRS 15 - Revenue from Contracts with Customers. This new standard was applied using a modified retrospective approach whereby the effects of the change in the accounting policy for revenue as at January 1, 2018 is presented as a single adjustment to the opening balance of deficit. Upon adoption there was no impact as the Company had no uncompleted contracts as at January 1, 2018.

New Accounting Standards Issued But Not Yet Effective

Standard effective for annual periods beginning on or after January 1, 2019

IFRS 16 – Leases - On January 13, 2016 the IASB issued IFRS 16, "Leases". This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease.

The extent of the impact of adoption of this standard on the consolidated financial statements of the Company is not expected to be material.

FINANCIAL INSTRUMENTS AND RISK FACTORS

Fair values

The Company's financial instruments consist of cash, temporary investments, amounts receivable, due from related companies, long-term investments, accounts payable and accrued liabilities, due to related parties, and subordinated debt. The fair values of the Company's financial assets, other than long-term investments, and liabilities approximate their carrying amounts because of their current nature.

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

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

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

	Balance	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As at March 31, 2018				
Cash	$ 5,816,544	$ 5,816,544	$ -	$ -
Long-term investments	226,448	-	126,448	100,000
As at December 31, 2017				
Cash	2,732,161	2,732,161	-	-
Cash held for sale	128,709	128,709	-	-
Long-term investments	226,448	-	126,448	100,000
Long-term investments held for sale	115,350	6,600	-	108,750

Credit Risk

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

Liquidity Risk

All of the Company's financial liabilities have maturities of one year or less as at March 31, 2018.

	Carrying Amount	Contractual Cash Flows	Within 1 year	Within 2 years	Within 3 years
As at March 31, 2018					
Accounts payable and accrued liabilities	$ 228,430	$ (228,430)	$ (228,430)	$ -	$ -
Total	$ 228,430	$ (228,430)	$ (228,430)	$ -	$ -
As at December 31, 2017					
Accounts payable and accrued liabilities	$ 154,025	$ (154,025)	$ (154,025)	$ -	$ -
Accounts payable held for sale	147,000	(147,000)	(147,000)	-	-
Due to related parties held for sale	23,512	(23,512)	(23,512)	-	-
Subordinated debt held for sale	66,672	(66,672)	(66,672)	-	-
Total	$ 391,209	$ (391,209)	$ (391,209)	$ -	$ -

Market Risk

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

a) Interest Rate Risk

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

b) Price Risk

The Company is exposed to price risk associated with its long term investments. Certain long term investments are classified in levels 2 and 3 of the fair value hierarchy and therefore a change in market prices would have an effect on fair value.

c) Currency Risk

It is management's opinion that the Company is not exposed to significant currency risk as its financial instruments are primarily denominated in Canadian dollars.

RISKS AND UNCERTAINTIES

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

Additional risks and uncertainties not presently known by the Company or which are presently considered immaterial may also adversely impact the Company's business, results of operations, and financial performance. The most significant risks and uncertainties faced by the Company are (in no specific order) are:

Limited Operating History

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

No Profits to Date

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

Additional Requirements for Capital

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

Development of Cryptocurrencies

Cryptocurrency and blockchain technology is a young and rapidly growing business area. Although it is predicted that cryptocurrency will become an accepted means of digital payment, it cannot be assured that this will in fact occur. Currently, blockchain software is dependent on the widespread acceptance of cryptocurrency as a means of payment within the digital economy. For a number of reasons, including, for example, the lack of recognized security technologies, inefficient processing of payment transactions, problems in the handling of warranty claims, limited user-friendliness, inconsistent quality, lack of availability of cost-efficient high-speed services and lack of clear universally applicable regulation as well as uncertainties regarding proprietary rights and other legal issues, such cryptocurrency activities may prove in the long run to be an unprofitable means for businesses. In particular, the factors affecting the further development of the cryptocurrency industry include: (a) Worldwide adoption and usage of cryptocurrencies; (b) Regulations by governments and/or by organizations directing governmental regulations regarding the use and operation of and access to cryptocurrencies; (c) Changes in consumer demographics and public behavior, tastes and preferences; (d) Redirection and liberalization of using fiat currencies as well as the development of other forms of publicly acceptable means of buying and selling goods and services; and (e) General economic conditions and the regulatory environment relating to cryptocurrencies.

Regulatory Risks

Changes in or more aggressive enforcement of laws and regulations could adversely impact companies involved in the cryptocurrency business. Failure or delays in obtaining necessary approvals, changes in government regulations and policies and practices could have an adverse impact on such businesses' future cash flows, earnings, results of operations and financial condition. Regulatory agencies could shut down or restrict the use of platforms or exchanges using virtual currencies or blockchain based technologies. This could lead to a loss of any investment made in the Company. The legal status of cryptocurrency varies substantially from country to country and is still undefined and changing in many of them. While some countries have explicitly allowed its use and trade, others have banned or restricted it. Likewise, various government agencies, departments, and courts have classified cryptocurrencies differently.

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

The success of any developer of cryptocurrency-based, blockchain platforms will depend by and large upon the continued development of a stable public infrastructure, with the necessary speed, data capacity and security, and the timely development of complementary products such as high-speed modems for providing reliable internet access and services. Cryptocurrency has experienced and is expected to continue to experience significant growth in the number of users, amount of content and bandwidth availability. It cannot be assured that the cryptocurrency infrastructure will continue to be able to support the demands placed upon it by this continued growth or that the performance or reliability of the technology will not be adversely affected by this continued growth. It is further not assured that the infrastructure or complementary products or services necessary to make cryptocurrency a viable medium for digital payments will be developed in a timely manner, or that such development will not result in the requirement of incurring substantial costs in order to adapt the Company's services to changing technologies. Intellectual Property Rights Companies involved in the development and operation of virtual currencies or blockchain based technologies may be dependent on intellectual property rights; the loss of which could harm its business, results of operations and its financial condition. There can be no assurance that any company's products will not violate proprietary rights of third parties or that third parties will not assert or claim that such violation has occurred. Any such claims and disputes arising may result in liability.

Dependence on Management Team

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