COIN HODL INC.

to be renamed

TOKENS.COM CORP.

82 Richmond Street East, Suite 200
Toronto, ON M5C 1P1
Phone: (416) 479-5407

FILING STATEMENT

Dated as of April 22, 2021

Neither the Neo Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the Transaction described in this Filing Statement.

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GLOSSARY OF TERMS

The following is a glossary of certain defined terms used throughout this Filing Statement. This is not an exhaustive list of defined terms used in this Filing Statement and additional terms are defined throughout. Terms and abbreviations used in the financial statements of COIN and Tokens, the COIN MD&A and the pro forma consolidated financial statements of the Resulting Issuer attached as schedules to this Filing Statement are defined separately in such schedules, and the terms and abbreviations defined below are not used, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders.

"**Affiliate**" has the meaning set out in the OBCA;

"**Agency Agreement**" means the agency agreement dated March 10, 2021 among Tokens, COIN and the Agents;

"**Agents**" means Stifel GMP and Canaccord, as co-lead agents, together with PowerOne Capital Markets Limited, Gravitas Securities Inc., Echelon Wealth Partners Inc., Eventus Capital Corp., Richardson Wealth Limited and Regent Capital Partners Inc., in connection with the brokered portion of the Concurrent Financing;

"**Agents' Compensation**" means the cash compensation payable by Tokens to the Agents in connection with the Concurrent Financing, as further described in "*Information Concerning Tokens – Concurrent Financing"*;

"**Agents' Expenses**" means the Agents' reasonable expenses and fees, plus taxes and disbursements, in connection with the Concurrent Financing;

"**Agents' Options**" means the compensation options granted by Tokens to the Agents, as further described in "*Information Concerning Tokens – Concurrent Financing"*;

"**Amalco**" means Tokens.com Capital Corp., the entity resulting from the Amalgamation;

"**Amalco Shares**" means the common shares in the capital of Amalco;

"**Amalgamation**" means the amalgamation of COIN and Newco pursuant to Section 174 of the OBCA pursuant to the terms of the Amalgamation Agreement;

"**Amalgamation Agreement**" means the amalgamation agreement among COIN, Tokens and Newco with respect to the Amalgamation, in substantially the form attached to the Transaction Agreement;

"**Arm's Length Transaction**" means a transaction which is not a Related Party Transaction, as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

"**Articles of Amalgamation**" means the articles of amalgamation giving effect to the Amalgamation to be filed with the Director;

"**Associate**" has the meaning set out in the OBCA;

"**AStar Consulting Agreement**" means the consulting agreement dated November 21, 2020 between Tokens and AStar Technologies;

“**AStar TPA**” means the token purchase agreement dated November 17, 2020 between Tokens and AStar Technologies;

“**Audit Committee**” means the audit committee of the Resulting Issuer Board;

“**Bison Trails**” means Bison Trails Co., a corporation organized under the laws of the State of Delaware;

“**Bison Trails MSA**” means the master services agreement dated December 11, 2020 between Tokens and Bison Trails;

“**Business Day**” means any day other than a Saturday, Sunday or statutory holiday in Toronto, Ontario;

“**Canaccord**” means Canaccord Genuity Corp.;

“**CEO**” means chief executive officer;

“**CFO**” means chief financial officer;

“**Closing**” means the completion of the Amalgamation in accordance with the terms of the Transaction Agreement and the Amalgamation Agreement;

“**COIN**” means COIN Hodl Inc., a company incorporated under the laws of the Province of Ontario, which is the “Listed Issuer” as defined in the Listing Manual;

“**COIN Board**” means the board of directors of COIN, as constituted from time to time;

“**COIN Circular**” means the management information circular of COIN dated March 15, 2021, prepared in connection with the COIN Meeting, a copy of which is available under COIN’s SEDAR profile at www.sedar.com;

“**COIN Consolidation**” means the consolidation of the COIN Shares, to be completed prior to the Amalgamation, on a consolidation ratio that will result in there being such number of COIN Shares outstanding immediately prior to the Closing (after giving effect to any COIN Option exercises that occur prior to the Closing) as have an aggregate value of $1,050,000 based on the price (on a post-Split basis) per Subscription Receipt under the Concurrent Financing, within a range, to be determined by the COIN Board, between 10.468 and 12.325 pre-consolidation COIN Shares for each post-consolidation COIN Share;

“**COIN Financial Statements**” means the audited annual consolidated financial statements of COIN for the financial years ended December 31, 2020 and 2019, which are attached as Schedule “A” to this Filing Statement;

“**COIN MD&A**” means COIN’s management’s discussion and analysis for the year ended December 31, 2020;

“**COIN Meeting**” means the annual and special meeting of the COIN Shareholders, to be held on April 23, 2021, to consider and approve, among other things, the COIN Consolidation, the Return of Capital**,** the Resulting Issuer Omnibus Equity Incentive Plan and the Amalgamation;

“**COIN Options**” means stock options to acquire COIN Shares;

“**COIN Shareholders**” means the holders of COIN Shares;

"**COIN Shares**" means common shares in the capital of COIN;

"**COIN Stock Option Plan**" means the current fixed stock option plan of COIN;

"**Coinbase**" means Coinbase Inc., the certified digital asset custodian with which Tokens holds the majority of its digital assets;

"**Coinbase User Agreement**" means the user agreement dated December 8, 2020 between Tokens and Coinbase;

"**Co-Lead Agents**" means Stifel GMP and Canaccord;

"**company**" unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity, other than an individual;

"**Compensation Committee**" means the compensation committee of the Resulting Issuer Board;

"**Compensation Securities**" includes stock options, convertible securities, exchangeable securities and similar instruments, including stock appreciation rights, deferred share units and restricted share units granted or issued by a company or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to a company or any of its subsidiaries (if any);

"**Concurrent Financing**" means, together, the brokered and non-brokered private placements of an aggregate of 10,638,360 Subscription Receipts by Tokens at a price of $2.35 per Subscription Receipt ($0.75 on a post-Tokens Split basis) for aggregate gross proceeds of $25,000,146;

"**Consideration Shares**" means the COIN Shares, following the completion of the COIN Consolidation, to be issued to the Tokens Shareholders in connection with the Amalgamation;

"**Control Person**" has the meaning set out in the OBCA;

"**crypto tokens**" means cryptographic tokens;

"**DeFi**" means decentralized finance;

"**Director**" means the director appointed under the OBCA;

"**DSU**" means a deferred share unit of the Resulting Issuer;

"**Effective Time**" means the time that the Articles of Amalgamation are filed with the Director on the date of the Amalgamation, or such other time as may be determined by Tokens and COIN;

"**Escrow Agent**" means TSX Trust Company, as escrow agent in respect of the Resulting Issuer Escrow Agreement;

"**Escrow Release Conditions**" has the meaning set out in "*Information Concerning Tokens – Concurrent Financing*";

"**Escrow Release Deadline**" has the meaning set out in "*Information Concerning Tokens – Concurrent Financing*";

"**Ethereum 2.0**" is an upgrade to the Ethereum blockchain, launching in several phases, that aims to enhance the speed, efficiency and scalability of the Ethereum network through use of the "proof-of-stake" consensus mechanism as opposed to the "proof-of-work" consensus mechanism;

"**Executive Employment Agreement**" means the executive employment agreement dated January 1, 2021 between Tokens and Andrew Kiguel;

"**Filing Statement**" means this filing statement dated April 22, 2021, together with all schedules to this Filing Statement;

"**Final Exchange Acceptance**" means the NEO Exchange acceptance to be issued following the Closing and the submission of all required documentation to the NEO Exchange, which evidences the final NEO Exchange acceptance of the listing of the Resulting Issuer Shares on the NEO Exchange;

"**Governance Committee**" means the governance committee of the Resulting Issuer Board;

"**IFRS**" means International Financial Reporting Standards as issued by the International Accounting Standards Board;

"**Insider**" means (a) an officer, director or insider (within the meaning of the *Securities Act* (Ontario)) of a Listed Issuer, (b) a promoter of a Listed Issuer, (c) a Person identified as an Insider, individually or by virtue of their position, by a Listed Issuer, (d) if the Insider is not an individual, each director, officer and Control Person of that Insider, and (e) such other Person as may be designated from time to time by the NEO Exchange;

"**Listed Issuer**" means an issuer with one or more classes of securities listed in accordance with and subject to the requirements set out in the Listing Manual;

"**Listing Manual**" means the NEO Exchange Listing Manual, as amended from time to time;

"**Named Executive Officers**" means, in relation to a company, each of the following individuals: (a) any individual who acted as CEO of the company, or acted in a similar capacity, for any part of the most recently completed financial year, (b) any individual who acted as CFO of the company, or acted in a similar capacity, for any part of the most recently completed financial year, (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 *Statement of Executive Compensation – Venture Issuers*, for that financial year, and (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year;

"**NEO Exchange**" means the NEO Exchange Inc.;

"**Newco**" means 2821956 Ontario Inc., a wholly-owned subsidiary of COIN, incorporated under the OBCA solely for the purpose of carrying out the Amalgamation;

"**NP 46-201**" means National Policy 46-201 – *Escrow For Initial Public Offerings*;

"**OBCA**" means the *Business Corporations Act* (Ontario);

"**Option-Based Award**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features;

“**Person**” includes an individual or company;

“**Polychain Labs**” means Polychain Crypto Laboratory LLC, a limited liability company organized under the laws of the State of Delaware;

“**Polychain MSA**” means the master staking and validating services agreement dated November 23, 2020 between Tokens and Polychain Labs;

“**PoS**” means proof-of-stake;

“**PoW**” means proof-of-work;

“**Pro Forma Financial Statements**” means the unaudited pro forma financial statements for the Resulting Issuer as at December 31, 2020, prepared to give effect to the Transaction as if it had taken place as of December 31, 2020, which are attached as Schedule “E” to this Filing Statement;

“**Resulting Issuer**” means COIN following the Closing;

“**Resulting Issuer Board**” means the board of directors of the Resulting Issuer;

“**Resulting Issuer Escrow Agreement**” means the Form 46-201F1 escrow agreement to be entered into among the Escrow Agent, the Resulting Issuer and certain shareholders of the Resulting Issuer effective as of the Closing;

“**Resulting Issuer Omnibus Equity Incentive Plan**” means the omnibus equity incentive plan to be adopted by the Resulting Issuer effective in connection with the Closing;

“**Resulting Issuer Options**” means stock options to acquire Resulting Issuer Shares;

“**Resulting Issuer Shares**” means the COIN Shares following the Closing;

“**Return of Capital**” means the proposed distribution by COIN to the COIN Shareholders, on a pro-rata basis, as a tax-free return of capital, of: (a) cash in an aggregate amount between $1,600,000 and $4,000,000, and (b) all of the common shares of Abaxx Technologies Inc. held by COIN, which is to be completed following the COIN Consolidation but prior to the Amalgamation, on terms to be agreed, in writing, by Tokens, acting reasonably, and in compliance with all applicable Securities Laws;

“**Royalty Sale Agreement**” means the royalty sale agreement dated February 17, 2021 between COIN and Metalla S.A.;

“**Samara MSA**” means the management services agreement dated May 29, 2019 between COIN and Samara Capital Inc.;

“**Securities Laws**” means securities legislation, securities regulations and securities rules, and the policies, notices, instruments and blanket orders of applicable securities regulators, including the NEO Exchange, in force from time to time, and as may be amended from time to time, that are applicable to an issuer;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval;

“**Service Providers**” means, collectively, Polychain Labs, Staked and Bison Trails;

"**Share-Based Award"** means an award under an equity incentive plan of equity based instruments that do not have option like features, including, for greater certainty, shares, DSUs, restricted shares, restricted share units, phantom shares, phantom share units and share equivalent units;

"**Staked**" means Staked Securely, Inc., a corporation organized under the laws of the State of Delaware;

"**Staked Services Agreement**" means the staking node services agreement dated January 18, 2021 between Tokens and Staked;

"**Stifel GMP**" means Stifel Nicolaus Canada Inc.;

"**Subscription Receipt Agent**" means TSX Trust Company, in its capacity as subscription receipt agent under the Subscription Receipt Agreement;

"**Subscription Receipt Agreement**" means the subscription receipt agreement dated March 10, 2021 among the Subscription Receipt Agent, Tokens, Stifel GMP and Canaccord with respect to the Concurrent Financing;

"**Subscription Receipts**" means the subscription receipts issued by Tokens pursuant to the Concurrent Financing, as further described in "*Information Concerning Tokens – Concurrent Financing*";

"**Tokens**" means Tokens.com Inc., a corporation existing under the laws of the Province of Ontario;

"**Tokens Board**" means the board of directors of Tokens;

"**Tokens Financial Statements**" means the audited financial statements of Tokens for the period from incorporation on November 9, 2020 to December 31, 2020, which are attached as Schedule "D" to this Filing Statement;

"**Tokens Options**" means stock options to acquire Tokens Shares;

"**Tokens Seed Financing**" means the non-brokered private placement offering of Tokens Shares that closed in various tranches in December 2020, pursuant to which Tokens raised aggregate gross proceeds of US$1.7 million;

"**Tokens Shareholders**" means holders of Tokens Shares;

"**Tokens Shares**" means Class A common shares in the capital of Tokens;

"**Tokens Split**" means the subdivision of the Tokens Shares, to be completed prior to the Amalgamation and the conversion of the Subscription Receipts, on the basis of 3.133 post-split Tokens Shares for each pre-split Tokens Share (or such other ratio as may be determined by the Tokens Board);

"**Transaction**" means, collectively, the Amalgamation, the Concurrent Financing, the Return of Capital, the COIN Consolidation, the Tokens Split, and all transactions contemplated by the Amalgamation Agreement and the Transaction Agreement, as further described in "*Information Concerning Tokens – Description of the Transaction*" and "*Information Concerning Tokens – Concurrent Financing*";

"**Transaction Agreement**" means the definitive transaction agreement dated March 9, 2021 among COIN and Tokens in respect of the Transaction; and

"**TSXV**" means the TSX Venture Exchange Inc.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements and information contained in this Filing Statement constitute forward-looking statements or forward-looking information (collectively "**forward-looking statements**") within the meaning of applicable Securities Laws. Forward-looking statements are often, but not always, identified by the use of words or phrases such as "may", "is expected to", "anticipates", "believes", "estimates", "intends", "plans", and similar words suggesting future outcomes, or language suggesting an outlook, including that certain actions, events or results "may", "could", "would", "might" or "will" occur or be achieved, and variations of any such words or phrases. In particular, this Filing Statement contains forward-looking statements with respect to:

- the expected use of proceeds of the Concurrent Financing;
- the expected receipt of all required approvals in connection with the Transaction;
- expectations as to future operations of the Resulting Issuer;
- the Resulting Issuer's expected operating costs, general and administrative expenses, costs of services and other costs and expenses;
- the Resulting Issuer's ability to meet current and future obligations;
- the Resulting Issuer's ability to obtain services in a timely manner or at all;
- the Resulting Issuer's ability to obtain financing on acceptable terms or at all;
- the proposed executive officers and directors of the Resulting Issuer;
- expectations about the future price of cryptoassets;
- the expected growth of Ethereum 2.0 and its platform;
- the timing of Ethereum's transition to Ethereum 2.0, including its expected transition from "proof-of-work" to "proof-of-stake";
- expectations regarding future competitive conditions;
- the anticipated costs to complete the Transaction;
- the expected dividend policies of the Resulting Issuer; and
- the impact of future regulatory action.

Forward-looking statements in this Filing Statement are based on the current beliefs of management of COIN and Tokens, as well as assumptions made by, and information currently available to, COIN and Tokens, as applicable, regarding, among other things, the expected:

- completion of the Transaction and related matters;
- listing of the Resulting Issuer Shares on the NEO Exchange;
- success of the operations of the Resulting Issuer;
- legislative and regulatory environments of the jurisdictions where the Resulting Issuer will carry on business or have operations;
- impact of competition and the competitive response to the Resulting Issuer's business strategy;
- timing and amount of the Resulting Issuer's capital and other expenditures;

- conditions in financial markets and the economy generally; and
- ability of the Resulting Issuer to obtain additional financing, if and as needed, on satisfactory terms or at all.

The actual results, performance or achievements of the Resulting Issuer could differ materially from those anticipated in the forward-looking statements contained in this Filing Statement as a result of the risk factors set forth below and under the heading "*Risk Factors*", and other risk factors, which include that:

- the Transaction may not be completed in all material respects in accordance with the Transaction Agreement or at all;
- the Resulting Issuer may not realize the anticipated benefits of the Transaction;
- Final Exchange Approval may not be obtained;
- Tokens is exposed to the risk of loss, theft or destruction of cryptoassets, and if its cryptoassets are lost, stolen or destroyed, rendering a third party liable, the responsible party may not have the financial resources to satisfy Tokens' claim;
- Tokens' annual compensation percentage is volatile and could materially decline;
- crypto tokens held by Tokens may be subject to hold periods, which would result in Tokens not being able to liquidate the crypto tokens being staked;
- by their nature, cryptoasset transactions are irrevocable and losses may occur as a result of stolen or incorrectly transferred cryptoassets;
- Tokens' use of proprietary and non-proprietary software, data and intellectual property may be subject to substantial risk;
- Tokens' cryptoasset inventory may be severely reduced in value as a result of flaws in the cryptoasset code or malicious actors;
- a decline in the adoption and use of cryptocurrencies could materially and adversely affect the performance of Tokens;
- Tokens' business is reliant on blockchain technology service providers and failure to find suitable replacement service providers, to the extent they are needed, could cause Tokens to reduce or terminate its operations;
- migration of Ethereum to the Ethereum 2.0 platform may be delayed or may not occur at all;
- regulatory changes may alter or prohibit investment in cryptocurrency and may result in a restriction in the use of cryptocurrencies;
- the current value of cryptoassets and the value of the Resulting Issuer's future holdings of cryptoassets may be overvalued and volatile as a result of momentum pricing;
- the Resulting Issuer may be subject to incorrect or fraudulent transactions, resulting in its cryptoassets being lost or irretrievable;
- market adoption of cryptoassets has been limited to date and further adoption is uncertain;
- the requirements of being a public company may strain the Resulting Issuer's resources, divert management's attention and affect its ability to attract and retain executive management and qualified board members;

- there has been no prior public market for the Resulting Issuer Shares, and an active trading market may not develop;
- any inaccuracy or material omission in the information about, or relating to, Tokens, COIN or the Resulting Issuer in this Filing Statement could result in unanticipated liabilities or increased expenses for the Resulting Issuer, or otherwise adversely affect the operational plans of the Resulting Issuer and its results of operations and financial condition; and
- the Resulting Issuer has a limited history of operations and is in the early stage of development.

Readers are cautioned that these factors and risks are difficult to predict and that the assumptions used in the preparation of forward-looking statements, although considered reasonably accurate at the time of preparation, may prove to be incorrect. Accordingly, readers are cautioned that the Resulting Issuer's actual results achieved could vary from the information provided in this Filing Statement, and the variations may be material. Readers are also cautioned that the foregoing list of factors is not exhaustive. Consequently, there is no representation by COIN or Tokens that actual results achieved will be the same, in whole or in part, as those set out in the forward-looking statements. Furthermore, the forward-looking statements contained in this Filing Statement are made as of the date of this Filing Statement, and neither COIN nor Tokens undertakes any obligation, except as required by applicable Securities Laws, to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this Filing Statement are expressly qualified by this cautionary statement.

INFORMATION CONTAINED IN THIS FILING STATEMENT

Date of Information

Except as otherwise indicated in this Filing Statement, all information disclosed in this Filing Statement is as of April 22, 2021, and the phrase "as of the date hereof" and equivalent phrases refer to such date.

Tokens Information

The information in this Filing Statement relating to Tokens has been furnished by Tokens. In preparing this Filing Statement, COIN has relied upon Tokens to ensure that this Filing Statement contains full, true and plain disclosure of all material facts relating to Tokens. Although COIN has no knowledge that would indicate that any statements contained in this Filing Statement concerning Tokens are untrue or incomplete, neither COIN nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information or for any failure by Tokens to ensure disclosure of events or facts that may have occurred which may affect the significance or accuracy of any such information.

COIN Information

The information in this Filing Statement relating to COIN and Newco has been furnished by COIN. In preparing this Filing Statement, Tokens has relied upon COIN to ensure that this Filing Statement contains full, true and plain disclosure of all material facts relating to COIN and Newco. Although Tokens has no knowledge that would indicate that any statements contained in this Filing Statement concerning COIN or Newco are untrue or incomplete, neither Tokens nor its directors or officers assumes any responsibility for the accuracy or completeness of such information or for any failure by COIN to ensure disclosure of events or facts that may have occurred which may affect the significance or accuracy of any such information.

Currency

In this Filing Statement, references to "$" or "dollars" are to the lawful currency of Canada, unless otherwise stated.

Share Numbers

Certain numbers of shares included in this Filing Statement, including the number of COIN Shares to be outstanding following completion of the COIN Consolidation, the number of Tokens Shares to be outstanding following completion of the Tokens Split, and the number of Consideration Shares to be issued, are only reasonable approximations, and are subject to, among other things, nominal changes due to rounding.

The COIN Consolidation will be effected on a consolidation ratio to be determined by the COIN Board within a range between 10.468 and 12.325 pre-consolidation COIN Shares for each post-consolidation COIN Share.

SUMMARY OF FILING STATEMENT

The following is a summary of information relating to COIN, Tokens and the Resulting Issuer (assuming completion of the Transaction) and should be read together with the more detailed information, financial data and financial statements contained elsewhere in this Filing Statement.

This summary is provided for convenience only and is qualified in its entirety by the more detailed information appearing or referred to elsewhere in this Filing Statement, including its schedules. Terms with initial capital letters in this summary are defined in "*Glossary of Terms*" unless otherwise indicated.

COIN Hodl Inc.

COIN was incorporated under the OBCA on April 17, 1998. COIN currently has no active business and is focused on identifying and evaluating opportunities for the acquisition of an interest in a new business, subject to receipt of all necessary approvals. See "*Information Concerning COIN*".

Tokens.com Inc.

Tokens was incorporated under the OBCA on November 9, 2020. Tokens is a proof-of-stake (PoS) technology company aimed at securing modern blockchains (see *"Information Concerning Tokens – Proof-of-Stake"*).

The Transaction

Effective January 21, 2021, COIN and Tokens entered into a letter of intent which provided for the acquisition by COIN of all of the issued and outstanding securities of Tokens in exchange for securities of COIN.

Effective March 9, 2021, COIN and Tokens entered into the Transaction Agreement and COIN, Tokens and Newco entered into the Amalgamation Agreement, the terms of which were the result of arms' length negotiation between COIN and Tokens. Pursuant to the terms of the Amalgamation Agreement, at the Effective Time, among other things, Tokens and Newco will amalgamate and continue as Amalco, and each post-Tokens Split Tokens Share will be exchanged for one Consideration Share.

In connection with the completion of the Transaction, it is expected that an aggregate of 73,645,835 Consideration Shares will be issued to the Tokens Shareholders, on an undiluted basis, at a deemed issue price, on a post-COIN Consolidation and post-Tokens Split basis, of $0.75 per Consideration Share. The Transaction will constitute a "reverse takeover" (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of COIN by Tokens because, following the Closing, the Tokens Shareholders will own approximately 98% of the outstanding Resulting Issuer Shares.

Completion of the Transaction is subject to the satisfaction of certain closing conditions as set out in the Transaction Agreement, including the receipt of all necessary regulatory and COIN shareholder approvals (including the Final Exchange Approval), and the completion of the COIN Consolidation, the Return of Capital and the Tokens Split. The approval of the Tokens Shareholders for the Amalgamation and the Tokens Split was obtained by unanimous written consent effective as of April 15, 2021.

Following the Closing, it is expected that Amalco will be a wholly-owned subsidiary of the Resulting Issuer having the name "Tokens.com Capital Corp.", the Resulting Issuer will be listed on the NEO Exchange, and its business will be that of Tokens. See "*Information Concerning Tokens – Description of the Transaction*".

COIN Consolidation

Prior to the completion of the Amalgamation, COIN is expected to complete the COIN Consolidation, pursuant to which all of the outstanding COIN Shares immediately prior to the Closing will be consolidated on a consolidation ratio that will result in there being such number of COIN Shares outstanding immediately prior to the Closing (after giving effect to any COIN Option exercises that occur prior to the Closing) as have an aggregate value of $1,050,000 based on the price (on a post-Tokens Split basis) per Subscription Receipt under the Concurrent Financing. The consolidation ratio will be determined by the COIN Board within a range between 10.468 and 12.325 pre-consolidation COIN Shares for each post-consolidation COIN Share.

Tokens Split

Prior to the completion of the Amalgamation and the conversion of the Subscription Receipts, Tokens is expected to complete the Tokens Split, pursuant to which the 12,868,131 currently outstanding Tokens Shares are expected to be subdivided into an aggregate of 40,315,854 Tokens Shares, on the basis of 3.133 post-split Tokens Shares for each pre-split Tokens Share (or such other ratio as is determined by Tokens). As a result, it is expected that each Subscription Receipt will be converted into 3.133 post-split Tokens Shares, which will be immediately exchanged for 3.133 Consideration Shares.

COIN Name Change

In connection with the Closing, COIN intends to change its name to "Tokens.com Corp.". The Resulting Issuer Shares are expected to continue to trade under COIN'S current trading symbol "COIN".

Change of Auditor

Because the Transaction will result in the reverse takeover of COIN by Tokens, the Transaction will result in a deemed change of COIN's auditor from MNP LLP, the current auditor of COIN, to Manning Elliott LLP, the auditor of Tokens, and Manning Elliott LLP will be the auditor of the Resulting Issuer.

Concurrent Financing

On March 10, 2021, Tokens completed the brokered portion of the Concurrent Financing, pursuant to which it issued an aggregate of 8,821,431 Subscription Receipts at a price of $2.35 per Subscription Receipt (on a pre-Tokens Split basis) for aggregate gross proceeds of $20,730,363.

On March 16, 2021, Tokens completed the non-brokered portion of the Concurrent Financing, pursuant to which it issued an aggregate of 1,816,929 Subscription Receipts at a price of $2.35 per Subscription Receipt (on a pre-Tokens Split basis) for aggregate gross proceeds of $4,269,783.

Subject to the satisfaction of the Escrow Release Conditions by the Escrow Release Deadline, which will occur following the completion of the Tokens Split, the Subscription Receipts are expected to convert into an aggregate of 33,329,981 Tokens Shares at a deemed price of $0.75 per Tokens Share (on a post-Tokens Split basis), each of which will be immediately exchanged for one Consideration Share. See "*Information Concerning Tokens – Concurrent Financing*".

Directors and Officers of the Resulting Issuer

It is expected that, in connection with the Closing, all of the officers and directors of COIN will resign and be replaced by nominees of Tokens, such that, following the Closing, the directors and officers of the Resulting Issuer will be as follows:

Name	Position
Andrew Kiguel	CEO and Director
Kyle Appleby	CFO and Secretary
Deven Soni	Chief Operating Officer
Frederick T. Pye	Director
Jimmy Vaiopoulous	Director
Andrew D'Souza	Director

Arm's Length Transaction

The Transaction is an Arm's Length Transaction.

Estimated Funds Available

The following table sets out information regarding the Resulting Issuer's expected sources of cash following the completion of the Transaction. The amounts shown in the table are estimates only and are based upon the information available to COIN and Tokens as of the date of this Filing Statement:

Source of Funds	Estimated Amount
Estimated COIN working capital as at March 31, 2021 (unaudited)	$3,847,806[(1)]
Estimated Tokens working capital as at March 31, 2021 (unaudited)	$4,375,000
Gross proceeds of the Concurrent Financing	$25,000,000[(2)]
Estimated funds available to the Resulting Issuer upon completion of the Transaction	$33,222,806[(3)]

(1) Adjusted to reflect the expected impact of the Return of Capital, as set out in the Pro Forma Financial Statements.

(2) Calculated without deducting the Agents' Compensation and Agents' Expenses. See "*Information Concerning Tokens – Concurrent Financing*".

(3) Does not reflect any revenues that may be received by the Resulting Issuer from the conduct of the business of Tokens following the Closing.

See "*Information Concerning the Resulting Issuer – Available Funds and Principal Purposes*".

Principal Purposes

The following table sets out information regarding the Resulting Issuer's intended principal uses of funds for the 18 months following the Closing. The amounts shown are estimates only. The intended uses of funds may vary based upon a number of factors, and variances may be material:

Use of Funds	Estimated Amount
Estimated Transaction costs	$300,000[(1)]
Agents' Compensation	$1,349,000
General and administrative expenses for the next 18 months	$2,397,000[(2)]
Establishing market presence	$500,000
Acquiring or building in-house staking platform	$1,500,000
Acquisition of crypto tokens for staking	$19,353,000

Use of Funds	Estimated Amount
Unallocated funds	$2,407,000[3]
Total	**$27,806,000**

[1] Includes legal fees, auditor review fees, TSXV and NEO Exchange filing fees, Agents' Expenses, transfer agent fees and other expenses incurred or expected to be incurred in connection with the Transaction.

[2] The estimate of general and administrative expenses for the 18 months following the Closing includes: salaries and employee benefits of $950,000; insurance expenses of $300,000; IT and rent expenses of $37,000; legal and compliance fees of $265,000; accounting and audit fees of $230,000; marketing, public relations and investor relations expenses of $285,000; security expenses of $300,000; and stock exchange, transfer agent and related fees of $30,000.

[3] Does not reflect any revenues that may be received by the Resulting Issuer from the conduct of the business of Tokens.

There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. For additional information regarding the funds available to the Resulting Issuer and the proposed uses of those funds, see "*Information Concerning the Resulting Issuer – Available Funds and Principal Purposes*".

Selected Pro-Forma Consolidated Financial Information

The following table summarizes selected pro-forma consolidated financial information for the Resulting Issuer as at December 31, 2020. The information should be read in conjunction with the Pro Forma Financial Statements, which are attached as Schedule "E":

	Resulting Issuer Pro Forma as at December 31, 2020 (unaudited) ($)[1]
Current assets	22,865,288
Total assets	23,231,955
Current liabilities	43,872
Total liabilities	43,872
Shareholders' equity (deficit)	23,188,083

[1] Conversion to CAD based on US/CAD exchange rate of 1.2732 on December 31, 2020, based on the Bank of Canada noon exchange rate on December 31, 2020.

See "*Information Concerning the Resulting Issuer – Pro Forma Consolidated Capitalization*".

Stock Exchange Listings

The Tokens Shares are not listed on any Canadian or foreign stock exchange or traded on any Canadian or foreign market. The COIN Shares are currently listed on the TSXV under the symbol "COIN". The COIN Shares were halted from trading on the TSXV on January 22, 2021 in connection with the announcement of the Transaction. The closing price of the COIN Shares on the TSXV on January 21, 2021, being the last trading date prior to the imposition of the halt, was $0.25. See "*Information Concerning COIN – Stock Exchange Price*".

COIN and Tokens have received the conditional approval of the NEO Exchange for the listing of the Resulting Issuer Shares on the NEO Exchange, subject to the satisfaction of certain conditions, including receipt of the Final Exchange Approval. In connection with the Closing, it is expected that the COIN Shares will be delisted from the TSXV and migrated to the NEO Exchange and the Resulting Issuer Shares will commence trading on the NEO Exchange.

Interests of Experts

To the knowledge of COIN and Tokens, no Person whose profession or business gives authority to a statement made by the Person and who is named as having prepared or certified a part of this Filing Statement, or prepared or certified a report or valuation described or included in this Filing Statement, has a direct or indirect material interest in the property of COIN or Tokens, or in any Associate or Affiliate of COIN or Tokens. See "*General Matters – Experts*".

Conflicts of Interest

Directors or officers of the Resulting Issuer may, from time to time, serve as directors or officers of, or participate in ventures with, other companies involved in the operation of the technology that secures next generation blockchain networks through PoS technology, other businesses similar to that undertaken by the Resulting Issuer, or other DeFi businesses. Accordingly, conflicts of interest may arise which could influence these individuals in evaluating possible business opportunities or generally when acting on behalf of the Resulting Issuer, notwithstanding that they will be bound by the provisions of the OBCA to act at all times in good faith in the best interest of the Resulting Issuer, and to disclose such conflicts to the Resulting Issuer if and when they arise. Conflicts, if any, will be subject to the procedures and remedies prescribed by the OBCA, the NEO Exchange and applicable Securities Laws. As of the date of this Filing Statement, to the best of its knowledge, neither COIN nor Tokens is aware of the existence of any conflicts of interest between it and any of its respective directors or officers. See "*Information Concerning the Resulting Issuer – Conflicts of Interest*".

RISK FACTORS

The current business of Tokens will be the business of the Resulting Issuer following completion of the Transaction. Accordingly, risk factors relating to Tokens' current business will be risk factors relating to the Resulting Issuer's business. Due to the nature of Tokens' business, the legal and economic climate in which it operates, and its present stage of development and proposed operations, the Resulting Issuer will be subject to significant risks. The following is a summary of certain risk factors relating to the Transaction and to the business of the Resulting Issuer and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Filing Statement. The Resulting Issuer's future development and actual operating results may be very different from those expected as at the date of this Filing Statement. Readers should carefully consider all such risks, which include but are not limited to the following:

Risks Related to the Transaction

Necessary approvals may not be obtained.

The completion of the Transaction and the listing of the Resulting Issuer Shares on the NEO Exchange are subject to the satisfaction of a number of conditions, including Final Exchange Approval, and the approval of the COIN Shareholders for the COIN Consolidation and the Return of Capital. There can be no assurance that all of the necessary approvals will be obtained. If the Transaction, as contemplated by the Transaction Agreement, is not completed for these reasons or for any others, Tokens and COIN will have incurred significant costs associated with the failed implementation of the Transaction.

The Transaction Agreement may be terminated.

The Transaction Agreement specifies that the parties' obligations to effect the Transaction are conditional upon the satisfaction of a number of conditions. If any of the conditions are not satisfied or waived, the Transaction may not be completed. Each of COIN and Tokens has the right, in certain circumstances, to terminate the Transaction Agreement. Accordingly, there can be no certainty that the Transaction Agreement will not be terminated by either party prior to the completion of the Transaction.

The requirements of being a public company may strain the Resulting Issuer's resources, divert management's attention and affect its ability to attract and retain management and qualified board members.

As a reporting issuer, the Resulting Issuer will be subject to the reporting requirements of applicable Securities Laws of the jurisdictions in which it is a reporting issuer, the listing requirements of the NEO Exchange, and other applicable securities rules and regulations. Compliance with those rules and regulations could increase the Resulting Issuer's legal and financial costs, make some activities more difficult, time consuming or costly, and increase demand on the Resulting Issuer's systems and resources.

Trading in COIN Shares is expected to remain halted until after the Closing.

Trading in COIN Shares on the TSXV was halted in connection with the initial announcement of the Transaction. COIN does not anticipate that trading in the COIN Shares on the TSXV will resume prior to the Closing. COIN and Tokens have received the conditional approval of the NEO Exchange for the listing of the Resulting Issuer Shares on the NEO Exchange, subject to the satisfaction of certain conditions, including receipt of the Final Exchange Approval. In connection with the Closing, it is expected that the COIN Shares will be delisted from the TSXV and migrated to the NEO Exchange and the Resulting Issuer Shares will commence trading on the NEO Exchange. There can be no assurance that Final Exchange Approval will be obtained.

General Digital Asset Risks

Tokens' business is reliant on blockchain technology service providers.

As a "proof-of-stake" technology company, Tokens relies on blockchain technology service providers, including the Service Providers, that provide services to Tokens pursuant to services agreements, to carry out its operations. The Service Providers provide Tokens access to platforms that power the critical infrastructure required to operate nodes across blockchains and validators. Tokens also delegates a portion of its digital assets to Polychain Labs so that it may provide validating and staking services in respect of such delegated assets. In consideration for Tokens agreeing to delegate these assets to Polychain Labs, Polychain Labs has agreed to exclusively provide services to Tokens in Canada, and not to provide similar services to any publicly-traded company listed in Canada. In the event that agreements with the Service Providers are terminated for any reason, Tokens would need to find replacement service providers. While Tokens believes there are a number of other service providers capable of providing replacement services on terms and conditions that would be commercially reasonable, there is no guarantee Tokens would be able to find such service providers and enter into similar agreements on similar terms, or at all. Failure to find suitable replacement service providers could cause Tokens to reduce or terminate its operations.

Tokens' annual compensation percentage is volatile and could materially decline.

Tokens, through its technology partnerships with the Service Providers, operates nodes to stake atop a select few digital asset protocols, and in turn, earns crypto token rewards for processing transactions and securing crypto networks. Tokens expects to, in equal proportion, re-stake its crypto token rewards and convert them to fiat equivalent currencies (CAD or USD), to be used for corporate overhead or eventual distribution to shareholders in the form of a dividend in fiat currency. Tokens' decision to stake an individual crypto token depends on a combination of network quality, network liquidity and expected staking compensation (expressed as an annual compensation percentage), which varies from token to token. The annual compensation percentage is determined by a combination of a network's natural inflation rate, the transaction fees generated on the network, a token's price, and the percent of total tokens being staked. As such, Tokens' annual compensation percentage may fall temporarily due to a short-term decline in transaction volume or an increase in the percent of crypto tokens being staked. While there is an expectation that the networks Tokens chooses to secure will pay compensation rates of 8% to 10% per year, Tokens has no control over the annual compensation percentages of the various crypto tokens it chooses to stake, and the compensation percentage may fall below these levels for a temporary or permanent period of time. The annual percentage rate of return is expected to decrease as sector activity increases and more crypto tokens are invested in specific tokens. Staking revenues could decrease to a level that materially and adversely affects Tokens' staking assets and staking strategies, the value of its staking assets and the value of any investment in Tokens.

Tokens relies on internal policies in maintaining its portfolio and to guide its decisions to re-stake, hold and cash out crypto tokens, and rebalances its portfolio monthly. Tokens' policy is to rebalance its token holdings within 48 hours of an instance of a single crypto token representing more than 66% of its total holdings. In this situation, Tokens will reduce its position from 66%+ of total holdings to 45% of total holdings and rebalance its other tokens commensurately.

Regulatory changes or actions may alter the nature of an investment in the Resulting Issuer or restrict the use of digital assets in a manner that adversely affects the Resulting Issuer's operations.

As digital assets have grown in both popularity and market size, governments around the world have reacted differently, with certain governments deeming cryptocurrencies illegal and others allowing their use and trade. Ongoing and future regulatory actions may alter, perhaps to a materially adverse extent, the ability of the Resulting Issuer to continue to operate. The effect of any future regulatory change on the Resulting Issuer or any digital assets that the Resulting Issuer may stake is impossible to predict, but any such change could be substantial and adverse to the Resulting Issuer. Governments may in the future take regulatory actions that prohibit or severely restrict the right to acquire, own, hold, sell, use or trade digital assets, or to exchange digital assets for fiat currency. By extension, similar actions by governments may result in the restriction of the acquisition, ownership, holding, selling, use or trading in the Resulting Issuer Shares. Any such restriction could result in the Resulting Issuer liquidating its inventory of digital assets at unfavorable prices and may adversely affect the price of the Resulting Issuer Shares.

Digital asset transactions are irrevocable and losses may occur.

Digital asset transactions are irrevocable, and stolen or incorrectly transferred cryptoassets may be irretrievable. Digital asset transactions are not reversible without the consent and active participation of the recipient of the transaction. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer of digital assets will not be reversible. To the extent that Tokens is unable to effect a corrective transaction with a third party, or is incapable of identifying the recipient of its digital assets through error or theft, Tokens will not be able to revert or otherwise recover any incorrectly transferred digital assets, or to convert or recover digital assets transferred to uncontrolled accounts.

Tokens holds the majority of its digital assets in Coinbase, a SOC 1/ SOC 2 certified digital asset custodian. Coinbase is responsible for the safekeeping of Tokens' private keys, which are used to access its cryptocurrency account and which facilitate the transfer of digital assets in accordance with Tokens' instructions. Coinbase holds digital assets in segregated cold-storage, meaning the assets are stored on devices without any internet access, making it significantly more difficult for a hacker to access the funds. If Tokens' cryptoassets are lost, stolen or destroyed under circumstances rendering a party liable to Tokens, the responsible party may not have the financial resources sufficient to satisfy Tokens' claim. Also, although Coinbase uses security procedures with various elements such as redundancy, segregation and cold storage to minimize the risk of loss, damage and theft, neither Coinbase nor Tokens can guarantee the prevention of such loss, damage or theft, whether caused intentionally, accidentally or by an act of God. Access to

Tokens' Coinbase account could also be restricted by natural events, such as an earthquake or flood, or human actions, such as a terrorist attack.

Tokens' use of proprietary and non-proprietary software, data and intellectual property may be subject to substantial risk.

Tokens' crypto token selection strategy may rely heavily on the use of proprietary and non-proprietary software, data and intellectual property of third parties in the digital asset sector. The operation of any element of a digital asset network, or any other electronic platform, may be severely and adversely affected by the malfunction of technology. For example, an unforeseen software or hardware malfunction could occur as a result of a virus or other outside force, or as result of a design flaw in the design and operation of the network or platform. In addition, the technology of the Service Providers, or the crypto tokens themselves, may be inactive for periods of time, known as "downtime". Under the existing service agreements, the Service Providers are obligated to pay a penalty to Tokens whenever there is downtime. While Tokens has no obligation to pay any penalties to any third party in connection with any such downtime, Tokens' business could be temporarily interrupted. Further, if Tokens' software, hardware, data or other intellectual property is found to infringe on the rights of any third party, the underlying value of the assets of Tokens could be materially and adversely affected. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in a digital asset network's long-term viability or the ability of end-users to hold and transfer digital assets may adversely affect the value of these assets. Additionally, a meritorious intellectual property claim could prevent Tokens and other end-users from accessing various networks or holding or transferring their digital assets.

Tokens' business is exposed to the potential misuse of digital assets and malicious actors.

Since the existence of digital assets, there have been attempts to use them for speculation or malicious purposes. Although lawmakers increasingly regulate the use and applications of digital assets, and software is being developed to curtail speculative and malicious activities, there can be no assurance that those measures will sufficiently deter those and other illicit activities in the future. Advances in technology, such as quantum computing, could lead to a malicious actor or botnet (a voluntary or hacked collection of computers controlled by networked software coordinating the actions of the computers) being able to alter the blockchain on which digital asset transactions rely. In such circumstances, the malicious actor or botnet could control, exclude or modify the ordering of transactions, or generate new digital assets or transactions, using such control. The malicious actor or botnet could double spend its own digital assets and prevent the confirmation of other users' transactions for so long as it maintains control. Such changes could adversely affect an investment in the Resulting Issuer Shares.

The security procedures and operational infrastructure of Tokens and Coinbase may be breached due to the actions of outside parties, error or malfeasance of an employee of the Resulting Issuer or Coinbase, or otherwise, and, as a result, an unauthorized party may obtain access to Tokens' digital asset accounts, private keys, data or crypto tokens. Additionally, outside parties may attempt to fraudulently induce employees of Tokens, the Resulting Issuer or Coinbase to disclose sensitive information in order to gain access to the the infrastructure of Tokens or Coinbase. As the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently, or may be designed to remain dormant until a predetermined event, and often are not recognized until launched against a target, Tokens may be unable to anticipate these techniques or implement adequate preventative measures. If an actual or perceived breach of Tokens' digital assets account occurs, the market perception of the effectiveness of its security protocols could be harmed and the value of the Resulting Issuer Shares could be materially adversely affected.

A decline in the adoption and use of digital assets could materially and adversely affect the performance of the Resulting Issuer.

Because digital assets are a relatively new asset class and a technological innovation, they are subject to a high degree of uncertainty. The adoption, growth and longevity of any digital asset will require growth in its usage and in the blockchain for various applications. A lack of expansion in use of digital assets and blockchain technologies could adversely affect the financial performance of the Resulting Issuer. In addition, there is no assurance that any digital assets will maintain their value over the long term. Even if growth in the use of any digital assets occurs in the near or medium term, there is no assurance that such use will continue to grow over the long term. A lack of expansion of digital assets into the retail and commercial markets may result in increased volatility or a reduction in the market price of these assets. Further, if fees increase for recording transactions on these blockchains, demand for digital assets may be reduced and prevent the expansion of the networks to retail merchants and commercial businesses, resulting in a reduction in the price of these assets. A contraction in use of any digital asset may result in increased volatility or a reduction in prices, which could materially and adversely affect the value of Tokens' assets and the value of any investment in the Resulting Issuer Shares.

The value of digital assets may be subject to momentum pricing risk.

Momentum pricing typically is associated with growth stocks and other assets whose valuation, as determined by the investing public, accounts for anticipated future appreciation in value. Market prices of digital assets are determined primarily using data from various exchanges, over-the-counter markets and derivative platforms. Momentum pricing may have resulted, and may continue to result, in speculation regarding future appreciation in the value of digital assets, inflating and making their market prices more volatile. As a result, they may be more likely to fluctuate in value due to changing investor confidence in future appreciation (or depreciation) in their market prices, which could adversely affect the value of Tokens' digital asset inventory and the value of the Resulting Issuer Shares.

Banks may not provide banking services, or may cut off banking services, to businesses that provide digital asset-related services.

A number of companies that provide digital asset-related services have been unable to find banks that are willing to provide them with bank accounts and banking services. Similarly, a number of such companies have had their existing bank accounts closed by their banks. Banks may refuse to provide bank accounts and other banking services to digital asset-related companies, or companies that accept digital assets, for a number of reasons, such as perceived compliance risks or costs. The difficulty that many businesses that provide digital asset-related services have and may continue to have in finding banks willing to provide them with bank accounts and other banking services may decrease the usefulness of digital assets as a payment system and harm public perception of digital assets. Similarly, the usefulness of digital assets as a payment system and the public perception of digital assets could be damaged if banks were to close the accounts of many or of a few key businesses providing digital asset-related services. This could decrease the market prices of digital assets, and adversely affect the value of Tokens' digital asset inventory and the Resulting Issuer Shares.

Market adoption of cryptoassets has been limited to date and further adoption is uncertain.

Currently, there is relatively small use of cryptoassets in the retail and commercial marketplace in comparison to relatively large use by speculators, thus contributing to price volatility that could adversely affect an investment in the Resulting Issuer Shares. Cryptoassets have only recently become accepted as a means of payment for goods and services by certain major retail and commercial outlets, and use of cryptoassets by consumers to pay such retail and commercial outlets remains limited. Conversely, a significant portion of cryptoasset demand is generated by speculators and investors seeking to profit from the short- or long-term holding of cryptoassets. A lack of expansion by cryptoassets into the retail and commercial markets, or a contraction of such use, may result in increased volatility or a reduction in the market price of these assets. Further, if fees increase for recording transactions on these blockchains, demand for cryptoassets may be reduced and prevent the expansion of the networks to retail merchants and commercial businesses, resulting in a reduction in the price of these assets.

Digital assets may be subject to hold periods.

Crypto tokens used for staking are intended to be able to be withdrawn from their respective wallet at the request of Tokens, however this process may take up to 30 days depending on the time of withdrawal and staking provider. In addition, several digital assets require validators to commit to securing the network, and locking up their crypto tokens, for an extended period of time. In particular, Ethereum 2.0 requires that validators commit to securing the network for a period of 12 to 18 months[1]. The validator still controls the crypto tokens during this period, but is not able to liquidate the tokens being staked. An inability to withdraw digital assets in the time desired or at all may adversely affect Tokens' business and liquidity, and the value of the Resulting Issuer Shares.

Migration of Ethereum to the Ethereum 2.0 platform may be delayed or may not occur at all.

Tokens expects to allocate a significant amount of its resources to Ethereum 2.0. Ethereum 2.0 is currently in Phase 0, which describes the launch of the Beacon Chain (Ethereum's initial PoS blockchain). The currently defined future phases are Phase 1, which is the migration to shard chains (breaking up the processing of the Ethereum blockchain into multiple parts), and Phase 1.5, which is the migration of the Ethereum Mainnet into Ethereum 2.0. Ethereum 2.0 tokens that are staked at this time will be locked up until the launch of Phase 1.5. This lock-up may extend for at least 12 to 18 months, as described above. Any delays to the Ethereum 2.0 roadmap (and in particular the launch of Phase 1.5) may reduce Tokens' ability to unwind its Ethereum 2.0 holdings.

Tokens and the Resulting Issuer will have to adapt to respond to evolving security risks.

As technological change occurs, the security threats to Tokens' digital assets will likely adapt, and previously unknown threats may emerge. The ability of Tokens and Coinbase to adopt technology in response to changing security needs or trends may pose a challenge to the safekeeping of their assets. To the extent that Tokens or Coinbase is unable to identify and mitigate or stop new security threats, the Resulting Issuer's assets may be subject to theft, loss, destruction or other attack.

The Resulting Issuer may be unable to obtain adequate insurance to insure its operations.

The Resulting Issuer intends to insure its operations in accordance with technology industry practice. However, given the novelty of digital asset and associated businesses, such insurance may not be available, may be uneconomical for the Resulting Issuer, or the nature or level may be insufficient to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the Resulting Issuer.

The business of the Resulting Issuer will be exposed to cybersecurity risks.

Cyber incidents can result from deliberate attacks or unintentional events, and may arise from internal sources (e.g., employees, contractors, service providers, suppliers and operational risks) or external sources (e.g., nation states, terrorists, hacktivists, competitors and acts of nature). Cyber incidents include unauthorized access to information systems and data (e.g., through hacking or malicious software) for

[1] **Source:** *Money Reimagined: How Ethereum 2.0's 'Lockup' Will Drive DeFi Innovation*, Michael J. Casey, (accessed February 16, 2021), https://www.coindesk.com/ethereum-2-lockup-defi-innovation.

purposes of misappropriating or corrupting data or causing operational disruption. Cyber incidents also may be caused in a manner that does not require unauthorized access, such as causing denial-of-service attacks on websites (e.g., efforts to make network services unavailable to intended users). A cyber incident that affects Tokens or its service providers (including Coinbase, Polychain Labs or Bison Trails) might cause disruptions and adversely affect their respective business operations, and might also result in violations of applicable law (e.g., personal information protection laws), each of which might result in potentially significant financial losses and liabilities, regulatory fines and penalties, reputational harm, and reimbursement and other compensation costs. In addition, substantial costs might be incurred to investigate, remediate and prevent cyber incidents.

The Resulting Issuer may be subject to litigation.

The Resulting Issuer may be subject to litigation arising out of, or related to, its operations. Damages claimed under such litigation may be material, and the outcome of such litigation may materially impact the Resulting Issuer's operations and the value of the Resulting Issuer Shares. While the Resulting Issuer expects to assess the merits of any lawsuits and defend such lawsuits accordingly, it may be required to incur significant expense or devote significant financial resources to such defenses. In addition, the adverse publicity surrounding such claims may have a material adverse effect on the Resulting Issuer's operations and the Resulting Issuer Shares.

The unregulated nature and lack of transparency surrounding the operations of digital asset exchanges may cause the marketplace to lose confidence in cryptoassets generally.

Cryptocurrency and digital asset exchanges on which cryptocurrencies and other digital assets trade are relatively new and, in some cases, unregulated. While some exchanges provide information regarding their ownership structure, management teams, corporate practices and regulatory compliance, many other exchanges do not. As a result, the marketplace may lose confidence in these exchanges, including prominent exchanges that handle a significant volume of trading in these assets. In recent years, there have been a number of cryptocurrency and digital asset exchanges that have closed because of fraud, business failure or security breaches. Additionally, larger cryptocurrency and digital asset exchanges have been targets for hackers and malware and may be targets of regulatory enforcement actions. A lack of stability in these exchanges, and their temporary or permanent closure, may reduce confidence in the digital asset marketplace in general and result in greater volatility in the price of digital assets. These potential consequences could, indirectly, materially and adversely affect the value of the Resulting Issuer Shares.

The majority of Tokens' digital assets are held in Coinbase.

Tokens holds the majority of its digital assets in Coinbase, a SOC 1/ SOC 2 certified digital asset custodian. If Coinbase were to be the subject of a malicious attack, or otherwise cease its operations, Tokens would be at risk of losing the majority of its digital assets. There is no assurance that Coinbase will not be subject to any such attack and there is no guarantee that Coinbase will not cease its operations.

Slashing penalties could result in the loss of all tokens.

A network's slashing penalties can range between 0.1% of crypto tokens held for a single act of unresponsiveness to 100% of crypto tokens held for a gross act of misconduct, being an act that intentionally threatens the entire network.[2] Tokens relies on the services of third party service providers, such as Bison Trails and Staked, for certain staking activities and there is no assurance that Tokens or such third party

[2]**Source:** Slashing Mechanisms (accessed February 16, 2021) https://w3fesearch.readthedocs.io/en/latest/polkadot/slashing/amounts.html.

service providers will not be subject to slashing penalties or that Tokens will be able to recover any percentages of crypto tokens that have been subject to slashing penalties.

Other Risks

Tokens has a limited operating history.

Tokens has a very limited history of operations and is in the early stage of development. As such, the Resulting Issuer will be subject to many risks common to such enterprises, including undercapitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenue. There is no assurance that the Resulting Issuer will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. There can be no assurance that the Resulting Issuer will be able to earn material revenue or that any of its activities will generate positive cash flow.

The Resulting Issuer may require additional funds to finance its operations.

Additional funds raised through debt or equity offerings may be needed to finance the Resulting Issuer's future activities. There can be no assurance that the Resulting Issuer will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain additional financing could cause the Resulting Issuer to reduce or terminate its operations.

If additional funds are raised through further issuances of equity or securities convertible into equity, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Resulting Issuer Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Issuer to obtain additional capital and to pursue business opportunities.

The business of Tokens is subject to competition from other staking companies.

The Resulting Issuer will compete with other cryptocurrency and distributed ledger technology businesses, including other businesses focused on developing substantial digital asset staking operations. Any market participant with sufficient capital and know-how has the ability to acquire crypto tokens on the open market and start staking, which would inherently increase competition. Although, because there are a wide range of crypto tokens being staked across the networks Tokens participates in, and accordingly, Tokens' management believes that any negative impact on Tokens' operations as a result of competition in the sector would not be materially adverse, it is possible that such competition and the lack of barriers to entry to the market could have a material adverse effect on the Resulting Issuer or the value of the Resulting Issuer Shares.

The Resulting Issuer's compliance and risk management programs may not be effective.

The Resulting Issuer's ability to comply with applicable laws and rules will be largely dependent on the establishment and maintenance of compliance, review and reporting systems, as well as the ability to attract and retain qualified compliance and other risk management personnel, as needed. The Resulting Issuer cannot provide any assurance that its compliance policies and procedures will be effective or that the Resulting Issuer will be successful in monitoring or evaluating its risks. If there is any alleged non-compliance with applicable laws or regulations, the Resulting Issuer could be subject to investigations and judicial or administrative proceedings that may result in substantial penalties or civil lawsuits for damages, restitution or other remedies, which could be significant. Any of these outcomes, individually or together, may materially and adversely affect the Resulting Issuer's reputation, financial condition and valuation, and the value of the Resulting Issuer Shares.

Unexpected market disruptions may cause major losses for the Resulting Issuer.

The Resulting Issuer may incur major losses in the event of disrupted markets and other extraordinary events in which market behavior diverges significantly from historically recognized patterns. The risk of loss in such events may be compounded by the fact that, in disrupted markets, many positions become illiquid, making it difficult or impossible to close out positions against which markets are moving. Market disruptions caused by unexpected political, military and terrorist events, or other factors, may from time to time cause dramatic losses for the Resulting Issuer. Because, among other things, the Resulting Issuer does not plan to engage in hedging practices with respect to its cryptocurrency holdings, any such disruptions and events may have a material and adverse effect on the Resulting Issuer's business and the value of the Resulting Issuer Shares.

The ongoing COVID-19 pandemic may have an adverse effect on the business of the Resulting Issuer.

The ongoing global pandemic involving the novel coronavirus, COVID-19, has caused companies and various governments to take measures and impose restrictions to combat the pandemic, such as quarantines, closures, cancellations and travel restrictions. The effects of COVID-19 and such measures and restrictions have negatively affected asset values and increased volatility in the financial markets, including the market price and volatility of digital assets. Although the market price of some digital assets has risen since the pandemic began, the extent to which any worsening or continuation of the pandemic may negatively impact the market price of digital assets and, in turn, the market price of the Resulting Issuer Shares, is uncertain and cannot be predicted. The realizable values of assets, liquidity and financial condition may be materially affected as a result, and Tokens will continue to monitor the impact of the pandemic on its business. The extent of the impact, if any, will depend on future developments, including actions taken to contain COVID-19 and re-open the economy, and any successive waves of coronavirus outbreaks.

The Resulting Issuer will be reliant, in part, on attracting and retaining skilled management and directors.

The success of the Resulting Issuer will, in part, be dependent upon the skill, judgment, industry relationships and expertise of the Resulting Issuer Board and management. The loss of a director or key management personnel may materially and adversely affect the business of the Resulting Issuer. There can be no assurance that these individuals will continue to be employed by, or remain involved with, the Resulting Issuer for a particular period of time.

INFORMATION CONCERNING COIN

Corporate Structure

Name and Incorporation

COIN's full corporate name is "COIN Hodl Inc.". COIN is governed by the OBCA and its head and registered office is located at 82 Richmond Street East, Suite 200, Toronto, Ontario, M5C 1P1.

The COIN Shares are currently listed on the TSXV under the symbol "COIN". However, the listing of the COIN Shares is expected to migrate from the TSXV to the NEO Exchange in connection with the Closing.

Intercorporate Relationships

COIN has two wholly-owned subsidiaries. Malbex Nominee Inc., which was incorporated on August 6, 2008 under the laws of the Province of Ontario, and Newco, which was incorporated on March 8, 2021 under the laws of the Province of Ontario solely for the purposes of completing the Amalgamation.

General Development of the Business

History

COIN was incorporated under the name "No. 440 Taurus Ventures Ltd." under the *Companies Act* (British Columbia) on April 17, 1998. Effective June 22, 1998, COIN changed its name to "Arapaho Capital Corp." Effective March 1, 2005, COIN transitioned under the *Business Corporations Act* (British Columbia). Effective December 8, 2009, COIN continued under the OBCA with the name "Malbex Resources Ltd." Effective December 8, 2009, COIN amalgamated with its wholly-owned subsidiary, Malbex Resources Inc., with the amalgamated entity being named "Malbex Resources Inc.".

Until early 2015, COIN's principal business was the exploration and development of mineral properties. Following the disposition of its sole mineral property in April 2015, COIN was focused on identifying a new project or business and did not seek new projects in the resource sector.

In connection with the closing of a change of business transaction on June 20, 2018 (the "**COIN COB**"), COIN became a merchant banking and financial advisory company focused on the small-cap market, with investments in cryptocurrency and blockchain entities.

Effective September 10, 2018, COIN changed its name to "COIN Hodl Inc.".

On March 25, 2019, COIN announced that it had liquidated all of its cryptocurrency assets for net proceeds of approximately $1.03 million, and shifted its business focus to actively pursuing new investment opportunities outside the digital currency and blockchain sectors.

On February 17, 2021, COIN entered into the Royalty Sale Agreement with Metalla S.A., a wholly-owned subsidiary of Metalla Royalty & Streaming Ltd., pursuant to which, on March 24, 2021, COIN sold Metalla S.A. a 0.5% net smelter royalty related to certain mining concessions located in the Province of San Juan, Argentina, for cash consideration of $1,600,000. The cash proceeds are intended to be distributed to COIN Shareholders as part of the Return of Capital.

COIN has no revenue from operations. Its only sources of liquidity are its cash and investments, proceeds that may be derived from the exercise of COIN Options, and the equity markets. On an ongoing basis, COIN examines various financing alternatives to address future funding requirements.

Selected Consolidated Financial Information and Management's Discussion and Analysis

Selected Annual Financial Information

Schedule "A" to this Filing Statement contains the COIN Financial Statements. The following table sets forth selected annual financial information of COIN for its two most recently completed financial years. Such information is derived from, and should be read in conjunction with, the COIN Financial Statements:

	As at and for the Year Ended	
	December 31, 2020 (audited) ($)	**December 31, 2019 (audited) ($)**
Total expenses	515,296	244,194
Total assets	6,349,246	3,160,244
Total liabilities	120,638	81,777

Management's Discussion and Analysis

COIN's MD&A for the year ended December 31, 2020 is attached to this Filing Statement as Schedule "B". The MD&A should be read in conjunction with the COIN Financial Statements, which are attached as Schedule "A" to this Filing Statement. COIN's MD&A for the year ended December 31, 2020 was prepared as of March 24, 2021. The information in the COIN MD&A has not been updated from the originally filed version and such information is superseded by any more current information contained in this Filing Statement.

See "*Cautionary Statement Regarding Forward-Looking Statements*" and the forward-looking statement cautionary language included in the COIN MD&A for further details.

Description of Securities

Common and Preferred Shares

The authorized capital of COIN consists of an unlimited number of COIN Shares without par value and an unlimited number of preferred shares, issuable in series. As at the date of this Filing Statement, 16,354,730 COIN Shares (on a pre-COIN Consolidation basis) are issued and outstanding and no preferred shares are issued and outstanding. Following the completion of the Consolidation, there are expected to be 1,399,851 COIN Shares outstanding.

Holders of COIN Shares are entitled to one vote for each COIN Share held at all meetings of COIN Shareholders, to receive dividends if, as and when declared by the COIN Board, and, upon liquidation, to share equally in such assets of COIN as are distributable to the holders of the COIN Shares. The COIN Shares carry no pre-emptive rights, conversion or exchange rights, redemption, retraction, purchase for cancellation or surrender provisions, sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities, or provisions requiring a shareholder to contribute additional capital. All of the COIN Shares to be issued and outstanding after completion of the Transaction will be fully paid and non-assessable.

Stock Options

As of the date of this Filing Statement, there are 700,000 COIN Options outstanding (on a pre-COIN Consolidation basis). Following the completion of the COIN Consolidation, there are expected to be 61,804 COIN Options outstanding. Any COIN Options that are not exercised prior to the Closing will be cancelled at the Closing.

Stock Option Plan

The COIN Stock Option Plan was adopted on June 17, 2019. The purpose of the COIN Stock Option Plan is to advance the interests of COIN through the motivation, attraction and retention of key employees, consultants and directors of COIN and designated affiliates of COIN, and to secure for COIN and the COIN Shareholders the benefits inherent in the ownership of COIN Shares by key employees, consultants and directors of COIN and the designated affiliates of COIN through the granting of non-transferable COIN Options. The COIN Stock Option Plan is currently administered by the COIN Board.

Subject to the provisions of the COIN Stock Option Plan, the COIN Board has the authority to select those Persons to whom COIN Options will be granted. Eligible participants under the COIN Stock Option Plan include the directors, officers and employees (including both full-time and part-time employees) of COIN or of any designated affiliate of COIN, and any Person engaged to provide ongoing management, advisory or consulting services for COIN or a designated affiliate of COIN, or any employee of such Person.

At the COIN Meeting, COIN intends to seek approval of the COIN Shareholders for adoption of the Resulting Issuer Omnibus Equity Incentive Plan. Assuming receipt of such approval, at the Closing, the COIN Stock Option Plan will be terminated, all outstanding unexercised COIN Options will be cancelled for no consideration, and the Resulting Issuer Omnibus Equity Incentive Plan will be adopted. For additional details, see "*Information Concerning the Resulting Issuer – Omnibus Equity Incentive Plan*".

Prior Sales

On December 10, 2020, COIN issued an aggregate of 1,200,000 COIN Options, each of which is exercisable into one COIN Share at a price of $0.26 per COIN Share on a pre-COIN Consolidation basis, ($2.94 per COIN Share on a post-COIN Consolidation basis) until December 10, 2025. On March 15, 2021, Ben Cubitt exercised 400,000 COIN Options at $0.26 per COIN Option for an aggregate of 400,000 COIN Shares at an aggregate price of $104,000. On March 25, 2021, Joshua Crumb exercised 400,000 COIN Options at $0.26 per COIN Option for an aggregate of 400,000 COIN Shares at an aggregate price of $104,000. On April 9, 2021, Justin Oliver exercised 400,000 COIN Options at $0.26 per COIN Option for an aggregate of 400,000 COIN Shares at an aggregate price of $104,000.

Stock Exchange Price

The COIN Shares are currently listed on the TSXV under the symbol "COIN". The following table sets forth trading prices and volumes of the COIN Shares on the TSXV for the periods indicated:

Period	High ($)	Low ($)	Volume
April 1, 2021 to date of Filing Statement	No Trades(1)		
March 2021	No Trades(1)		
February 2021	No Trades(1)		
January 1 to January 21, 2021(1)	0.40	0.29	1,041,710
December 2020	0.49	0.21	1,702,374
November 2020	0.285	0.16	234,542

Period	High ($)	Low ($)	Volume
October 2020	0.195	0.145	168,941
Quarter ended September 30, 2020	0.25	0.12	170,195
Quarter ended June 30, 2020	0.20	0.11	337,143
Quarter ended March 31, 2020	0.205	0.08	829,161
Quarter ended December 31, 2019	0.20	0.12	763,696
Quarter ended September 30, 2019	0.17	0.13	1,552,125
Quarter ended June 30, 2019	0.175	0.125	1,688,810
Quarter ended March 31, 2019	0.235	0.13	381,692

(1) Trading in the COIN Shares on the TSXV was halted on January 22, 2021, following the announcement of the Transaction.

Executive Compensation

Other than as set out in the table below, no compensation was paid to any of COIN's Named Executive Officers or directors for the fiscal years ended December 31, 2020 or 2019:

Name and position	Year	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of all other compensation ($)	Total compensation ($)
Ben Cubitt *President, CEO, and Director*	2020	76,204[1]	-	-	-	-	76,204
	2019	77,988[1]	-	-	-	-	77,988
Aamer Siddiqui[2] *CFO*	2020	-	-	-	-	-	-
Justin Oliver *Director*	2020	-	-	-	-	-	-
Josh Crumb *Director*	2020	-	-	-	-	-	-
Stefan Wieler *Former Director*	2020	-	-	-	-	-	-

(1) Represents management fees paid to Samara, a company controlled by Ben Cubitt.

(2) Mr. Siddiqui resigned as CFO effective November 4, 2020 and Mr. Gonzalez was appointed as CFO in his place. Messr. Siddiqui's and Gonzalez's salaries were paid to Marrelli Support Services Inc.

The Named Executive Officers of COIN were not paid any additional compensation, directly or indirectly, for each of the last two financial years other than as disclosed above.

Employment, Consulting and Management Agreements

Ben Cubitt (President, CEO, and Director)

Mr. Cubitt provides his services to COIN pursuant to the Samara MSA between COIN and Samara Capital Inc., a company controlled by Mr. Cubitt. A copy of the Samara MSA is available on COIN's SEDAR profile at www.sedar.com. A summary of the material terms of the Samara MSA is also available in the filing statement of COIN dated May 28, 2018, filed in connection with the COB Transaction which is available under COIN's SEDAR profile at www.sedar.com.

Aamer Siddiqui (Former CFO)

Mr. Siddiqui provided his services to COIN pursuant to an agreement between Marrelli Support Services Inc., a company responsible for delivering corporate secretarial and accounting services, and COIN. Mr. Siddiqui was not entitled to receive any compensation in the event that his executive services were terminated pursuant to a change in control of COIN or if his employment was terminated without cause.

Omar Gonzalez (CFO)

On November 9, 2020, COIN announced the appointment of Mr. Omar Gonzalez as CFO, effective November 4, 2020. Mr. Gonzalez's appointment followed the resignation of COIN's former CFO, Mr. Aamer Siddiqui. Mr. Gonzalez is a senior employee of Marrelli Support Services Inc., which provides COIN with CFO and accounting services.

Oversight and Description of Director and Named Executive Officer Compensation

A description of, and information with respect to the oversight of, COIN's director and Named Executive Officer compensation is included in COIN's management information circular for the COIN Meeting to be held on April 23, 2021, which is available under COIN's SEDAR profile at www.sedar.com.

Stock Options and Other Compensation Securities

The following table sets forth information regarding all COIN Options, being the only form of COIN Compensation Securities, granted to each of COIN's Named Executive Officers and directors in the year ended December 31, 2020:

Name and Position	Number of COIN Options	Date of Issue or Grant	Exercise Price (pre-COIN Consolidation)	Closing Price of COIN Shares on date of grant (pre-COIN Consolidation)	Closing Price of Coin Shares at Year End (pre-COIN Consolidation)	Expiry Date
Ben Cubitt *President, CEO, and Director*	400,000	December 10, 2020	$0.26[(1)]	$0.26	$0.34	December 10, 2025
Justin Oliver *Director*	400,000	December 10, 2020	$0.26[(1)]	$0.26	$0.34	December 10, 2025
Josh Crumb *Director*	400,000	December 10, 2020	$0.26[(1)]	$0.26	$0.34	December 10, 2025

[(1)] $2.94 on a post-COIN Consolidation basis.

No COIN Options were exercised by any COIN Named Executive Officer or director in the year ended December 31, 2020. Since January 1, 2021, an aggregate of 1,900,000 COIN Options have been exercised. All unexercised COIN Options at the Closing will be cancelled for no consideration.

Equity Compensation Plan Information

The following table sets forth information concerning securities authorized for issue under the COIN Stock Option Plan, being the only equity compensation plan of COIN, as at December 31, 2020:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options	Weighted Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by security holders	2,600,000	$0.29	200,000[(1)]
Equity compensation plans not approved by security holders	-	-	-

(1) Pursuant to the COIN Stock Option Plan, subject to other restrictions, the maximum number of COIN Shares available for issuance under the COIN Stock Option Plan is fixed at 10% of the issued and outstanding COIN Shares from time to time. This amount is calculated by subtracting the 2,600,000 COIN Shares that could be issued upon exercise of COIN Options granted as at December 31, 2020 from the 2,800,000 total COIN Options that could be granted pursuant to the COIN Stock Option Plan at December 31, 2020.

Arm's Length Transactions

COIN has not acquired any assets or any services from any director or officer, principal securityholder, or any Associate or Affiliate of any such Person, in the 24 months prior to the date of this Filing Statement, other than those disclosed in the COIN Financial Statements, which are attached to this Filing Statement as Schedule A. As such, the proposed Transaction is an Arm's Length Transaction.

Legal Proceedings

There are no legal proceedings that COIN is, or has been, a party to, or of which any of its property is, or has been, the subject matter. To the knowledge of the management of COIN, there are no such legal proceedings contemplated.

Auditor, Transfer Agents and Registrars Auditor

Auditor

MNP LLP, located at 111 Richmond Street West, Suite 300, Toronto, ON, M5H 2G4, delivered the auditor's report for the COIN Financial Statements. Transfer Agent and Registrar.

The transfer agent and registrar of COIN is Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1.

Material Contracts

COIN is party to the following material contracts, excluding contracts entered into in the ordinary course of business, which are in effect as of the date hereof:

1. the Transaction Agreement (see "*Information Concerning Tokens – Description of the Transaction*");

2. the Amalgamation Agreement (see "*Information Concerning Tokens – Description of the Transaction*");

3. the Agency Agreement (see "*Information Concerning Tokens – Concurrent Financing*");

4. the COIN Stock Option Plan;

5. the Royalty Sale Agreement; and

6. the Samara MSA.

Copies of these agreements may be inspected without charge during regular business hours at the offices of COIN's legal counsel, Peterson McVicar LLP, at Suite 902, 18 King Street East, Toronto, Ontario M5C 1C4, until 30 days after the Closing. Copies of certain of these agreements may also be found under COIN's profile on SEDAR at www.sedar.com.

INFORMATION CONCERNING TOKENS

Corporate Structure

Name and Incorporation

Tokens was incorporated on November 9, 2020 pursuant to the provisions of the OBCA.

The full name of Tokens is "Tokens.com Inc.". Tokens' registered and head office is located at 100 King Street West, Suite 3400, 1 First Canadian Place, Toronto, Ontario M5X 1A4.

Intercorporate Relationships

Tokens has no subsidiaries.

General Development of the Business

History of the Business of Tokens

Tokens was founded in 2020 to operate the technology that secures next generation blockchain networks through proof-of-stake (PoS) technology that supports the growth of decentralized finance (DeFi) applications (which are built on top of blockchains).

On November 27, 2020, Tokens completed a non-brokered private placement pursuant to which it issued an aggregate of 11,000,000 Tokens Shares (34,463,000 on a post-Tokens Split basis) at a price of US$0.05 per Tokens Share (US$0.015 on a post-Tokens Split basis) for gross proceeds of US$550,000.

In December 2020, Tokens completed the Tokens Seed Financing, in various tranches, pursuant to which it issued an aggregate of 1,868,131 Tokens Shares (5,852,854 on a post-Tokens Split basis) at a price of US$0.91 per Tokens Share (US$0.32 on a post-Tokens Split basis) for aggregate gross proceeds of US$1,699,999. The Tokens Shares issued are subject to the following resale restrictions:

Proportion Subject to Resale Restrictions	Expiration of Resale Restrictions
25% of the Tokens Shares	The date on which the Resulting Issuer Shares are listed for trading.
25% of the Tokens Shares	1 month from the date the Resulting Issuer Shares are listed for trading.
25% of the Tokens Shares	2 months from the date the Resulting Issuer Shares are listed for trading.
25% of the Tokens Shares	3 months from the date the Resulting Issuer Shares are listed for trading.

On January 21, 2021, Tokens entered into a letter of intent with COIN, pursuant to which COIN agreed to acquire all of the outstanding Tokens Shares.

On January 25, 2021, Tokens entered into an engagement letter with Stifel GMP and Canaccord with respect to the brokered portion of the Concurrent Financing. For more information regarding the Concurrent Financing, see "*Concurrent Financing*".

On March 9, 2021, Tokens and COIN entered into the Transaction Agreement and COIN, Tokens and Newco entered into the Amalgamation Agreement. See "*Description of the Transaction*".

On March 10, 2021, Tokens closed the brokered portion of the Concurrent Financing, and on March 16, 2021, Tokens closed the non-brokered portion of the Concurrent Financing. For more information regarding the Concurrent Financing, see "*Concurrent Financing*".

Significant Acquisitions and Dispositions

Tokens has not made any significant acquisitions or dispositions.

Description of the Transaction

On March 9, 2021, COIN entered into the Transaction Agreement with Tokens, and the Amalgamation Agreement with Tokens and Newco, pursuant to which COIN has agreed to acquire all of the issued and outstanding Tokens Shares by way of a three-cornered amalgamation among COIN, Tokens and Newco. Upon completion of the Amalgamation, Amalco will be a wholly-owned subsidiary of COIN.

The Transaction Agreement requires that COIN convene a meeting of the COIN Shareholders, which is to be held on April 23, 2021, to approve, among other things, certain items relating to the Transaction as set out in the COIN Circular, including:

(a) the COIN Consolidation;

(b) a change of name of COIN from "COIN Hodl Inc." to "Tokens.com Corp.", or such other name as may be determined by Tokens in its sole discretion;

(c) the adoption of the Resulting Issuer Omnibus Equity Incentive Plan;

(d) the election, effective as of the Closing, of such new directors as determined by Tokens, and, if required, an increase in the number of the directors and an amendment to COIN's articles to permit the Resulting Issuer Board to appoint up to one-third of the number of additional directors as was elected at the last COIN Shareholder meeting;

(e) the adoption of new bylaws that include advance notice provisions;

(f) the Return of Capital; and

(g) such other special items of business as reasonably requested by Tokens or as may be required in order to complete the Transaction.

In connection with the Closing:

(a) COIN will complete the COIN Consolidation and the Return of Capital;

(b) Tokens will complete the Tokens Split;

(c) the Subscription Receipts will be converted into Tokens Shares (on a post-Tokens Split basis);

(d) Tokens and Newco will be amalgamated and continue as one corporation, Amalco, on the terms prescribed in the Transaction Agreement and the Amalgamation Agreement;

(e) each Tokens Share will be cancelled, and former Tokens Shareholders (including those that are entitled to acquire Tokens Shares on conversion of the Subscription Receipts) shall receive one Consideration Share for each Tokens Share held;

(f) each common share of Newco shall be cancelled and replaced with one Amalco Share issued to the Resulting Issuer, such that Amalco will be a wholly-owned subsidiary of the Resulting Issuer;

(g) all of the property and assets of each of Tokens and Newco will become the property and assets of Amalco, and Amalco will be liable for all of the liabilities and obligations of each of Tokens and Newco;

(h) Amalco will be a wholly-owned subsidiary of COIN under the name "Tokens.com Capital Corp."; and

(i) COIN will change its name to "Tokens.com Corp.".

Following the Amalgamation:

(a) the Resulting Issuer will carry on the business previously carried on by Tokens; and

(b) the current officers and directors of COIN will resign and the proposed officers and directors of the Resulting Issuer listed under "*Information Concerning the Resulting Issuer – Directors, Officers and Promoters*" will be appointed to fill the vacancies.

Completion of the Transaction is subject to the satisfaction or waiver of certain conditions, including:

(a) COIN obtaining all required consents, including the Final Exchange Approval and the approval of COIN Shareholders for matters to be considered at the COIN Meeting;

(b) completion of the COIN Consolidation and the Tokens Split;

(c) completion of the Return of Capital;

(d) confirmation of the representations and warranties of each party to the Transaction Agreement as set out in the Transaction Agreement; and

(e) the absence of adverse material events affecting COIN or Tokens, and no material adverse changes in the condition (financial or otherwise), assets, liabilities, operations, earnings, business or prospects of COIN or Tokens having occurred.

The Closing will also be subject to the satisfaction or waiver of the following conditions precedent in favour of Tokens:

(a) at the Closing: (i) the liabilities and obligations (contingent or otherwise) of COIN will be zero, and (ii) COIN will have at least $360,000 in available cash, in each case as evidenced by an officer's certificate of COIN to be tendered at the Closing;

(b) the receipt of letters of resignation of all officers and directors of COIN, conditional on the Closing, and releases of such individuals in connection with such resignations; and

(c) the termination of all agreements involving COIN relating to the current business, directors, officers, employees or contractors of COIN, without any further liability to COIN or Tokens.

In connection with the completion of the Transaction, it is expected that an aggregate of approximately 73,645,835 Consideration Shares (on a post-COIN Consolidation and post-Tokens Split basis) will be issued to the Tokens Shareholders, on an undiluted basis, at a deemed issue price of $0.75 per Consideration Share. The Amalgamation will constitute a reverse takeover of COIN because, following the Closing, the Tokens Shareholders will own approximately 98% of the outstanding COIN Shares on an undiluted basis.

Following completion of the Transaction, it is expected that the Resulting Issuer will be engaged in the business of Tokens.

Concurrent Financing

On March 10, 2021, Tokens completed the brokered portion of the Concurrent Financing, pursuant to which it issued an aggregate of 8,821,431 Subscription Receipts on a pre-Tokens Split basis (27,637,543 Subscription Receipts on a post-Tokens Split basis) at a price of $2.35 per Subscription Receipt on a pre-Tokens Split basis ($0.75 per Subscription Receipt on a post-Tokens Split basis), for aggregate gross proceeds of $25,000,146.

On March 16, 2021, Tokens completed the non-brokered portion of the Concurrent Financing, pursuant to which it issued an aggregate of 1,816,929 Subscription Receipts on a pre-Tokens Split basis (5,692,438 Subscription Receipts on a post-Tokens Split basis) at a price of $2.35 per Subscription Receipt on a pre-Tokens Split basis ($0.75 per Subscription Receipt on a post-Tokens Split basis), for aggregate gross proceeds of $4,269,783. The brokered portion of the Concurrent Financing was completed pursuant to the Agency Agreement, which contained representations, warranties, covenants and termination provisions customary for an offering of this kind.

At the closing of the Concurrent Financing, Tokens, Stifel GMP, Canaccord (together, the "**Co-Lead Agents**") and the Subscription Receipt Agent entered into the Subscription Receipt Agreement, pursuant to which all of the proceeds of the Concurrent Financing (the "**Escrowed Funds**"), less 50% of the Agents' Compensation and the Agents' Expenses incurrec to the closing date, were deposited into escrow with the Subscription Receipt Agent.

Pursuant to the terms and conditions of the Subscription Receipt Agreement, each Subscription Receipt will be automatically exchanged for one Tokens Share (which will be adjusted to 3.133 Tokens Shares following the completion of the Tokens Split), and the proceeds of the Concurrent Financing will be released to Tokens, upon the satisfaction or waiver of the following conditions (collectively, the "**Escrow Release Conditions**"):

(a) written confirmation from each of Tokens and COIN that all conditions to the Closing in accordance with the terms of the Transaction Agreement have been satisfied or waived, without any material amendment, other than the release of the Escrowed Funds and the Closing, each of which will be completed forthwith upon release of the Escrowed Funds;

(b) the receipt of all shareholder, third-party and regulatory approvals required for the Transaction;

(c) the distribution of: (i) the Tokens Shares underlying the Subscription Receipts, and; (ii) the Resulting Issuer Shares to be issued in exchange for the Tokens Shares pursuant to the

Transaction, being exempt from applicable prospectus and registration requirements of applicable Securities Laws;

(d) the Resulting Issuer Shares being conditionally approved for listing on a recognized Canadian stock exchange, and the completion, satisfaction or waiver of all conditions precedent to such listing, other than the release of the Escrowed Funds;

(e) Tokens shall not be in breach or default of any of its covenants or obligations under the Subscription Receipt Agreement, and all conditions set out in the Subscription Receipt Agreement shall have been satisfied or waived;

(f) Tokens and COIN shall not be in breach or default of any of its respective covenants or obligations under the Agency Agreement, and all conditions set out in the Agency Agreement shall have been satisfied or waived;

(g) such other customary escrow release conditions requested by the Co-Lead Agents, acting reasonably; and

(h) the Company and the Co-Lead Agents (on behalf of the Agents) shall have delivered a release notice to the Subscription Receipt Agent confirming that items (a) through (g), have been satisfied,

all as satisfied and/or waived in form and substance satisfactory to the Co-Lead Agents.

In the event that the Escrow Release Conditions are not satisfied by July 8, 2021 (or such later date as may be agreed by Tokens and the Co-Lead Agents), the proceeds of the Concurrent Financing will be returned pro rata to each holder of Subscription Receipts, and the Subscription Receipts will be automatically cancelled, void and of no value or effect.

In connection with the Concurrent Financing, Tokens agreed to pay the Agents the Agents' Compensation in the aggregate amount of $1,349,092 and issue the Agents an aggregate of 566,672 Agents' Options, and to pay the Agents' Expenses.

The net proceeds of the Concurrent Financing are expected to be deployed into proof-of-stake technology applications providing security and transaction validation services to certain blockchain-based digital assets, and also used for working capital and general corporate purposes, as further described under the heading "*Information Concerning the Resulting Issuer – Available Funds and Principal Purposes*".

Narrative Description of the Business

Business Model

Tokens has entered into technology utilization partnerships with Polychain Labs, Staked and Bison Trails (see "*Information Concerning Tokens - Material Contracts*"), and, as a result, Tokens' business model does not require investments in capital expenditures and does not have any associated hardware depreciation. As such, Tokens' operations are self-funding. Tokens' objective is to fully cover operating expenses through the returns from its crypto token staking operations.

Introduction to Cryptocurrencies and Staking

A cryptocurrency is an encrypted and decentralized digital asset, transferred directly between peers across the Internet, with transactions being settled, confirmed, recorded and secured in a distributed public ledger called the blockchain, either through a process known as "mining" or a process known as "staking" (see "*Proof-of-Work*" and "*Proof-of-Stake*" for more information). Miners and stakers are incentivized to provide their services, which secure and verify transactions, through compensation in newly minted units or tokens for the cryptocurrency being mined or staked. Examples of some of the largest cryptocurrencies in terms of market capitalization today include Bitcoin, Ethereum, Tether and Polkadot.[3] The units of a cryptocurrency, or "tokens", exist only as data on the Internet, and are not issued or controlled by any single institution, authority or government. Whereas most of the world's fiat money currently exists in the form of paper and metal managed by central authorities such as banks, crypto tokens exist as electronic records in the blockchain, which is decentralized and tamper-proof. The blockchain ledger is publicly available to anyone and secured with public key encryption.

Market Overview

Cryptocurrency Trends

Digital assets, such as Bitcoin and Ethereum, are moving into the mainstream and capturing the attention of retail and institutional investors across the globe. Tokens' management contends that digital assets are now firmly part of the financial world and will continue to evolve and be adopted for mainstream use. The market capitalization of all cryptocurrencies is now over US$2 trillion.[4] Bitcoin and Ethereum, the two largest digital assets, are both trading near all-time highs after substantial appreciation in 2020.

Digital assets are operated by complex algorithms built on a blockchain. A blockchain is a digital public ledger where digital asset transactions are grouped together and represented as a "block." Blocks are a collection of transactions that happen within a predefined time window and are all validated (added to the ledger) at the same time. The next block in a blockchain is cryptographically linked to the prior block - which makes it nearly impossible to add, remove or change the data stored in the ledger. As blockchains are becoming more trusted, Tokens expects significantly more Persons to utilize these public ledgers for data storage and transactions.

As further described below, proof-of-work ("**PoW**"), or what is colloquially known as cryptocurrency mining, and proof-of-stake ("**PoS**"), or staking, are the two main processes required by digital asset blockchains to verify transactions and secure the blockchain. PoW was the original process used to verify transactions and secure the blockchain, however, Tokens believes that most digital assets, except Bitcoin, will transition to PoS in the next three years. The production of blocks through staking enables a higher degree of scalability for the majority of blockchains as it does not require the use of specialized hardware like PoW mining equipment, and also generates a significantly lower environmental footprint as a result of lower electricity consumption.[5] This is one of the reasons the Ethereum network, which is the second largest digital asset by market capitalization, has initiated the migration from PoW to PoS through a set of technical upgrades collectively referred to as "Ethereum 2.0" (or ETH 2.0).

Currently, Tokens estimates that 25 of the 100 most valuable crypto digital assets are utilizing PoS technology. According to a report published by Staked, a leading staking service provider, the market capitalization of PoS blockchains grew to more than US$175 billion at the end of 2020. In addition, the Staked report found that staking across various blockchains earned an average return on capital deployed of 11.2% per year, compared to less than a 3% average dividend yield provided by S&P 500 companies over the last decade. According to Staked, more than US$20 billion in annual staking compensation was paid out in 2020. [6]

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[3] **Source:** *CoinMarketCap*, (accessed April 14, 2021), https://coinmarketcap.com.
[4] **Source:** *CoinMarketCap*, (accessed April 14, 2021), https://coinmarketcap.com.
[5] **Source:** *Proof of Work vs. Proof of Stake,* (accessed April 14, 2021), https://www.kraken.com/learn/proof-of-work-vs-proof-of-stake.
[6] **Source**: *Staked - The State of Staking Q1 2021,* (accessed April 15, 2021). https://staking.staked.us/state-of-staking

Decentralized finance ("**DeFi**") is a new class of financial applications that provides users with automated and transparent alternatives to traditional financial services without the need of financial institutions. The most popular DeFi applications include decentralized lending, borrowing, asset exchanges, and the decentralized creation of derivative assets. Once Ethereum migrates to PoS in connection with Ethereum 2.0, Tokens believes the vast majority of DeFi applications will be built on top of PoS blockchains. As the DeFi sector grows, the blockchains that power DeFi are also expected to scale, as are the rewards paid by those blockchains to secure their networks. According to Pantera Capital, DeFi on the Ethereum network has grown from US$1 billion in January 2020 to US$16 billion in January 2021.[7]

Regulators are providing guidelines that permit cryptocurrencies to be legally used in mainstream banking. As an example, the Office of the Comptroller of the Currency (a federal banking regulator and an independent branch of the U.S. Department of Treasury) recently empowered traditional banks to transact in digital assets. This potentially lays the groundwork for banks to use blockchains like Ethereum as a settlement layer for cash transfers between its customers or other banks. In addition to providing cost and speed benefits, blockchains are open 24/7.

Token Selection

Tokens' decision to stake an individual crypto token depends on a combination of:

- network quality – defined by Tokens as a combination of the transaction volume of a network over the past 30 days, as well as the number of developers building tools and technology on top of a network's platform and how well-known the investors of the network are;

- network liquidity – defined by Tokens as the average trading volume of a token over the prior seven days; and

- expected staking compensation, which varies from token to token.

Tokens focuses on networks that have strong external signals (i.e. networks with a large community of application developers backed by top investors) and clear value propositions, and that are well-funded and capitalized.

The crypto tokens staked must also be "layer 1" platforms that build their own blockchains as opposed to tokens built and tooled on other blockchains, referred to as "layer 2". Tokens believes that layer 1 tokens provide for greater value as their adoption and value are driven by the underlying functionality and utility of that token.

Since inception, Tokens has allocated US$2,000,000 to purchasing digital assets for staking, with a small amount allocated to holding Bitcoin as a reserve that Tokens may use to augment the purchase of other assets for staking. Tokens facilitates the purchase of other crypto tokens via the use of Bitcoin. Revenue to Tokens, expressed as a percentage of the digital asset and staking allocation, is set out in the table below.

Tokens is currently staking three crypto tokens that meet Tokens' criteria - with a weighting towards Ethereum 2.0. Tokens will continue to evaluate other protocols and will acquire and stake tokens opportunistically based on internal research and methodologies.

[7] **Source:** *Bitcoin Rally (2017 vs. Today)*, (accessed April 15, 2021), https://panteracapital.com/blockchain-letter/bitcoin-rally-2017-vs-today/

The three crypto tokens being staked by Tokens as at April 14, 2021 are summarized in the table below:

Network	Token	Value of Tokens Held	Annualized Compensation %	% of Staking Resources
Ethereum 2.0	ETH	US $2.0 million	8.9%	36%
Polkadot	DOT	US $1.8 million	14.1%	32%
Oasis	Rose	US $1.8 million	18.0%	32%
Average gross annualized compensation as a % of capital deployed			**13.5%**	

Tokens notes that the compensation expressed as a percentage return in the table above varies depending on the number of other stakers and staking rewards changes built into blockchain algorithms that vary from platform to platform. See "*Risk Factors – Tokens' annual compensation percentage is volatile and could materially decline*".

The following table sets out more detailed information regarding the crypto tokens currently held by Tokens:

Token	Description	Reward Rate Determined by:
Ethereum (ETH)	Ethereum launched in 2015 as a decentralized, blockchain-based global supercomputer to serve as the foundation for an ecosystem of interoperable, decentralized applications powered by token economies and automated smart contracts. Assets and applications designed on Ethereum are built with self-executing smart contracts that remove the need for a central authority or intermediary. The network is fueled by its native cryptocurrency, ether (ETH), which is used to pay transaction fees on the network. Being open-source, programmable, private and censorship resistant, Ethereum forms the backbone of a decentralized internet, which has already spawned significant innovation like initial coin offerings, stablecoins and DeFi applications. The ETH token currently has a market cap of US$275.1 billion.[8]	Adjusted on a block-by-block basis[9]
Polkadot (DOT)	Polkadot is a blockchain network designed to support various interconnected, application-specific sub-chains called parachains (short for parallelized chains). Each chain built within Polkadot uses Parity Technologies' Substrate modular framework, which allows developers to select specific components that suit their application-specific chain best. Polkadot refers to the entire ecosystem of parachains that plug into a single base platform known as the Relay Chain. This base platform, which also leverages Substrate, does not support application functionality but instead provides security to the network's parachains and contains Polkadot's consensus, finality, and voting logic. The DOT token currently has a market cap of US$39.4 billion.[10]	Adjusted on a block-by-block basis[11]
Oasis Network (ROSE)	Oasis Network is a privacy-focused smart contract platform for open finance built using the Cosmos SDK. The project prioritizes applications and use-cases that promote data privacy and user confidentiality. It aims to achieve this goal by separating its consensus layer from its contract execution layer, while providing a built-in interface connecting the two for privacy-preserving computation. The consensus layer acts as a hub that uses a PoS mechanism to secure the network and reach a consensus on transaction validity. The execution layer consists of multiple, parallel	Adjusted on a block-by-block basis[13]

[8] **Source:** C*oinMarketCap*, (accessed April 14, 2021), https://coinmarketcap.com/currencies/ethereum/

[9] **Source**: *Crypto's Trusted Partner of Choice for ETH2 Staking,* (accessed April 13, 2021), https://staking.staked.us/ethereum-staking-options.

[10] **Source:** C*oinMarketCap*, (accessed April 14, 2021), https://coinmarketcap.com/currencies/polkadot-new/

[11] **Source**: *Staking,* (accessed April 14, 2021), https://wiki.polkadot.network/docs/en/learn-staking.

[13] **Source:** *Token Metrics and Distribution,* (accessed February 16, 2021), https://docs.oasis.dev/oasis-network-primer/token-metrics-and-distribution.

Token	Description	Reward Rate Determined by:
	runtimes (called ParaTimes) for specialized computation needs that each plug into the consensus layer. The ROSE token currently has a market cap of US$302.7 million.[12]	

Given the technological complexity of staking, Tokens does not intend to stake more than five crypto tokens in its operations at any given time.

Staking tokens can be withdrawn from Coinbase's wallet at the request of Tokens, however this process may take up to 30 days depending on the time of withdrawal and staking provider. In addition, several cryptoassets require that validators commit to securing the network, and locking up their tokens, for an extended period of time. The validator still controls the tokens during this period, but is not able to liquidate the tokens being staked. These locked periods vary by token platform (see "*Risk Factors - Digital assets may be subject to hold periods*"). As an example, Ethereum 2.0 requires a lock-up of 18 months to stake.

In addition, to preserve its flexibility to stake new crypto tokens, Tokens intends to hold a small inventory of Bitcoin on its balance sheet, equal to no more than 20% of its inventory value, as Bitcoin is currently the most liquid cryptocurrency. For example, if Tokens chooses to provide staking services to a new crypto token, it would use the Bitcoin on its balance sheet to purchase the digital asset chosen for its staking operation. As of April 14, 2021, 10.4% of Tokens' portfolio is comprised of Bitcoin.

Token Staking Mechanics

Tokens works with Bison Trails, Staked and Polychain Labs to perform its staking process. The process to stake in conjunction with these providers is as follows:

1. A staker deposits native crypto tokens into their wallet using an external custodian or by self-custodying the token

2. The staker ties their token deposit to a specific validator (or server)

3. The validator runs specialized software which receives, processes and validates transactions that are being received on the network's blockchain

4. The network's algorithm randomly chooses the next validator that will validate a block of transactions

5. The validator approves or denies the block of transactions based on an algorithm

6. Other validators that were not selected as the main validator verify the transactions and that the validator acted appropriately

7. The newly validated block is added to the existing blockchain

8. The selected validator earns a transaction fee, paid in native token, directly into the wallet that was designated to receive the rewards for this validator

[12] **Source:** C*oinMarketCap*, (accessed April 14, 2021), https://coinmarketcap.com/currencies/oasis-network/

Proof-of-Work

The core of any blockchain is transaction security - or ensuring that the blockchain securely processes valid transactions.

Bitcoin uses PoW to secure its blockchain. In PoW, a wide range of participants, called miners, use a combination of specialized computer hardware and energy to calculate increasingly complex math problems.[14] The miners that solve these math problems first are chosen to validate, or approve, the most recent transactions on the blockchain, and are paid a reward in the native Bitcoin token for validating the transactions.

Bitcoin is secured through these efforts because individual miners each spend significant resources, in both fixed hardware costs and variable electricity costs, in an aim to earn the validation reward. This process has proven secure to date, but is quite slow, as each transaction takes 10 minutes to validate, and is resource intensive – the power consumption used to mine Bitcoin is currently comparable to the power consumption of the entire country of Chile.[15]

Proof-of-Stake

PoS blockchains are the natural successor to PoW. Instead of securing networks through depreciating hardware and expensive, carbon-generating electricity, PoS blockchains are secured by participants, called validators, who run branches of the network, called nodes. These validators pledge, or "stake", digital assets in order to be given the chance to earn rewards in exchange for validating transactions. The more tokens that a validator stakes, the higher the odds that it will be selected to validate a set of transactions, and therefore the higher the odds it will earn a staking reward. Validators risk losing their tokens if they break the rules of the network, such as by intentionally validating fraudulent transactions or not maintaining an appropriate level of network uptime. A network's slashing penalties can range between 0.1% of tokens held for a single act of unresponsiveness to 100% of tokens held for a gross act of misconduct, being an act that intentionally threatens the entire network.[16]

Advantages of PoS

PoS networks have many advantages to legacy PoW networks. These advantages include:

- Transaction speeds – PoS networks, by design, can process more transactions than PoW networks
- Energy efficiency – PoW networks require immense amounts of electricity
- Decentralization – there is significant risk that the PoW networks can be centralized in the hands of a small set of private enterprises
- PoS is not reliant on specialized and expensive hardware

Disadvantages of PoS networks include the risk that validators with a large number of tokens may have an outsized influence over the network staking rewards, and there are limited barriers to entry to the sector.

[14] **Source**: *Bitcoin: A Peer-to-Peer Electronic Cash System,* Satoshi Nakamoto (accessed April 13, 2021), https://bitcoin.org/bitcoin.pdf.
[15] **Source**: *Bitcoin Energy Consumption Index,* (accessed April 13, 2021), https://digiconomist.net/bitcoin-energy-consumption.
[16] **Source:** Slashing Mechanisms, (accessed April 13, 2021), https://w3f-esearch.readthedocs.io/en/latest/polkadot/slashing/amounts.html.

Staking Rewards

Each PoS blockchain network may use a different way of calculating staking rewards. Some are adjusted on a block-by-block basis, taking into account many different factors. These can include:

- how many crypto tokens the validator is staking;
- how long the validator has been actively staking;
- how many tokens are staked on the network in total; and
- the inflation rate.

For other networks, staking rewards are determined as a fixed percentage. These rewards are distributed to validators as a sort of compensation for inflation. Inflation encourages users to spend their crypto tokens instead of holding them, which may increase their usage as cryptocurrency. With this model, validators can calculate what staking reward they can expect.[17]

Ethereum and Migration to Ethereum 2.0

Tokens will be focused on using its technology to secure the Ethereum network, which is the largest blockchain, based on activity, and has the second largest market capitalization after Bitcoin. Ethereum is the leading asset in the cryptocurrency space for developers who want to write smart contracts and DeFi applications.[18] Tokens estimates that DeFi has grown from US$1 billion in January 2020 to US$57.9 billion in April 2021.[19]

The Ethereum blockchain has several innovative features that have driven its adoption:

- It is a platform to create "smart contracts", which enable parties to create and enforce a contract without an intermediary.
- Developers can use Ethereum to power decentralized applications that can operate without a centralized server.
- It is the primary network used for decentralized finance applications, such as lending and decentralized exchanges.

Ethereum was launched in 2015 as a PoW network, but in 2020, it initiated the process to migrate to PoS through a network upgrade called Ethereum 2.0. The ETH token currently has a market cap of US$275.1 billion. Ethereum 2.0 is rolling out in 3 stages (phases 0, 1 and 2). Ethereum 2.0 is currently in Phase 0, which describes the launch of the Beacon Chain (Ethereum's initial PoS blockchain). The currently defined future phases are Phase 1, which is the migration to shard chains (breaking up the processing of the Ethereum blockchain into multiple parts), and Phase 1.5, which is the migration of the Ethereum Mainnet into Ethereum 2.0. Ethereum 2.0 tokens that are staked at this time, including by Tokens, will be locked up until the launch of Phase 1.5. Any delays to the Ethereum 2.0 roadmap, and in particular the launch of Phase 1.5, may reduce Tokens' ability to unwind its Ethereum 2.0 holdings.

The final phase 2 stage is expected to be initiated in late 2021 or early 2022.[20] Once the network completes its migration, all transactions on the Ethereum blockchain will be validated by stakers, like Tokens.

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[17] **Source**: *What is Staking?,* (accessed April 13, 2021), https://academy.binance.com/en/articles/what-is-staking.
[18] **Source***: What is Ethereum?,* (accessed April 13, 2021), https://academy.binance.com/en/articles/what-is-ethereum.
[19] **Source**: *DeFi Pulse,* (accessed April 15, 2021), https://defipulse.com.
[20] **Source:** *FAQ,* (accessed April 13, 2021), https://consensys.net/knowledge-base/ethereum-2/faq.

Staking Ethereum 2.0 takes significant technical expertise. Validators (stakers) are responsible for storing Ethereum blockchain data, processing transactions and adding new blocks to the blockchain.

The reward for staking Ethereum depends on the total amount of Ethereum staked on the network, with current rewards yielding 8.99%.[21]

Custody

Tokens holds the majority of its digital assets with Coinbase, a SOC 1/ SOC 2 certified digital asset custodian. Coinbase claims to hold US$20 billion plus of digital assets for the world's top institutional and retail customers.[22] Coinbase holds digital assets in segregated cold-storage, meaning the assets are stored on devices without any internet access - making it significantly more difficult for a hacker to access the funds.

For Tokens' digital assets that cannot be custodied at Coinbase, being typically those where Coinbase does not support the custodying or staking of a particular digital asset, Tokens custodies its own assets using its extensive security protocols.

In the case of self-custody, the balance is held offline in "cold storage" via hardware wallet devices, such as the Ledger Nano X. These hardware wallets are physically secured in safety deposit boxes, with each Tokens' director having a hardware wallet and corresponding access key device required to approve transactions, and whereby at least 50% of Tokens' directors are required to approve any transaction.

Tokens also plans on using a multi-signatory smart contract stored on the blockchain to authenticate transactions initiated from crypto tokens in self-custody.

Principal Products or Services

Tokens is a company that utilizes PoS or staking technology to provide security and transaction validation services to digital assets that are built on blockchain technology. Tokens provides its staking services to digital assets in the cryptocurrency sector that developers use to write smart contracts and DeFi applications, such as Ethereum 2.0. DeFi is a new class of financial applications that provides users with automated and transparent financial services such as borrowing and lending, without the need for financial institutions. PoS is inextricably linked to DeFi, with staking providing the infrastructure and security needed to process transaction and secure blockchains. Tokens believes that as DeFi applications become mainstream in the future, the need for Tokens' staking service will commensurately increase.

Tokens will focus on staking digital assets that power DeFi applications, with a focus on Ethereum 2.0 (which currently has approximately 10x the market capitalization of the next largest PoS blockchain) and other large cryptocurrencies that have proven value propositions, offer compelling staking compensation and are listed on major exchanges. This strategy will allow shareholders to benefit from the staking rewards of these networks and benefit from migration of traditional banking services to digital asset based technology and DeFi applications in the coming years.

Operations

As a staker, Tokens is compensated in the form of crypto token rewards for staking tokens to secure and process transactions across selected blockchain-based digital assets. The token rewards are expected to, in

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[21] **Source***: Staked.us,* (accessed April 14, 2021), *https://staking.staked.us/ethereum-staking-options*
[22] **Source:** *Coinbase has $20 billion in custody following a $14 billion addition*, (accessed April 15, 2021), https://coinjournal.net/news/coinbase-has-20-billion-in-custody-following-a-14-billion-addition

equal proportion, be re-staked and converted to fiat equivalent currencies (CAD or USD) to be used for corporate overhead or eventual distribution to shareholders in the form of a dividend in fiat currency.

Tokens, through its technology partnerships with Bison Trails, Polychain Labs and Staked (see "*Information Concerning Tokens - Material Contracts*"), operates nodes to stake atop a select few leading digital asset protocols, and in turn, earns crypto token rewards for processing transactions and securing crypto networks. These firms are recognized industry leaders (demonstrated by superior staking uptime and well-developed security processes). Working with top tier partners is intended to ensure that Tokens' staking yields are maximized while minimizing errors that could compromise staking yields.

In order to stake, Tokens is required to purchase crypto tokens that meet its criteria (see "*Information Concerning Tokens - Token Selection*"). These digital assets are placed into cold storage protection (see "*Information Concerning Tokens - Custody*") and then delegated to one of Tokens' staking partners for the execution of the staking process. The tokens or digital assets never leave custody and Tokens is always in possession of its digital assets.

Unlike lending, there is no counterparty risk and there is no transfer of assets or capital. [23] In Tokens' opinion, this inherently makes staking one of the safest activities that can be performed in cryptocurrency to earn revenue. Since the process to begin staking is immediate (there is no wait time to order, receive and install hardware like in PoW) and staking rewards are not limited by scale, Tokens can quickly deploy capital into staking assets at almost any scale to earn token compensation. Tokens believes this is a key advantage of PoS over PoW with respect to implementation of services and retention of asset value, as PoW miners frequently end up waiting months for equipment delivery, and contend with large equipment write-downs and high amounts of equipment depreciation that stakers do not have.

Tokens purchases its core unit of production, being crypto tokens, from a variety of sources, including Coinbase, Binance and DV Chain, and via over-the-counter transactions with various blockchain foundations and investment funds. Given the variety of vendors, there are limited supply constraints. When considering whether to develop in-house staking technology, Tokens will evaluate whether the fees paid to external staking providers will outweigh the hardware, staffing and security costs required to stake in-house.

Tokens intends to explore the development of staking technology in-house for the purpose of staking its own digital assets and, over time, plans to provide staking services to institutional third parties that will compensate Tokens for providing the PoS technology. However, Tokens will only pursue this avenue if it determines that developing the technology in-house will lead to value accretion for shareholders over the long-term. Tokens is already post-commercialization, and staking operations are fully operational with no need for further development.

Intellectual Property

Tokens believes its brand name (i.e., Tokens.com) has intangible value, however it does not have any registered intellectual property.

Seasonality

Tokens does not expect the cryptoassets industry to be cyclical or have any seasonality.

Dependence on Suppliers and Foreign Operations

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[23] **Source***: Understanding Staking's Opportunity Cost,* Ganesh, (accessed April 13, 2021), https://www.covalenthq.com/blog/staking-opportunity-cost-risk.

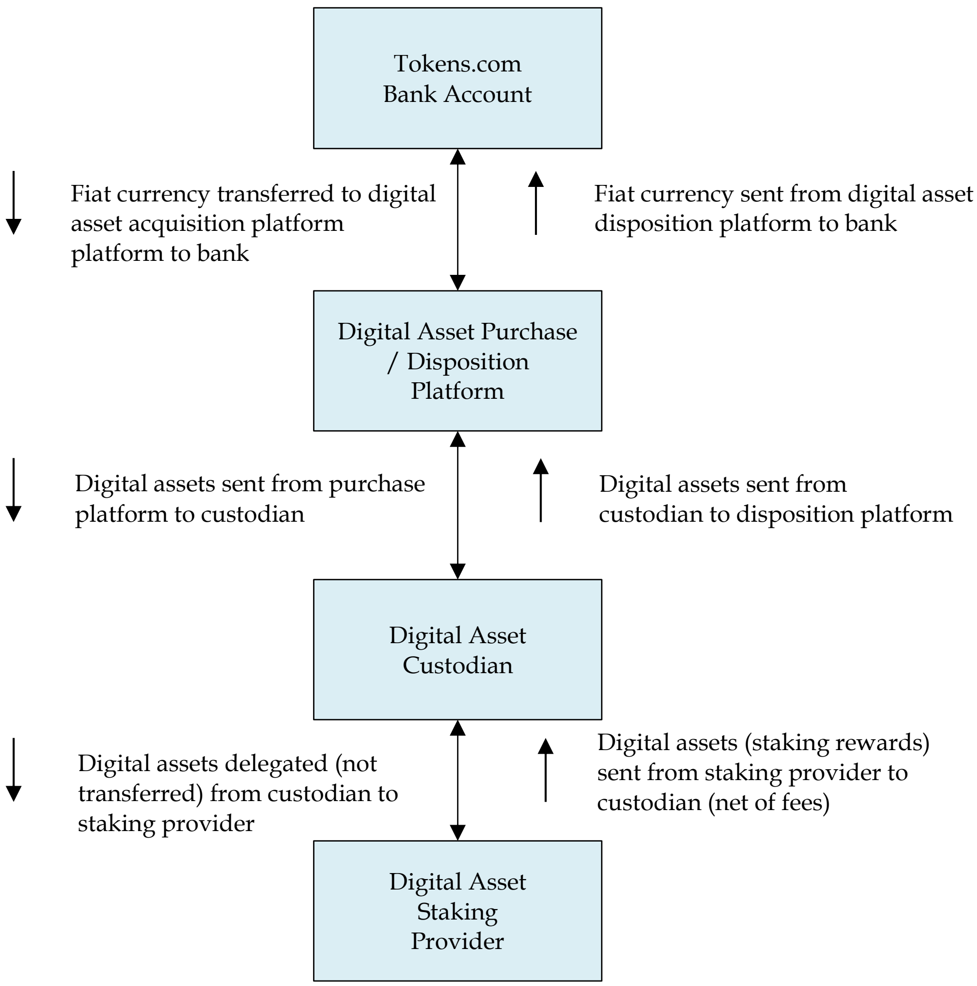
Tokens is not currently dependent on any specific third party contract and has several alternatives for each key function provided by third parties. Tokens has no risks associated with foreign operations.

Employees

As at the date of this Filing Statement, Tokens has six employees, some of which are full-time and some of which are part-time.

Flow of Funds

Tokens maintains control of its fiat and digital assets during the crypto token acquisition, staking and disposition process. Please see the diagram below that describes Tokens' typical flow-of-funds:



Competitive Conditions

There are believed to be over US$20 billion of crypto tokens being staked across the networks Tokens participates in. Any market participant with sufficient capital and know-how has the ability to acquire tokens on the open market and start staking. However, given the variety of crypto tokens vendors, there are limited supply constraints and competition from other market participants is not believed by Tokens' management to be a material risk to Tokens' business.

Lending

Tokens does not undertake any lending activities.

Bankruptcies, Receiverships and Similar Proceedings

There has never been any bankruptcy, receivership or similar proceedings against Tokens and Tokens has not been party to any voluntary bankruptcy, receivership or similar proceedings.

Reorganizations

There has not been any material reorganization of Tokens since its incorporation.

Selected Consolidated Financial Information and Management's Discussion and Analysis

The following MD&A is prepared by management of Tokens as at April 14, 2021.

Selected Annual Information

The following table sets out selected financial information for Tokens as at December 31, 2020:

Item	As at and for the period from incorporation until December 31, 2020 (CAD$) (unaudited)(1)	As at and for the period from incorporation until December 31, 2020 (US$) (audited)
Total Assets	2,969,106	2,332,003
Total Liabilities	55,857	43,872
Shareholders' Equity	2,913,248	2,288,131
Income per common share – basic and diluted	$(0.01)	$(0.01)
Revenue	7,552	5,932
Expenses	175,050	137,489
Comprehensive income	(14,883)	(11,690)
Financing Activities	2,830,632	2,223,243
Increase in cash and cash equivalents	2,486,530	1,952,977
Cash dividends declared	-	-

(1) Conversion to CAD based on US/CAD exchange rate of 1.2732 on December 31, 2020 based on the Bank of Canada noon exchange rate on December 31, 2020.

During the period from Tokens' incorporation on November 9, 2020 to December 31, 2020, Tokens generated revenue of US$5,932 consisting of consulting revenue of US$5,698 and a staking yield of US$234. Revenue was derived from the yield earned on Tokens' investment in Oasis Rose Tokens (US$250,000 of staked assets), and a related consulting service agreement by which Tokens earned an additional grant of Oasis Rose Tokens. During this same period, the staked assets had an unrealized gain of $116,667, representing 46.6% of cryptocurrency appreciation. Tokens believes this trial period helps to validate its business model for execution at a larger scale.

Management's Discussion and Analysis

Tokens is not a reporting issuer. The following MD&A has been prepared solely for inclusion in this Filing Statement and should be read in conjunction with the Tokens Financial Statements attached to this Filing

Statement as Schedule D. This MD&A also contains forward-looking statements, which are subject to a variety of factors that could cause actual results to differ materially from those contemplated by these statements. See "*Cautionary Statement Regarding Forward-Looking Statements*". Some of the factors that could cause results or events to differ from current expectations include, but are not limited to, the factors described under the heading "*Risk Factors*".

Trends and Outlook

Ethereum's migration to PoS is in progress, and a failure of Ethereum to successfully migrate to PoS could damage the ecosystem and reduce the number of blockchains that leverage staking.

In Phase 0 of the migration to Ethereum 2.0, users on the Ethereum 1.0 chain will be able to lock their Ethereum 1.0 ether (i.e., tokens) up in a contract and will be credited with that same amount of Ethereum 2.0 ether on the beacon chain. The lockup risk is significant, as ether on the Ethereum 1.0 chain will effectively be burned during the process.[24] If ether is not successfully migrated between the two versions of the network, the adoption of all PoS networks and their underlying ether could be adversely affected.

Multiple proposals are being considered regarding the state migration of the Ethereum 1.0 chain. The decision on which proposal to execute and the ability to do so could have unforeseeable consequences on the ecosystem of PoS networks. For example, if a bug in Ethereum's smart contract code is found and exploited, the network could be subject to a malicious attack, undermining the confidence of PoS networks more broadly.

During the lockup period, a futures market for locked up ether 2.0 could emerge, resulting in two versions of the token. The two versions of ether could fragment the Ethereum user community, reducing the initial adoption of Ethereum 2.0 and PoS technology.

An increase of capital flowing to PoS assets may reduce the yields available to firms staking crypto tokens.

The reward rate for staking crypto tokens is set by the rules of each PoS network and is neither controlled nor influenced by Tokens. Each PoS network sets its underlying rewards rate (applicable to all stakers equally) depending on a variety of factors, but primarily, on the total amount of tokens staked to the network.[25]

Reward rates on staked PoS assets are generally negatively correlated with the amount staked on the network. For example, if the total ether staked on the network is very low, the return rate per validator increases, but as the total number of ether staked rises, each validator will receive fewer rewards. If a significant increase in capital inflows to PoS assets results in a surge in staked crypto tokens across networks, all stakers, including Tokens, could be faced with declining reward rates.

A radically improved consensus mechanism with superior features could be invented and widely adopted, adversely affecting the adoption of Ethereum 2.0, PoS networks and staking.

Demand for ether is driven in part, by its programmability and widespread adoption among crypto developers. It is possible that another digital asset other than ether could have features making it more desirable to a material portion of the digital asset user base. Other consensus mechanisms being actively studied and applied by the crypto ecosystem include, but are not limited to, Delegated Proof-of-Stake (dPoS), Proof-of-Authority (PoA), and Practical Byzantine Fault Tolerance (PBFT). As a first-mover (along

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[24] **Source:** *Eth 1.0 to 2.0 Migration,* (accessed April 13, 2021), https://docs.ethhub.io/ethereum-roadmap/ethereum-2.0/eth-1.0-to-2.0-migration/#new-proposal.
[25] **Source:** *Staking and Inflation on Coinbase*, (accessed April 13, 2021), https://help.coinbase.com/en/coinbase/trading-and-funding/staking/staking-on-coinbase**.**

with Bitcoin), Ethereum benefits from having an existing large user base and a history of secure options. Despite this advantage, it is possible that an improved or novel consensus mechanism with features deemed superior by developers could thwart the adoption of Ethereum 2.0 and other PoS-based networks.

Description of Securities

Common and Preferred Shares

The authorized capital of Tokens consists of an unlimited number of Class A common shares (being the Tokens Shares), Class B common shares, Class C common shares, Class D common shares, Class E preferred shares, Class F preferred shares, Class G preferred shares, Class H preferred shares, Class I preferred shares, Class J preferred shares, Class K preferred shares, Class L preferred shares, and Class V preferred shares, of which there are currently 12,868,131 Tokens Shares issued and outstanding and no other shares outstanding.

Effective April 15, 2021, Tokens Shareholders approved an amendment to Tokens' articles to delete all classes of shares except the Tokens Shares, such that, immediately prior to the Closing, the Tokens Shares will be Tokens' only authorized class of shares. Upon completion of the Transaction, all issued and outstanding Tokens Shares will be exchanged for COIN Shares.

The holders of Tokens Shares are entitled to dividends if, as and when declared by the Tokens Board, to cast one vote per Tokens Share at any meeting of Tokens Shareholders, and, subject to the rights of the holders of the preferred shares, upon liquidation, holders of Tokens Shares are entitled to receive, in equal amounts per share with the holders of Class B common shares, Class C common shares and Class D common shares, without preference or distinction, all of the remaining property and assets of Tokens.

The Tokens Shares do not have any pre-emptive rights; any conversions or exchange rights; any redemption, retraction, purchase for cancellation or surrender provisions; any sinking or purchase fund provisions; any provisions permitting or restricting the issuance of additional securities and any other material restrictions; or any provisions requiring a holder to contribute additional capital.

Stock Options

As of the date of this Filing Statement, Tokens has 486,500 Tokens Options, on a pre-Tokens Split basis, outstanding (1,524,204 on a post-Tokens Split basis).

As at the date of this Filing Statement, 111,500 Tokens Options, on a pre-Tokens Split basis, have vested (349,329 on a post-Tokens Split basis). 75,000 Tokens Options, on a pre-Tokens Split basis (234,975 on post-Tokens Split basis), are scheduled to vest on December 1, 2021, 150,000 Tokens Options, on a pre-Tokens Split basis (469,950 on a post-Tokens Split basis), are scheduled to vest on December 1, 2022 and 150,000 Tokens Options, on a pre-Tokens Split basis (469,950 on post-Tokens Split basis), are scheduled to vest on December 1, 2023.

Consolidated Capitalization

The following table sets out material changes in the share and loan capital of Tokens since December 31, 2020:

Designation of Security	Amount authorized or to be Authorized	Amount Outstanding as at December 31, 2020 (audited) (on a pre-Tokens Split basis)	Amount to be outstanding immediately prior to Closing (on a post-Tokens Split basis)
Tokens Shares	Unlimited	12,868,131(1)(2)	73,645,835(1)(3)

(1) On an undiluted basis.

(2) Tokens had a deficit of US$128,357 as at December 31, 2020.

(3) Calculated on an undiluted basis, assuming completion of the Tokens Split and conversion of all Subscription Receipts into Tokens Shares.

Prior Sales

The following table sets forth details of the number and price at which securities of Tokens have been issued within the 12 months prior to the date of this Filing Statement:

Date	Number and Type of Security (on a pre-Tokens Split basis)	Number and Type of Security (on a post-Tokens Split basis)	Issue Price per Security (on a pre-Tokens Split basis)	Issue Price per Security (on a post-Tokens Split basis)	Aggregate Issue Price	Consideration Received
November 27, 2020	11,000,000 Tokens Shares(1)	34,463,000 Tokens Shares(1)	US$0.05(2)	US$0.016	US$550,000.00	Cash
December 2, 2020	486,500 Tokens Options(3)	1,524,204 Tokens Options(4)	N/A	N/A	N/A	N/A
December 18 to 31, 2020	1,868,131 Class A common shares(5)	5,852,854 Class A common shares(5)	US$0.91(6)	US$0.29	US$1,699,999	Cash
March 10, 2021	8,821,431 Subscription Receipts	27,637,543 Subscription Receipts	$2.35	$0.75	$20,730,363	Cash
March 16, 2021	1,816,929 Subscription Receipts	5,692,438 Subscription Receipts	$2.35	$0.75	$4,269,783	Cash

(1) 2,500,000 of these Tokens Shares were issued to Andrew Kiguel, the CEO and a director of Tokens, and 2,500,000 of these Tokens Shares were issued to Avondale Road Capital Corp., a company controlled by Mr. Kiguel.

(2) Issue price in CAD was $0.06, based on exchange rates provided by the Bank of Canada as at the date of issue (being 1.2985).

(3) 150,000 of these Tokens Options were granted to Andrew Kiguel, the CEO and a director of Tokens, 300,000 of these Tokens Options were granted to Deven Soni, Chief Operating Officer of Tokens, and 6,000 of these Tokens Options were granted to Kyle Appleby, CFO of Tokens.

(4) Each Tokens Option is exercisable into one Tokens Share at a price of US$0.25 (on a pre-Tokens Split basis), being equivalent to CAD$0.32, based on exchange rates provided by the Bank of Canada as at the date of grant (being 1.2934), which exercise price will be adjusted to US$0.08 per Tokens Share following the Tokens Split.

(5) 27,470 of these Tokens Shares were issued to Deven Soni, Chief Operating Officer of Tokens.

(6) Issue price in CAD is $1.116, based on exchange rates provided by the Bank of Canada.

Stock Exchange Price

No securities of Tokens are listed on the TSXV, the NEO Exchange or any other Canadian or foreign stock exchange, or traded on any Canadian or foreign market.

Executive Compensation

Tokens does not have any formal compensation policies in place for its executive officers or directors. Tokens has not issued any Share-Based Awards to its executive officers or directors.

The Tokens Board does not have a compensation committee. All compensation matters are dealt with by the entire Tokens Board.

The following table summarizes the compensation earned by, paid to, or awarded to the Named Executive Officers and directors of Tokens for the period from incorporation on November 9, 2020 to December 31, 2020:

Name and Principal Position	Period ended	Salary ($)	Share-Based Awards ($)	Option-Based Awards ($)	Non-Equity Incentive Plan Compensation ($)		Pension Value ($)	All Other Compensation ($)	Total Compensation ($)
					Annual Incentive Plans	Long-Term Incentive Plans			
Andrew Kiguel CEO	2020	-	-	$12,251[(2)]	-	-	-	-	$12,251
Deven Soni Chief Operating Officer	2020	-	-	$24,503[(2)]	-	-	-	-	$24,503
Kyle Appleby[(1)] CFO	2020	$3,000	-	$5,413[(2)]	-	-	-	-	$8,413

(1) Kyle Appleby is engaged through CFO Advantage Inc., a company of which he is the sole shareholder, officer and director. Pursuant to a consulting services agreement, CFO Advantage Inc. is paid a fee of $3,000 per month for the services of Mr. Appleby.

(2) The grant date fair value of the Option-Based Awards was determined using the Black-Scholes option valuation model. The Named Executive Officers of Tokens were not paid any additional compensation directly or indirectly other than as disclosed above.

Option-Based Awards

The following table sets forth the Option-Based Awards granted to Tokens' Named Executive Officers and directors in the period ended December 31, 2020:

Name	Number of securities underlying unexercised Tokens Options (on a pre-Tokens Split basis)	Number of securities underlying unexercised Tokens Options (on a post-Tokens Split basis)	Exercise Price (on a pre-Tokens Split basis)	Exercise Price (on a post-Tokens Split basis)	Expiry Date	Value of unexercised in-the-money Tokens Options[(1)]	Number of Tokens Options that have not vested (on a pre-Tokens Split basis)
Andrew Kiguel CEO and Director	150,000	469,950	US$0.25	US$0.08	December 2, 2030	US$239,675	150,000
Deven Soni Chief Operating Officer	300,000	939,900	US$0.25	US$0.08	December 2, 2030	US$479,349	300,000
Kyle Appleby CFO	6,000	18,798	US$0.25	US$0.08	December 2, 2030	US$9,587	-

(1) As the Tokens Shares are not publicly traded, the amounts set out in this column are based on the difference between the exercise price of the Tokens Options (on a post-Tokens Split basis) of US$0.08 and the price per Subscription Receipt of US$0.59 (on a post-

Tokens Split basis), based on exchange rates provided by the Bank of Canada on the date of grant of the Tokens Options (being 1.2934), being US$0.51, multiplied by the number of Tokens Options held (on a post-Tokens Split basis).

Pension Plan Benefits

Tokens does not have in place any defined benefits or defined compensation pension plans for Named Executive Officers that provide for payments or benefits at, following or in connection with retirement.

Compensation Philosophy and Objectives

The compensation program of Tokens is designed to attract, motivate, reward and retain knowledgeable and skilled executives required to achieve Tokens' business objectives and increase shareholder value. The main objective of the compensation program is to recognize the contribution of the Named Executive Officers to the overall success and strategic growth of Tokens. The compensation program is designed to reward management performance by aligning a component of the compensation with Tokens' business performance and share value. The philosophy of Tokens is to pay management a total compensation amount that is competitive with other companies in a similar industry and is consistent with the experience and responsibility level of management. The purpose of executive compensation is to reward the executives for their contributions to the achievements of Tokens on both an annual and long-term basis.

Base Salary

Base salaries are intended to provide an appropriate level of fixed compensation that will assist in employee retention and recruitment. Base salaries will be determined on an individual basis, taking into consideration the past, current and potential contribution to Tokens' success, the position and responsibilities of the Named Executive Officers, and competitive industry pay practices for other blockchain companies of comparable size.

Management Contracts

Management functions of Tokens are substantially performed by directors or senior officers of Tokens and have not been performed, to any substantial degree, by any other Person with whom Tokens has contracted. Details of the contracts between Tokens and each of its executive officers, all of which are expected to continue to remain in place following the Closing, are set out below:

Andrew Kiguel (CEO and Director)

Mr. Kiguel provides his services to Tokens pursuant to an executive employment agreement dated January 1, 2021 between Mr. Kiguel and Tokens. Pursuant to the terms of the agreement, effective as of January 1, 2021, Mr. Kiguel is entitled to receive a salary of $375,000 per annum (the "**Base Salary**"), less applicable deductions and withholdings. Additionally, Mr. Kiguel is entitled to receive an annual bonus, with a target of 50% of the Base Salary, based on the achievement of performance metrics to be mutually established by the Tokens Board and Mr. Kiguel at the beginning of each year. Mr. Kiguel has also received 150,000 Tokens Options on a pre-Tokens Split basis (469,950 on a post-Tokens Split basis), which vest over the course of three years. The term of the agreement is indefinite and may be terminated without cause by Tokens providing written notice to Mr. Kiguel, specifying the effective date of termination, and by Mr. Kiguel on providing four weeks' written notice.

Should a Change of Control (as defined in the agreement) occur and Mr. Kiguel's employment is terminated within 12 months of such Change of Control without cause, or Mr. Kiguel terminates his employment for Good Reason (as defined in the agreement), Mr. Kiguel shall be entitled to the following:

a) (i) the accrued and unpaid Base Salary up to the date of termination; (ii) accrued and outstanding vacation pay to the date of termination; and (iii) reimbursement for expenses properly incurred to the date of termination;

b) the annual bonus awarded in respect of the year preceding the year of termination that has not been paid by the date of termination;

c) the annual bonus for the year in which employment terminates, pro-rated to the date of termination;

d) within four weeks of the date of termination, Tokens shall pay in lump-sum the Base Salary;

e) Tokens shall pay the annual bonus with respect to entitlement during the severance period; and

f) benefits and prerequisites shall continue to be paid during the minimum statutory notice period and group health and dental benefits shall continue for the remainder of the severance period.

The agreement includes a non-competition clause, whereby, during the term of the agreement and for a period of 12 months from the date of its termination, Mr. Kiguel is prohibited from: (i) carrying on or being engaged in a capacity that is similar to his role with Tokens as CEO within British Columbia, Alberta, Ontario and Quebec with respect to activities that are competitive to the business of Tokens; and (ii) having any financial interest or otherwise being commercially involved in any undertaking or business within British Columbia, Alberta, Ontario and Quebec with respect to activities that are competitive to the business of Tokens. Further, the agreement includes a non-solicitation provision, whereby, during the term of the agreement and for a period of 12 months from the date of its termination, Mr. Kiguel is prohibited from soliciting any employees of Tokens.

Kyle Appleby (Chief Financial Officer)

Mr. Appleby provides his services to Tokens pursuant to a consulting services agreement dated December 1, 2020 between Tokens and CFO Advantage Inc., a company controlled by Mr. Appleby. Pursuant to the terms of the agreement, Tokens pays CFO Advantage Inc. $3,000 a month for the provision of services by Mr. Appleby. The agreement provides that it may be terminated without cause at any time and for any reason by either party providing one month's written notice to the other party. The agreement also includes a non-solicitation provision whereby, during the term of the agreement and for a period of 12 months following termination of the agreement, CFO Advantage Inc. will not solicit any employees of Tokens.

Deven Soni (Chief Operating Officer and Director)

Mr. Soni provides his services to Tokens pursuant to a consulting services agreement dated December 1, 2020 between Tokens and DASA Software Inc., a company controlled by Mr. Soni. Pursuant to the terms of the agreement, DASA Software Inc. is entitled to receive compensation of US$7,500 per month effective as of January 1, 2021. Deven Soni has also received 300,000 Tokens Options on a pre-Tokens Split basis (939,900 on a post-Tokens Split basis) which vest over three years. The agreement may be terminated at any time by either party upon 30 days' written notice to the other party.

Arm's Length Transaction

Tokens has not acquired any assets or any services from a director or officer, principal securityholder or an Associate or an Affiliate of any such Person since incorporation. As such, the proposed Transaction is an Arm's Length Transaction.

Legal Proceedings

Tokens is neither a party to, nor is any of its property the subject matter of, any legal proceedings, nor is any such proceedings known to Tokens to be contemplated by any party.

Material Contracts

Tokens has not entered into any material contracts outside of the ordinary course of business prior to the date hereof, other than:

(a) the Bison Trails MSA;

(b) the Polychain MSA;

(c) the Staked Services Agreement;

(d) the Subscription Receipt Agreement;

(e) the Agency Agreement;

(f) the Coinbase User Agreement; and

(g) the AStar TPA and the associated AStar Consulting Agreement.

Descriptions of the material contracts that are not described elsewhere in this Filing Statement are as follows:

Bison Trails MSA

On December 11, 2020, Tokens entered into the Bison Trails MSA with Bison Trails Co. Pursuant to this agreement, Bison Trails provides a fully managed platform powering the critical infrastructure required to operate nodes across a number of blockchains. Bison Trails has guaranteed a 99% platform uptime guarantee for the monthly billing cycle. If this service level is not maintained, Tokens is eligible for a service credit equal to 10% of the pro-rata fees for such month. Bison Trails will also provide Tokens with any professional services necessary to configure the hosted service as set forth in the applicable order schedule. Platform changes will only be deployed to Tokens after a code review and testing in a staging environment, where manual quality assurance testing is performed.

The fees connected to the provision of these services are initially expected to be approximately 8% of tokens rewards generated. If necessary, the Bison Trails will decrease the applicable service fees so that the pricing afforded to Tokens is at least equal to the pricing afforded to other third parties.

Either party may terminate the Order Schedule (as such term is defined in the Bison Trails MSA) at any time for convenience upon thirty days' prior written notice to the other party, subject to any unbonding period set by the network protocol.

Polychain MSA

On November 25, 2020, Tokens entered into a master service agreement with Polychain Labs, a designer, builder and operator of validating infrastructure on various blockchain networks.

Polychain Labs was founded in 2018 and is led by a team of engineers from Coinbase, Google and NASA's Jet Propulsion Laboratory to provide secure, institutional grade staking services.[26] Polychain Labs is an affiliate and primary service provider for one of the leading and largest cryptocurrency VC funds, Polychain Capital.[27] Polychain Labs has built the industry's largest private staking infrastructure that supports all major staking blockchains.

Risk management is a key priority for Polychain Labs, with the company having isolated control planes with geographic redundancy and industry-leading double-signing protection against malfunction and loss. Polychain Labs designs their operations with scale and security in mind, having invested heavily in financial auditability and compliance for the networks they operate on. Presently, Polychain Labs operates some of the largest staking operations across the Tezos, Cosmos, and Terra networks.[28] Polychain Labs continues to help these networks scale, while using this experience to help Tokens confidently launch validators on several more networks that Tokens is incubating. Polychain Labs continues to be focused on the potential of programmable money and continues to advance the state of the art through proof-of-stake networks infrastructure. [29]

Tokens will delegate a portion of its cryptocurrency assets to Polychain Labs so that Polychain Labs may provide validating and staking services in respect of Tokens' delegated assets, subject to the terms and conditions of the agreement. The fees connected to the provision of Polychain Labs' services are initially expected to be approximately 20% of tokens rewards generated.

Staked Services Agreement

On January 18, 2021, Tokens entered into the Staked Services Agreement. Pursuant to the Staked Services Agreement, Staked will provide a fully managed platform powering the critical infrastructure required to operate Ethereum 2.0 validators. For each hour of staking downtime, Tokens shall be entitled to a credit in the amount equal to the pro-rated net revenue for one hour of the revenue share that would ordinarily be payable, plus a credit for any slashing penalties, if applicable, incurred as a result of such staking node downtime. All staking nodes are monitored by Staked 24 hours a day, 7 days per week. Staked will inform Tokens of all scheduled maintenance which could reasonably be expected to cause significant degradation of block product or general downtime.

The fees connected to the provision of these services are initially expected to be approximately 10% of tokens rewards generated.

Either party may terminate this agreement at any time for its convenience upon 30 days' prior written notice to the other party, subject to any unbonding period set by the network protocol.

Coinbase User Agreement

The Coinbase User Agreement was entered into on December 8, 2020 between Tokens and Coinbase, which became publicly listed on Nasdaq on April 14, 2021. Coinbase provides wallet and vault services to Tokens. Coinbase was founded in 2012 in San Francisco, California, where it is currently headquartered.[30] Since inception, Coinbase has raised approximately US$547 million from leading investors, including Andreesen

[26] **Source:** *Polychain Labs!*, (accessed April 13, 2021), https://blog.polychainlabs.com/polychain/2019/05/17/polychain-labs.html.
[27] **Source:** *Polychain Labs*, (accessed April 13, 2021), https://union.market/provider/polychainlabs.
[28] **Source:** *Polychain Labs!*, (accessed April 13, 2021), https://blog.polychainlabs.com/polychain/2019/05/17/polychain-labs.html.
[29] **Source:** *Polychain Labs!*, (accessed April 13, 2021), https://blog.polychainlabs.com/polychain/2019/05/17/polychain-labs.html.
[30] **Source:** *About Coinbase*, (accessed April 13, 2021), https://www.coinbase.com/about.

Horowitz, Tiger Global Management and Polychain Capital, and the New York Stock Exchange.[31] Coinbase is independent of Tokens.

Coinbase is regulated under the New York Department of Financial Services.[32] As such, Coinbase is a fiduciary under NY State Banking Law and is held to the same fiduciary standards as national banks in the US. Coinbase undergoes regular financial and security audits and has obtained both SOC 1 Type II and SOC 2 Type II reports.[33] All digital assets are segregated and held in trust.[34]

In addition, Coinbase has an insurance policy, established in 2013, that is provided through a global syndicate that includes Lloyd's of London and is coordinated through AON Risk.[35] The insurance policy covers all types of storage and has a US$255 million limit.[36]

In accordance with the terms of the agreement, Coinbase is responsible for wallet and custodial services which include establishing and hosting Tokens'; (a) digital currency wallet(s) for holding digital currencies; and (b) wallet for holding USD. Coinbase is also responsible for payment services, purchase and sale transactions, credit transactions, digital currency transfers and additional services as outlined in the agreement.

Although Tokens' cryptocurrency assets are not stored in a physical sense, the transaction records included in the blockchain assign a location for each of Tokens' cryptocurrency assets to the account established by Coinbase. Private keys are kept in "cold storage," which means that the cryptocurrency assets are not directly connected to, or accessible from, the internet or other computers.[37] The wallets within Tokens' wallet digitally hold the cryptocurrency and permit Tokens to transfer and/or sell upon advanced notice to Coinbase. Access to a digital wallet, and the cryptocurrencies that it holds, is restricted through the public-private key pair, which may be broken into parts, referred to as multi-signature, that relates to each digital wallet.[38] Coinbase is responsible for the safekeeping of Tokens' private keys that are used to access its cryptocurrency account and that facilitate the transfer of cryptocurrency in accordance with Tokens' instructions.

AStar TPA and AStar Consulting Agreement

The AStar TPA was entered into on November 21, 2020, between Tokens and AStar Technologies, which contemplates Tokens acting as a consultant to Astar Technologies and for which Tokens is to be compensated in Rose. More specifically, Tokens will receive 1,005,000 ROSE tokens in 12 months from the Oasis network launch (i.e. November 17, 2021) and 170,000 ROSE tokens in 18 months from the Oasis Network launch (i.e. May 17, 2022).

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[31] **Source:** *Behind the Listing of Coinbase: Chinese capital enters the market, with a valuation of US$38 billion*, (accessed April 13, 2021), https://www.programmersought.com/article/16986695891/.

[32] **Source:** *Department of Financial Services – Virtual Currency – List of Regulated Entities*, (accessed April 13, 2021), https://www.dfs.ny.gov/apps_and_licensing/virtual_currency_businesses/regulated_entities.

[33] **Source:** *In another first, Coinbase Custody attains its SOC1 and SOC2 reports*, (accessed April 13, 2021), https://blog.coinbase.com/in-another-first-coinbase-custody-attains-its-soc-1-and-soc-2-reports-836f836ec60a.

[34] **Source:** *Coinbase Custody*, (accessed April 13, 2021), https://custody.coinbase.com/.

[35] **Source:** *Lloyd's Of London, Aon And Others Poised To Profit From Cryptocurrency Hacker Insurance*, (accessed April 13, 2021), https://www.forbes.com/sites/jeffkauflin/2019/09/05/lloyds-of-london-aon-and-others-poised-to-profit-from-cryptocurrency-hacker-insurance/?sh=251492b132aa.

[36] **Source:** *Lloyd's Of London, Aon And Others Poised To Profit From Cryptocurrency Hacker Insurance*, (accessed April 13, 2021), https://www.forbes.com/sites/jeffkauflin/2019/09/05/lloyds-of-london-aon-and-others-poised-to-profit-from-cryptocurrency-hacker-insurance/?sh=251492b132aa.

[37] **Source:** *Cold Storage*, (accessed April 13, 2021), https://www.investopedia.com/terms/c/cold-storage.asp.

[38] **Source:** *Multi-Sig vs MPC: Which is more secure?* (accessed April 13, 2021), https://blog.bitgo.com/multi-sig-vs-mpc-which-is-more-secure-699ecefc8430.

Copies of the material contracts will be available for inspection without charge at the head office of Tokens at 100 King Street West, Suite 3400, 1 First Canadian Place, Toronto, Ontario M5X 1A4 during ordinary business hours from the date of this Filing Statement until the completion of the Transaction and for a period of 30 days thereafter.

INFORMATION CONCERNING THE RESULTING ISSUER

The following information is presented on a post-Transaction basis and is reflective of the projected pro forma business, financial and share capital position of the Resulting Issuer assuming completion of the Transaction. It should be read in conjunction with the information concerning the Transaction appearing elsewhere in this Filing Statement. As the Resulting Issuer will be the same corporate entity as COIN, this section only includes information respecting COIN (and Tokens, as applicable) after the Transaction that is materially different from information provided elsewhere in the Filing Statement regarding COIN and Tokens pre-Closing. See "Information Concerning COIN" and "Information Concerning Tokens" for additional information regarding COIN and Tokens, respectively.

Corporate Structure

Name and Incorporation

The Resulting Issuer is expected to continue to exist as an Ontario company following the Closing.

In connection with the Closing, COIN intends to change its name to "Tokens.com Corp." or such other name as may be agreed to by COIN and Tokens. The Resulting Issuer Shares are expected to trade on the NEO Exchange under the trading symbol "COIN".

It is expected that the registered and head office of the Resulting Issuer will be located at 100 King Street West, Suite 3400, 1 First Canadian Place, Toronto, Ontario M5X 1A4.

Intercorporate Relationships

The following table describes the expected subsidiaries of the Resulting Issuer following the Closing, their place of incorporation, continuance or formation, and the percentage of the outstanding voting securities of each subsidiary that will be beneficially owned, controlled or directed by the Resulting Issuer:

Name of Subsidiary	Percentage of Voting Securities Owned	Jurisdiction of Incorporation or Continuance
Amalco	100% (direct)	Ontario

It is expected that all COIN subsidiaries other than Newco will be divested or wound up prior to Closing such that, following the Closing, Amalco is the only subsidiary of the Resulting Issuer.

Narrative Description of the Business

Principal Business

Following the Closing, the Resulting Issuer will be initially in the business of operating the technology that secures next generation blockchain networks through PoS technology that supports the growth of decentralized finance applications (which are built on top of blockchains). See "*Information Concerning Tokens – General Development of the Business*" and "*Information Concerning Tokens – Narrative Description of the Business*".

Stated Business Objectives

The business objectives of the Resulting Issuer will be the business objectives of Tokens. See "*Information Concerning Tokens – General Development of the Business*" and "*Information Concerning Tokens – Narrative Description of the Business*".

Milestones

The following table sets out the Resulting Issuer's targeted business milestones, as well as the expected timeframe for, and cost of, achieving same:

Milestone	Estimated Completion Date	Estimated Cost
Establish Market Presence: Tokens will leverage its relationships within the blockchain and digital asset industry to gain access to technological advancements in staking and competitor news.	Q4-2021	$500,000
Acquire or build in-house staking platform: Tokens will explore hiring or acquiring a team to do its own staking.	Q2-2022	$1,500,000

While the Resulting Issuer intends to pursue these milestones, there may be circumstances where, for valid business reasons, a re-allocation of efforts may be necessary or advisable.

Description of the Securities

The authorized capital of the Resulting Issuer will consist of an unlimited number of Resulting Issuer Shares without par value. The rights and restrictions attached to the Resulting Issuer Shares are expected to be substantially the same as those of the COIN Shares, as described in "*Information Concerning Tokens – Description of Securities*".

Resulting Issuer Shares

Following the Closing, there are expected to be 75,045,686 Resulting Issuer Shares issued and outstanding on an undiluted basis. See "*Information Concerning the Resulting Issuer – Fully Diluted Share Capital*" below.

Resulting Issuer Options

Following the Closing, there are expected to be 1,524,204 Resulting Issuer Options outstanding on a fully diluted basis. See "*Information Concerning the Resulting Issuer – Fully Diluted Share Capital*" below.

Subject to the approval of the Resulting Issuer Board, the Resulting Issuer may also issue additional Resulting Issuer Options, DSUs, or other Option-Based Awards or Share-Based Awards to its directors, officers, employees and consultants following the completion of the Transaction. See "*Information Concerning the Resulting Issuer – Executive Compensation*" below.

Pro Forma Consolidated Capitalization

The following table sets out the undiluted pro forma share capitalization of the Resulting Issuer, on a consolidated basis, following the Closing. The information should be read in conjunction with the Pro Forma Financial Statements attached as Schedule "D", which provide additional information.

Designation of Security	Amount authorized or to be authorized	Amount expected to be outstanding after giving effect to the Transaction
Resulting Issuer Shares	Unlimited	75,045,686[(1)(2)]

(1) On an undiluted basis.

(2) For a full description of the Escrowed Securities, see below under the heading "*Escrowed Securities*".

As at December 31, 2020, the Resulting Issuer had a deficit of $3,103,398 on a consolidated basis, based on the pro-forma consolidated balance sheets of the Resulting Issuer attached hereto as Schedule “D”. Other than as disclosed herein, there were no material changes in the loan capital of the Resulting Issuer, on a consolidated basis, since December 31, 2020.

Fully Diluted Share Capital

The following table summarizes the expected fully diluted share capital of the Resulting Issuer following the Closing:

	Number of Securities	% of total number of Resulting Issuer Shares outstanding following completion of the Transaction	
		(Undiluted)(1)	(Fully-Diluted)(2)
Resulting Issuer Shares outstanding(3)	75,045,686	100%	95.8%
Resulting Issuer Shares issuable on exercise of the Agents’ Options(4)	1,775,383	-	2.3%
Resulting Issuer Shares issuable on exercise of Tokens Options(4)	1,524,204	-	1.9%
Fully Diluted Total	**78,345,273(5)**	**-**	**100.0%**

(1) Calculated on an undiluted basis based on 75,045,686 Tokens Shares expected to be issued and outstanding upon completion of the Transaction, on an undiluted basis, assuming completion of the COIN Consolidation, the Tokens Split, and the conversion of the Subscription Receipts.

(2) Calculated on a fully diluted basis based on 78,345,274 Resulting Issuer Shares expected to be issued and outstanding upon completion of the Transaction, on a fully diluted basis, assuming completion of the COIN Consolidation, the Tokens Split, and the conversion of the Subscription Receipts.

(3) 31,416,063 of these are expected to be subject to the Resulting Issuer Escrow Agreement. See “Escrowed Securities”.

(4) After giving effect to the Tokens Split.

(5) In addition to the securities set out above, the Resulting Issuer intends to grant each independent director 80,000 DSUs for their services as a director. In addition, any independent director that serves as chair of the Audit Committee, Compensation Committee or Governance Committee, respectively, will be granted an additional 10,000 DSUs for holding such role, and the directors will be eligible to receive an additional grant of 10,000 DSUs if they miss no more than two Resulting Issuer Board meetings in a calendar year and are present at the Resulting Issuer’s annual general meeting. These DSUs are not included in the table above as none will vest until at least one year following the Closing.

Available Funds and Principal Purposes

Funds Available

COIN and Tokens had a combined estimated working capital position (on an unaudited basis) of approximately $8,222,806 as at March 31, 2021, based on an estimated working capital of COIN of $3,847,806 (adjusted to reflect the Return of Capital and that, pursuant to the Transaction Agreement, COIN’s liabilities will be zero on Closing, as set out in the pro forma financial statements of the Resulting Issuer), and estimated working capital of Tokens of $4,375,000.

Based on this working capital position, and assuming completion of the Transaction, the estimated funds available to the Resulting Issuer will be as follows:

Source of Funds	Estimated Amount
Estimated COIN working capital as at March 31, 2021 (unaudited)	$360,000(1)
Estimated Tokens working capital as at March 31, 2021 (unaudited)	$2,446,000

Source of Funds	Estimated Amount
Gross proceeds of Concurrent Financing	$25,000,000(1)
Estimated funds available to the Resulting Issuer upon completion of the Reverse Takeover	$27,806,000 (2)

(1) Adjusted to reflect the expected impact of the Return of Capital.

(2) Calculated without deducting the Agents' Commission and Agents' Expenses. See "*Information Concerning Tokens – Concurrent Financing*".

(3) Does not reflect any revenues that may be received by the Resulting Issuer from the conduct of the business of Tokens following the Closing.

The amounts shown in the table above are estimates only and are based upon the information available to COIN and Tokens as of the date hereof. The intended uses of such funds and/or the Resulting Issuer's development capital needs may vary based upon a number of factors and variances may be material.

Principal Use of Funds

The following table sets out the principal purposes, using approximate amounts, for which the Resulting Issuer currently intends to use its available funds on completion of the Transaction. The amounts shown in the table are estimates only and are based on the information available to COIN and Tokens as of the date hereof. For additional information with respect to the expected use of funds, see the section entitled "*Information Concerning the Resulting Issuer – Narrative Description of the Business*".

Use of Funds	Estimated Amount
Estimated Transaction costs	$300,000(1)
Agents' Compensation	$1,349,000
General and administrative expenses for the next 18 months	$2,397,000(2)
Establishing market presence	$500,000
Acquiring or building in-house staking platform	$1,500,000
Acquisition of tokens for staking	$19,353,000
Unallocated funds	$2,407,000(3)
Total	**$27,806,000**

(1) Includes legal fees, auditor review fees, TSXV and NEO Exchange filing fees, Agents' Expenses, transfer agent fees and other expenses incurred or expected to be incurred in connection with the Transaction.

(2) The estimate of general and administrative expenses for the 18 months following the Closing includes: salaries and employee benefits of $950,000; insurance expenses of $300,000; IT and rent expenses of $37,000; legal and compliance fees of $265,000; accounting and audit fees of $230,000; marketing, public relations and investor relations expenses of $285,000, security expenses of $300,000, and stock exchange and transfer agent fees of $30,000.

(3) Does not reflect any revenues that may be received by the Resulting Issuer from the conduct of the business of Tokens.

Dividends

The Resulting Issuer does not currently intend to declare any dividends payable to the holders of the Resulting Issuer Shares. The Resulting Issuer has no restrictions on paying dividends, but if the Resulting Issuer generates earnings in the foreseeable future, it expects that they will be retained to finance growth. The directors of the Resulting Issuer will determine if and when dividends should be declared and paid in the future based upon the Resulting Issuer's financial position at the relevant time. All of the Resulting Issuer Shares will be entitled to an equal share in any dividends declared and paid.

Principal Securityholders

The table below sets out information regarding any securityholder anticipated to own of record or beneficially, directly or indirectly, or exercise control or direction over, more than 10% of the Resulting Issuer Shares after giving effect to the Transaction (on a partially diluted basis):

Name of Shareholder and Municipality	Number of Shares Beneficially Owned Assuming Completion of Concurrent Financing	Percentage[(1)]
Andrew Kiguel *Toronto, ON*	20,254,845[(2)]	26.8%

(1) Calculated on a partially diluted basis based on 75,045,686 Resulting Issuer Shares expected to be issued and outstanding on an undiluted basis following the Closing.

(2) Comprised of 19,784,895 Resulting Issuer Shares, of which 7,832,500 are held directly by Andrew Kiguel, 7,832,500 are held by Avondale Road Capital Corp. and 4,119,895 are held by 28333282 Ontario Inc., companies controlled by Mr. Kiguel, and 469,950 Resulting Issuer Shares that may be issued on exercise of Resulting Issuer Options.

Directors, Officers and Promoters

In connection with the Closing, all of the directors and officers of COIN are expected to resign and be replaced by nominees of Tokens, as further set out in the table below. None of the current directors or officers of Tokens are directors or officers of COIN.

The table below sets out the name, municipality and province of residence, position with the Resulting Issuer, current principal occupation, and the number and percentage of Resulting Issuer Shares which will be beneficially owned, directly or indirectly, or over which control or direction is proposed to be exercised, by each of the Resulting Issuer's proposed directors and officers following the completion of the Transaction. Additional biographical information about each of these individuals is set out below under the heading "Management":

Name and Municipality and Province of Residence and Position to be held at Closing	Principal Occupation During Last Five Years	Resulting Issuer Shares Outstanding upon Closing	
		Number[(1)]	Percentage [(2)]
Andrew Kiguel *Toronto, ON* *Proposed CEO and Director*	Co-founder, CEO and director of Tokens since 2020; CEO of Hut 8 Mining from 2018 to 2020 and Managing Director at GMP Securities from January 2000 to March 2018	20,254,845[(3)]	26.8%
Kyle Appleby *Toronto, ON* *Proposed CFO and Secretary*	CFO of Tokens since March 2021 and CFO of various publicly listed entities as detailed below under "*Other Reporting Issuer Experience*"	18,798[(4)]	*
Frederick T. Pye [(5)] *Pointe-Claire, QC* *Proposed Director*	President and CEO of 3iQ Corp since July 2012	137,714[(6)]	*
Jimmy Vaiopoulos[(5)] *Toronto, ON* *Proposed Director*	CFO of Hut 8 Mining Corp. from July 2018 to April 2021 and CFO of UGE International from October 2015 to July 2018	-	-

Name and Municipality and Province of Residence and Position to be held at Closing	Principal Occupation During Last Five Years	Resulting Issuer Shares Outstanding upon Closing	
		Number[(1)]	Percentage [(2)]
Andrew D'Souza[(5)] *St. James Parish, Barbados* *Proposed Director*	Co-founder and CEO of Clearbanc since August 2015	86,072[(7)]	*
Deven Soni *Las Vegas, Nevada* *Proposed Chief Operating Officer*	Chief Operating Officer of Tokens since March 2021, and co-founder of Sprayable Inc. since January 2013	5,145,858[(8)]	6.8%

* Less than 1%.

(1) The information as to the number of Resulting Issuer Shares expected to beneficially owned, or controlled or directed, directly or indirectly, by the proposed directors and officers immediately following the Closing has been furnished by the respective directors and officers individually.

(2) Calculated on a partially diluted basis based on 75,045,686 Resulting Issuer Shares expected to be issued and outstanding on an undiluted basis following the Closing. Convertible securities held by a Person are counted as outstanding for computing the percentage ownership of such Person, but are not counted as outstanding for computing the percentage ownership of any other Person.

(3) Comprised of 19,784,895 Resulting Issuer Shares, of which 7,832,500 are held directly by Andrew Kiguel, 7,832,500 are held by Avondale Road Capital Corp. and 4,119,895 are held by 2833282 Ontario Inc., companies controlled by Mr. Kiguel, and 469,950 Resulting Issuer Shares that may be issued on exercise of Resulting Issuer Options.

(4) Comprised of 18,798 Resulting Issuer Shares that may be issued on exercise of Resulting Issuer Options.

(5) Proposed member of Audit Committee.

(6) Comprised of 137,714 Resulting Issuer Shares.

(7) Comprised of 86,072 Resulting Issuer Shares.

(8) Comprised of 4,205,958 Resulting Issuer Shares, of which 86,063 are held directly by Deven Soni and 4,119,895 are held by AASD Investments LLC, a company controlled by Mr. Soni, and 939,900 Resulting Issuer Shares that may be issued on exercise of Resulting Issuer Options.

Following the Closing, the proposed directors and officers of the Resulting Issuer are expected to beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 24,214,641 Resulting Issuer Shares (on an undiluted basis), representing 32.3% of the issued and outstanding Resulting Issuer Shares on an undiluted basis, assuming there are 75,045,686 Resulting Issuer Shares outstanding following the Closing. Some of such Resulting Issuer Shares will be required to be deposited into escrow pursuant to the terms of the Resulting Issuer Escrow Agreement. See "*Information Concerning the Resulting Issuer - Escrowed Securities*".

Each director's term of office will expire at the next annual meeting of the shareholders of the Resulting Issuer, unless they are re-elected at such meeting.

Management

All of the executive officers of the Resulting Issuer have entered into a non-competition agreement and non-disclosure agreement with Tokens or the Resulting Issuer.

The following is a brief description of the proposed key members of management of the Resulting Issuer:

Andres (Andrew) Kiguel - Proposed Director and CEO

Mr. Kiguel, age 50, is an accomplished executive with leadership experience in Canadian capital markets, corporate governance and entrepreneurship. He co-founded Tokens and has served as its CEO and as a director since November 9, 2020. Prior to co-founding Tokens, he was the co-founder and CEO of Hut 8

Mining Corp., one of the largest publicly-listed bitcoin miners in the world. Prior to that, he spent over 18 years at GMP Securities LP in investment banking, with his most recent title as a Managing Director.

Mr. Kiguel will be an employee of Tokens and expects to devote 100% of his time to performing the work required in connection with acting as a director and officer of the Resulting Issuer.

Kyle Appleby – Proposed CFO and Secretary

Mr. Appleby, age 46, has been providing chief financial officer services to public and private companies since 2007. He assists companies with financial reporting and controls, governance, operations, regulatory compliance and taxation. He has served as a consultant to Tokens since December 2020 and was formally appointed as CFO of Tokens in March 2021. Mr. Appleby previously served as CFO of Nuinsco Resources Inc. from May 2015 to February 2021. Prior to 2007, he worked for several public accounting firms in Canada. He is a member in good standing of the Chartered Professional Accountants of Canada and the Chartered Professional Accountants of Ontario.

Mr. Appleby will be an independent contractor of Tokens and expects to devote 20% of his time to performing the work required in connection with acting as an officer of the Resulting Issuer.

Deven Soni – Proposed Chief Operating Officer

Mr. Soni, age 41, is an experienced operations executive and investor. He joined Tokens as a consultant in January 2021 and was formally appointed as its Chief Operating Officer in March 2021. In 2013, he co-founded Sprayable Inc., the maker of what are believed to be the world's first topical caffeine and melatonin sprays. He spent several years as a technology-focused investor at Goldman Sachs and Highland Capital Partners, where he helped fund several top technology businesses. He is the co-founder of Wired Investors, a private equity fund focused on small cap buyouts. He is also a founding director of Polymath and an active investor in the digital assets space.

Mr. Soni will be an independent contractor of Tokens and expects to devote 80% of his time to performing the work required in connection with acting as an officer of the Resulting Issuer.

Frederick T. Pye - Proposed Director

Mr. Pye, age 60, has been the President and CEO of 3iQ Corp., a leading Canadian digital asset fund manager, since July 2012. Previously, he was a founder, and the President and CEO, of Argentum Management and Research Corporation, a company dedicated to managing and distributing quantitative investment portfolios, including the first long-short mutual fund in Canada, as well as Senior Vice-President and National Sales Manager at Fidelity Investments Canada. Mr. Pye also held various positions with Guardian Trust Company, which listed the first gold, silver and platinum certificates on the Montreal Exchange. He hold a Masters in Business Administration from Concordia University.

Jimmy Vaiopoulos – Proposed Director

Mr. Vaiopoulos, age 33, is currently the CFO and former interim CEO of Hut 8. Prior to Hut 8, he was the CFO of UGE International Ltd., an Exchange-listed commercial solar solutions provider. He also worked with KPMG, in both its audit and advisory practices, with a focus on tech, energy and infrastructure. Mr. Vaiopoulos holds a Bachelor of Engineering Science from Western University and an Honours - Business

Administration from the Richard Ivey School of Business. He is a member of the Chartered Professional Accountants of British Columbia.

Andrew D'Souza – Proposed Director

Andrew D'Souza, age 35, is the CEO of Clear Finance Technology Corp. (Clearbanc), a company focused on providing capital to growing e-commerce companies, which he co-founded with Michele Romanow in 2015. He has raised hundreds of millions of dollars in venture capital and is an adviser and investor to companies such as WealthSimple, Properly, and Tulip Retail. Prior to co-founding Clearbanc, Andrew was the president of Nymi, a wearable platform company focused on identity and security, and the Chief Operating Officer of education startup, TopHat. Mr. D'Souza holds a degree in Systems Design Engineering from the University of Waterloo.

Promoter Consideration

Mr. Kiguel is the promoter of Tokens, in that he took the initiative in founding and organizing Tokens, and he will continue to be the promoter of the Resulting Issuer upon completion of the Transaction. Mr. Kiguel is expected to beneficially own, directly or indirectly, or exercise control or direction over, 19,784,895 Resulting Issuer Shares, being 26.4% of the issued and outstanding Resulting Issuer Shares on an undiluted basis. See "*Principal Securityholders*" and "*Directors, Officers and Promoters*" for additional information.

Except as disclosed in this Filing Statement, Mr. Kiguel has not and will not receive from or provide to the Resulting Issuer anything of value, including money, property, contracts, options or rights of any kind, directly or indirectly.

Corporate Cease Trade Orders or Bankruptcies

Other than as outlined below, no proposed director, officer or promoter of the Resulting Issuer, or a securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to materially affect control of the Resulting Issuer, is, as at the date of this Filing Statement, or has been, within 10 years before the date of this Filing Statement, a director, officer or promoter of any company that, while that person was acting in that capacity:

1. was subject to (a) a cease trade order; (b) an order similar to a cease trade order; or (c) an order that denied the relevant company access to any exemptions under applicable Securities Laws, that was in effect for a period of more than 30 consecutive days; or

2. became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

Between 2010 and 2013, Deven Soni was an investment partner at New Europe Venture Equity. During this period, Mr. Soni held director positions at various startup companies based in Europe. Mr. Soni was made a director of Talk24 on March 8, 2011 and resigned from New Europe Venture Equity and Talk24 in August 2012. Talk24 was liquidated and put into receivorship in 2013 due to an inability to gain business traction. Talk24 was subsequently dissolved in 2016. Mr. Soni had no involvement in the business after August 2012 and had no involvement in the liquidation.

Kyle Appleby was made a director of Captor Capital Corp. ("**Captor Capital**") on August 6, 2019, on which date the Ontario Securities Commission issued a failure-to-file cease trade order against Captor Capital, ordering that all trading in the securities of Captor Capital cease until the company filed: (i) its audited annual financial statements for the financial year ended March 31, 2019, (ii) its management's discussion and analysis for the financial year ended March 31, 2019, and (iii) the certification of the foregoing filings as required by applicable Securities Laws. The failure-to-file cease trade order against Captor Capital was revoked in full on November 6, 2019.

Mr. Appleby was also the CFO of Tantalex Resources Corp ("**Tantalex**") on August 19, 2020, on which date the Ontario Securities Commission issued a failure-to-file cease trade order against Tantalex, ordering that all trading in the securities of Tantalex cease until the company filed: (i) its audited annual financial statements for the financial year ended February 29, 2020, (ii) its management's discussion and analysis for the financial year ended February 28, 2020, and (iii) the certification of the foregoing filings as required by applicable Securities Laws. The failure-to-file cease trade order against Tantalex was revoked in full on November 13, 2020.

Penalties or Sanctions

No proposed director, officer or promoter of the Resulting Issuer, or a securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to materially affect control of the Resulting Issuer, has been subject to:

1. any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

2. any other penalties or sanctions imposed by a court or regulatory body, including a self- regulatory body, that would be likely to be considered important to a reasonable securityholder making a decision about the Transaction.

Personal Bankruptcies

No proposed director, officer or promoter of the Resulting Issuer, or a securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to materially affect control of the Resulting Issuer, or a personal holding company of any such persons, has, within 10 years before the date of this Filing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such director, officer, promoter or securityholder.

Conflicts of Interest

Certain of the proposed directors and officers of the Resulting Issuer are officers and directors of, or associated with, other public and private companies. Such associations may give rise to conflicts of interest with the Resulting Issuer from time to time. The OBCA requires, among other things, that the directors and officers of the Resulting Issuer act honestly and in good faith with a view to the best interest of the Resulting Issuer, and that they disclose any personal interest they may have in any material contract or transaction which is proposed to be entered into with the Resulting Issuer. Conflicts, if any arise, will be subject to the procedures and remedies under the OBCA and any other applicable laws.

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and promoters of the Resulting Issuer that are, or have been within the last 5 years, directors, officers or promoters of other reporting issuers:

Name	Name and Jurisdiction of Reporting Issuer	Trading Market	Position	From (MM/YY)	To
Andrew Kiguel	Hut 8 Mining Corp.	TSXV	CEO and Director	04/18	04/20
Frederick T. Pye	European Strategic Balanced Fund	TSX	Portfolio Manager	07/14	01/17
Jimmy Vaiopoulous	UGE International Ltd.	TSXV	CFO	05/16	07/18
	Hut 8 Mining Corp.	TSXV	CFO	07/18	04/21
Kyle Appleby	Spacefy Inc.	CSE(2)	CFO	03/18	02/21
	Cadillac Ventures Inc.	TSXV, FSE(3)	CFO	07/18	02/21
	Red Light Holland Corp. (Ontario)	CSE, FSE	CFO	05/20	02/21
	ADYA INC.	TSXV	CFO	11/16	02/21
	Hut 8 Mining Corp.	TSXV	CFO	10/19	11/20
	Nurcapital Corporation Ltd.	TSXV	CFO	09/19	0/21
	DigiCrypts Blockchain Solutions Inc.	CSE	CFO	12/18	02/21
	Bee Vectoring Technologies International Inc.	CSE, FSE, OTC	CFO	07/15	02/21
	Captor Capital Inc.	CSE, FSE	Director	07/14	02/21
	Tantalex Resources Corporation	CSE	CFO	03/15	02/21
	Renforth Resources Inc.	CSE	CFO	02/07	02/21
	Prospect Park Capital Corp.	TSXV	CFO	10/14	02/21
	Nuinsco Resources Limited	CSE	CFO	05/15	02/21
	GBLT Corp.	TSXV	CFO	06/20	02/21
	Empower Clinics Inc.	CSE	CFO	10/20	02/21
	Tarku Resources Ltd.	TSXV	CFO	09/20	02/21
	Salona Global Medical Device Corp.	TSXV	CFO	08/20	02/21
	Intrinsic4d Inc.	NEO	CFO	06/15	01/18
	Xylitol Canada Inc.	TSXV	CFO	11/14	01/18
	Quangate Systems Inc.	CFO	OTC	02/14	05/16

(1) Toronto Stock Exchange.

(2) Canadian Securities Exchange.

(3) Frankfurt Stock Exchange.

Executive Compensation

It is expected that compensation of directors and Named Executive Officers of the Resulting Issuer will be substantially similar to the current compensation for Tokens directors and Named Executive Officers, subject to the adoption of, and grants of awards under, the Resulting Issuer Omnibus Equity Incentive Plan and such other compensation as is described below. See "*Information Concerning Tokens – Executive Compensation*".

The compensation of the Named Executive Officers will include three major elements: (a) base salary; (b) an annual, discretionary cash bonus; and (c) long-term equity incentives, consisting of stock options.

The Resulting Issuer intends to grant each director that is not also an officer 80,000 DSUs, for their services as a director. In addition, any independent director that serves as chair of the Audit Committee, Compensation Committee or Governance Committee, respectively, will be granted an additional 10,000 DSUs for holding such role, and the directors will be eligible to receive an additional grant of 10,000 DSUs if they miss no more than two Resulting Issuer Board meetings in a calendar year and are present at the Resulting Issuer's annual general meeting.

Indebtedness of Directors and Officers

No director or officer of Tokens, nor any proposed director or officer of the Resulting Issuer, is or has been indebted to Tokens at any time.

Investor Relations Arrangements

No written or oral agreement has been reached with any Person to provide promotional or investor relations activities for the Resulting Issuer.

Options to Purchase Securities

The following table sets forth all Resulting Issuer Options that are expected to be outstanding upon the completion of the Transaction:

Persons who will Receive Resulting Issuer Options (as a group)	Number of Resulting Issuer Shares Under Option	Exercise Price per Resulting Issuer Share Under Option	Expiry Date	Market Value of Resulting Issuer Shares Under Option on the date of this Filing Statement[1]
All proposed officers of the Resulting Issuer (3 persons)[2]	1,428,648	US$0.08	December 2, 2030	CAD$1,071,486
All consultants and past consultants of Tokens	95,556	US$0.08	December 2, 2030	CAD$71,667
All other persons	-	-	-	-
Total:	**1,524,204**			**CAD$1,143,153**

(1) Calculated by multiplying the number of Resulting Issuer Options by the Concurrent Financing price of CAD$0.75 (on a post-Tokens Split basis).

(2) Consists of Andrew Kiguel, Kyle Appleby and Deven Soni. No other directors of the Resulting Issuer are expected to be granted Resulting Issuer Options in connection with the Closing. However, they are expected to be granted DSUs, as further described above under "*Executive Compensation*".

(3) For details of the number of Resulting Issuer Options to be held by the directors and officers, see the table above under the heading "*Directors, Officers and Promoters*".

Omnibus Equity Incentive Plan

Background

The Resulting Issuer intends to adopt the Resulting Issuer Omnibus Equity Incentive Plan (referred to as the "**Incentive Plan**" for purposes of this section) to improve the equity incentives available to the Resulting Issuer and attract and retain qualified persons to serve on the Resulting Issuer Board and to service the Resulting Issuer. Receiving a portion of their compensation for serving as a director or officer of the Resulting Issuer in the form of securities of the Resulting Issuer also encourages ownership of the Resulting Issuer Shares by such persons.

Purpose

The Resulting Issuer Board plans to adopt the Incentive Plan to improve the equity incentives that may be granted by the Resulting Issuer. The purpose of the Incentive Plan is to advance the interests of the Resulting Issuer and its affiliates by, among other things, attracting, rewarding and retaining highly competent persons as directors, officers, employees and consultants of the Resulting Issuer, that will contribute to the Resulting Issuer's long range success, and providing additional incentives to such persons by aligning their interests with those of the shareholders of the Resulting Issuer.

Types of Awards

The Incentive Plan provides for the grant of stock options ("**Options**"), DSUs, restricted share units ("**RSUs**"), performance share units ("**PSUs**") and stock appreciation rights ("**SARs**") (each an "**Award**" and collectively, the "**Awards**"). All Awards will be evidenced by an agreement or other instrument or document evidencing the Award granted under the Incentive Plan (an "**Award Agreement**"). Awards may be granted alone, in addition to, or in tandem with any other Award. Awards granted in addition to, or in tandem with, other Awards may be granted either at the same time or at different times. The date of grant, the number of Resulting Issuer Shares, the vesting period and any other terms and conditions of Awards granted pursuant to the Incentive Plan are to be determined by the Compensation Committee, subject to the express provisions of the Incentive Plan and the applicable Award Agreement.

Administration of the Incentive Plan

Administration of the Incentive Plan is expected to be delegated by the Resulting Issuer Board to the Compensation Committee to be formed in connection with the Closing. The Compensation Committee may, in its sole discretion, suspend or terminate the Incentive Plan at any time and/or amend or revise the terms of the Incentive Plan or of any Award granted under the Incentive Plan and any agreement relating thereto, provided that such suspension, termination, amendment, or revision shall: (i) not adversely alter or impair any Award previously granted except as permitted by the terms of the Incentive Plan or upon the consent of the applicable Participant(s) (as defined below); and (ii) be in compliance with applicable law, applicable stock exchange policies and any approval, if required, of the shareholders of the Resulting Issuer. The Compensation Committee will have the power, subject to the specific provisions of the Incentive Plan to, among other things:

- designate Participants;
- determine the type, size, terms and conditions of Awards to be granted;
- determine the method by which an Award may be settled, exercised, canceled, forfeited or suspended;
- determine the circumstances under which the delivery of cash, property or other amounts payable with respect to an Award may be deferred, either automatically or at the Participant's or the Compensation Committee's election;
- interpret and administer, reconcile any inconsistency in, correct any defect in, and supply any omission in, the Incentive Plan and any Award granted under the Incentive Plan;
- establish, amend, suspend, or waive any rules and regulations, and appoint such agents, as deemed appropriate for the proper administration of the Incentive Plan;
- accelerate the vesting, delivery or exercisability of, or payment for, or lapse of restrictions on, or waive any condition in respect of, Awards; and

- make any other determination and take any other action deemed necessary or desirable for the administration of the Incentive Plan, to preserve the tax treatment of the Awards, to preserve the economic equivalent value of the Awards or to comply with any applicable law.

Participants

The Incentive Plan authorizes the Compensation Committee to grant Awards to directors, officers, employees, consultants of or to the Resulting Issuer, or a subsidiary, providing ongoing services to the Resulting Issuer and/or its subsidiaries (collectively, "**Participants**").

Common Shares Available for Issuance

The Incentive Plan will be a "rolling" security-based compensation plan, and, subject to adjustments provided for under the Incentive Plan, the maximum number of Resulting Issuer Shares reserved and available for grant and issuance pursuant to Awards under the Incentive Plan, together with any awards under any proposed or established Share Compensation Arrangement (as defined in the Incentive Plan), will not exceed 10% of the issued and outstanding Resulting Issuer Shares at the time of any applicable Award granted under the Incentive Plan.

The number of Resulting Issuer Shares issuable to Related Persons (as defined in the Incentive Plan): (i) within any one-year period under the Incentive Plan, together with any other proposed or established Share Compensation Arrangement, and (ii) at any time under the Incentive Plan or any other proposed or established Share Compensation Arrangement, shall not exceed 10% of the issued and outstanding Resulting Issuer Shares from time to time. In addition, no more than 5% of the outstanding Resulting Issuer Shares may be issued under the Incentive Plan alone, or when combined with all other Share Compensation Arrangements, in any one-year period to any one Participant.

Description of Awards

(i) Options

An Option is a right to purchase a Resulting Issuer Share for a fixed exercise price. Options shall be for a fixed term and exercisable from time to time as determined in the discretion of the Compensation Committee, provided that no Option shall have a term exceeding ten years. If an Option expires during a black-out period or within ten business days thereof, its term will be extended to the date which is ten business days following the end of such black-out period. Under no circumstances will the Resulting Issuer issue options at less than "Market Value", being the greater of: (i) the volume weighted average trading price of the Resulting Issuer Shares on the Exchange (as defined in the Incentive Plan) for the five trading days immediately preceding the grant date; and (ii) the closing price of the Resulting Issuer Shares on the Exchange on the trading day immediately prior to the grant date.

(ii) Deferred Share Units

A DSU is an award denominated in units that provides the holder with a right to receive Resulting Issuer Shares (or cash in lieu) issued from treasury or a combination thereof, upon settlement of the Award, subject to any such restrictions that the Compensation Committee may impose. The Compensation Committee shall determine the relevant conditions and vesting provisions, subject to the terms of the Incentive Plan. Such provisions will be determined in the sole discretion of the Compensation Committee, and need not be uniform among all DSUs issued pursuant to the Incentive Plan.

(iii) Restricted Share Units

An RSU is a right to receive a Resulting Issuer Share (or cash in lieu) issued from treasury or a combination thereof. An RSU does not vest until after a specified period of time, or satisfaction of other vesting conditions, as determined by the Compensation Committee, and which may be forfeited if conditions to vesting are not met.

(iv) Performance Share Units

A PSU is a right to receive a Resulting Issuer Share (or cash in lieu) issued from treasury or a combination thereof. PSUs are awarded based on the attainment of certain target levels of, or a specified increase or decrease (as applicable) in one or more performance goals, which may include the Participant's personal performance, the financial performance of the Resulting Issuer and/or of its subsidiaries, total shareholder return, or the achievement of corporate goals and strategic initiatives. Performance goals may also be based upon the individual recipient as determined by the Compensation Committee, in its sole discretion.

(v) Stock Appreciation Rights

An SAR is stock appreciation right, representing the right to receive, subject to restrictions and conditions at the time of grant, a cash payment, or Resulting Issuer Shares in lieu of cash, having an aggregate value equal to the product of (i) the excess of (a) the Market Value on the exercise date of one Resulting Issuer Share divided by (b) the base price per Resulting Issuer Share specified in the award, multiplied by (ii) the number of Resulting Issuer Shares specified by the SAR, or the portion thereof, that is exercised. The base price per Resulting Issuer Share specified in the Award Agreement shall not be less than the Market Value on the date of grant.

Change of Control

In the event of a change of control, all unvested Awards then outstanding will, unless otherwise determined by the Compensation Committee, be substituted by or replaced with awards of the surviving corporation (or any affiliate thereof) or the potential successor (or any affiliate thereto) on the same terms and conditions as the original Awards, subject to appropriate adjustments.

In the event of a potential change of control, the Compensation Committee will have the power, in its sole discretion, to modify the terms of the Incentive Plan and/or the Awards to assist Participants in tendering to a take-over bid or other transaction leading to a change of control.

Non-Transferability

Except as set out in the Incentive Plan, Awards are not transferrable. Awards may be exercised only by: (i) the Participant to whom the Awards were granted; (ii) with the Compensation Committee's prior written approval and subject to such conditions as the Resulting Issuer Board or its delegate may stipulate, such Participant's family or retirement savings trust or any registered retirement savings plans or registered retirement income fund of which the Participant is and remains the annuitant; (iii) upon the Participant's death, by the legal representative of the Participant's estate; or (iv) upon the Participant's incapacity, by the legal representative having authority to deal with the property of the Participant.

Dividend Share Units

When dividends (other than stock dividends) are paid on Resulting Issuer Shares, Participants may, subject to the terms and conditions set out in a Participant's Award Agreement, receive additional SARs, DSUs, RSUs and/or PSUs, as applicable ("**Dividend Share Units**") as of the dividend payment date. Dividend

Share Units granted to a Participant shall be subject to the same vesting conditions applicable to the related SARs, DSUs, RSUs and/or PSUs in accordance with the respective Award Agreement. If and to the extent that the Dividend Share Units are settled in Resulting Issuer Shares, such Dividend Share Units shall be counted towards the share limit.

Amendment

The Incentive Plan contains a formal amendment procedure. The Compensation Committee may amend certain terms of the Incentive Plan without requiring the approval of the shareholders of the Resulting Issuer, unless specifically required by the Exchange. Amendments not requiring shareholder approval include:

- a change to the vesting provisions of any Award granted under the Incentive Plan;
- a change to the provisions governing the effect of termination of a Participant's employment, contract or office;
- a change to accelerate the date on which any Award may be exercised under the Incentive Plan;
- an amendment of the Incentive Plan or an Award as necessary to comply with applicable law or the requirements of any Exchange;
- any amendment of a "housekeeping" nature, including those made to: (i) clarify the meaning of an existing provision of the Incentive Plan or any Award Agreement, (ii) correct or supplement any provision of the Incentive Plan that is inconsistent with any other provision of the Incentive Plan or any Award Agreement, or (iii) correct any grammatical or typographical errors or amend the definitions in the Incentive Plan regarding administration of the Incentive Plan; or
- any amendment regarding the administration of the Incentive Plan.

Shareholder approval will be required to make the following amendments:

- any increase in the maximum number of Resulting Issuer Shares that may be issuable from treasury pursuant to Awards, other than an certain adjustments required pursuant to the provisions of the Incentive Plan;
- any reduction in the exercise price of an Award benefitting a Related Person, except for certain adjustments required pursuant to the provisions of the Incentive Plan;
- any extension of the expiry date of an Award benefitting a Related Person, except in the case of an extension due to a black-out period;
- any extension of the expiry date of an Award where the exercise price is lower than the Market Value, except in the case of an extension due to a black-out period; and
- any amendment to remove or to exceed the Related Person participation limit set out in Incentive Plan.

Escrowed Securities

Escrow Shares

The table below sets out the Resulting Issuer Shares expected to be subject to the Resulting Issuer Escrow Agreement at the Closing:

Designation of Security	Number of Securities to be subject to the Resulting Issuer Escrow Agreement	Percentage of Class (%)[(1)]
Resulting Issuer Shares	31,416,064	41.9
Resulting Issuer Options	1,409,850	98.7

(1) Resulting Issuer Share percentages based on 75,045,686 Resulting Issuer Shares expected to be issued and outstanding on an undiluted basis upon completion of the Transaction. Resulting Issuer Option percentages calculated based on 1,428,648 Resulting Issuer Options expected to be outstanding upon completion of the Transaction.

The Resulting Issuer Shares subject to the Resulting Issuer Escrow Agreement are expected to be subject to the following release schedule, as further detailed in the Resulting Issuer Escrow Agreement:

The listing date	1/4 of the Resulting Issuer Escrow Shares
6 months after the listing date	1/3 of the remaining Resulting Issuer Escrow Shares
12 months after the listing date	1/2 of the remaining Resulting Issuer Escrow Shares
18 months after the listing date	The balance of the remaining Resulting Issuer Escrow Shares

Voluntary Pooling

In addition to any resale restrictions applicable to the Consideration Shares pursuant to the policies of the NEO Exchange and NP 46-201, all Consideration Shares issued to holders of Tokens Shares acquired under the Tokens Seed Financing will be subject to the following voluntary hold periods:

1. 25% of such Consideration Shares will be released on the Closing;
2. 25% of such Consideration Shares will be released one month following the Closing;
3. 25% of such Consideration Shares will be released two months following the Closing; and
4. 25% of such Consideration Shares will be released three months following the Closing.

The voluntary pooling arrangement will be evidenced by the placement of legends on the share certificates representing the Consideration Shares that are subject to the voluntary pooling arrangement.

Concurrent Financing Lock-Up

As a condition to the closing of the Concurrent Financing, each director and officer of Tokens, and Tokens Shareholders holding more than 10% of the issued and outstanding Tokens Shares, were required to execute and deliver to the Agents a lock-up agreement pursuant to which such party agreed, subject to customary carve-outs and exceptions, not to offer, sell, contract to sell, grant or sell any option to purchase, purchase any option or contract to sell, hypothecate, pledge, transfer, assign, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with (or agree to or publicly announce any intention to do any of the foregoing), whether through the facilities of a stock exchange, by private placement or otherwise any Resulting Issuer Shares or other securities of the Resulting Issuer convertible into, exchangeable for or exercisable to acquire, Resulting Issuer Shares, directly or indirectly, for a period of 180 days after the date the Escrow Release Conditions are satisfied, unless they first obtain the prior written consent of the Co-Lead Agents.

Audit Committee

The following disclosure is based on the present expectations of the Resulting Issuer with respect to the composition of the Audit Committee following completion of the Transaction. The full text of the proposed charter of the Audit Committee is included at Schedule A of COIN's information circular for the COIN meeting to be held on April 23, 2021, which is available at www.sedar.com.

Composition of the Resulting Issuer Audit Committee

Upon completion of the Transaction, the Audit Committee will be comprised of not less than three directors as determined by the Resulting Issuer Board, initially expected to be Jimmy Vaiopoulos, Frederick T. Pye and Andrew D'Souza. Each member of the Audit Committee will be independent (as defined in NI 52-110) and none is expected to receive, directly or indirectly, any compensation from the Resulting Issuer other than for service as a member of the Resulting Issuer Board and its committees. All proposed members of the Audit Committee will be financially literate (as defined under NI 52-110).

For the relevant education and experience of each member of the Audit Committee, please refer to the biographies of Jimmy Vaiopoulos, Frederick T. Pye and Andrew D'Souza in "*Information Concerning the Resulting Issuer – Management*".

Pre-Approval Policies and Procedures

The Audit Committee will pre-approve non-audit services in accordance with the Audit Committee charter, subject to such delegation as may be permitted under applicable Securities Laws.

External Audit Service Fees

The Audit Committee will be responsible for reviewing and approving the compensation of the Resulting Issuer's external auditor.

Corporate Governance

Upon the Closing, the Resulting Issuer will adopt certain corporate governance policies and practices. The disclosure set out below describes the Resulting Issuer's proposed approach to corporate governance.

Statement of Corporate Governance Practices

The Resulting Issuer's corporate governance disclosure obligations are set out in National Instrument 58-101 – *Corporate Governance Disclosure* ("**NI 58-101**"), National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**") and National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). These instruments set out a series of guidelines and requirements for effective corporate governance (collectively, the "**Guidelines**"). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members.

Set out below is a description of the Resulting Issuer's anticipated approach to corporate governance in relation to the Guidelines.

Board of Directors

Following the Closing, the Resulting Issuer Board is expected to initially consist of four directors, being Andrew Kiguel, Jimmy Vaiopoulos, Frederick T. Pye and Andrew D'Souza. The directors will be elected by shareholders at each annual meeting of shareholders, and all directors will hold office for a term expiring at the close of the next annual meeting or until their respective successors are elected or appointed, or their earlier resignation. The chair of the Resulting Issuer Board (the "**Chair**") will be appointed by the Resulting Issuer Board.

Independence of the Resulting Issuer Board

Under NI 58-101, a director is considered to be independent if they are independent within the meaning of NI 52-110. Pursuant to NI 52-110, an independent director is a director who is free from any direct or indirect relationship which could, in the view of the Resulting Issuer Board, be reasonably expected to interfere with a director's independent judgment. Based on information provided by each director concerning their background, employment and affiliations, it has been determined all of the directors will be independent, except for Andrew Kiguel.

Meetings of Independent Directors

The Resulting Issuer Board believes that it will be able to facilitate independent judgment in carrying out its responsibilities. To enhance independent judgment, the independent members of the Resulting Issuer Board are expected to hold scheduled meetings without management and non-independent directors. The Resulting Issuer Board intends to encourage open and candid discussions among the independent directors by providing them with an opportunity to express their views on key topics before decisions are taken.

Resulting Issuer Board Charter

The Resulting Issuer Board will be responsible for supervising the management of the business and affairs of the Resulting Issuer, including providing guidance and strategic oversight to management. The Resulting Issuer Board will adopt a formal charter that includes responsibilities including:

- appointing a Chief Executive Officer;
- reviewing and approving annual operating plans and budgets;
- identifying the principal risks to the Resulting Issuer's business and ensuring the implementation of appropriate systems and procedures to effectively monitor, manage and mitigate the impact of such risks, including requesting and reviewing reports from management on the status of risk management activities, reviewing reports on spending in relation to approved budgets, and overseeing the financial reporting process of the Resulting Issuer; and
- reviewing and approving management's strategic and business plans.

Position Descriptions

The Resulting Issuer Board is expected to adopt a written position description for the Chair, which is expected to set out the Chair's key responsibilities, including, among others, duties relating to setting Resulting Issuer Board meeting agendas, chairing the Resulting Issuer Board and shareholder meetings, and director development.

The Resulting Issuer Board is also expected to adopt a written position description for the Chief Executive Officer, which will set out the key responsibilities of the Chief Executive Officer, including providing overall leadership, developing a strategic plan, developing an annual budget that supports the strategic plan, supervising day-to-day management, and communicating with shareholders and regulators.

Director Term Limits and Mandatory Retirement

The Resulting Issuer Board has not adopted director term limits or other automatic mechanisms of board renewal. Rather than adopting formal term limits, mandatory age-related retirement policies and other mechanisms of board renewal, the Resulting Issuer Board expects to seek to maintain the composition of the Resulting Issuer Board in a way that provides, in the judgement of the Resulting Issuer Board, the best mix of skills and experience to provide for the overall stewardship.

Diversity

Given Tokens' recent incorporation, the Resulting Issuer will initially only have a small board and management team. However, recognizing the benefits that diversity brings to an organization, the Resulting Issuer intends to adopt a diversity policy that encourages the Resulting Issuer Board and management to hire and engage personnel who have a diverse range of perspectives, insights and backgrounds, having regard to, among other things, gender, status, age, professional expertise, nationality, race and geographic background. While it is not currently anticipated that the Resulting Issuer will initially adopt a target percentage regarding the number of women on the Resulting Issuer Board or in senior management positions, or timeline for appointing same, the Resulting Issuer Board will evaluate the appropriateness of adopting targets in the future as the business grows.

Other Corporate Governance Matters

Orientation and Continuing Education

Following the Closing, the Resulting Issuer expects to implement an orientation program for new directors. It is anticipated that new directors will be provided with comprehensive orientation as to the nature and operation of the Resulting Issuer and its business, the role of the Resulting Issuer Board and its committees, and the contribution that an individual director is expected to make. The chair of each committee will be responsible for coordinating orientation and continuing director development programs relating to the committee's charter.

Nomination of Directors

The Governance Committee's role will be to recommend to the Resulting Issuer Board candidates for election as directors and candidates for appointment to the Resulting Issuer Board committees as set out in the Governance Committee Charter.

Code of Conduct

The Resulting Issuer expects to adopt a written code of conduct ("**Code of Conduct**") following the Closing that applies to all of the officers, directors, employees of the Resulting Issuer. The objective of the Code of Conduct will be to provide guidelines for maintaining the integrity, trust and respect of the Resulting Issuer. The Code of Conduct is expected to address, among other things, compliance with laws, rules and regulations, conflicts of interest and confidentiality. The Governance Committee will have ultimate responsibility for monitoring compliance with the Code of Conduct.

Board and Committee Assessment

The Governance Committee's role is expected to be to assess the effectiveness of the Resulting Issuer Board as a whole, the committees of the Resulting Issuer Board, and the contribution of individual directors. Directors will be expected to consider, among other things, the overall functioning and performance of the Resulting Issuer Board and its committees, the Resulting Issuer's management structure, the effectiveness of the Resulting Issuer's internal controls and financial reporting, ethics and compliance matters and accountability. It is expected that the chair of the Governance Committee will encourage discussion among the Resulting Issuer Board to evaluate its effectiveness as a whole, its committees, and its individual directors. All directors will also be encouraged to make suggestions for improvement of the practices of the Resulting Issuer Board at any time.

Audit Committee

Following the Closing, the Audit Committee will consist of three directors, expected to be comprised of Jimmy Vaiopoulos (Chair), Frederick T. Pye and Andrew D'Souza, all of whom will be independent directors and financially literate within the meaning of NI 52-110, meaning each will have an understanding of the accounting principles used to prepare financial statements like those of the Resulting Issuer and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. For additional details regarding the relevant education and experience of each member of the Audit Committee, see "*Information Concerning the Resulting Issuer – Management*". The Audit Committee will assist the Resulting Issuer Board in fulfilling its oversight of:

- financial statements and financial reporting processes;
- systems of internal accounting and financial controls;
- the annual independent audit of the financial statements;
- legal and regulatory compliance; and
- public disclosure items such as quarterly press releases, investor relations materials and other public reporting requirements.

It will be the responsibility of the Audit Committee to maintain free and open means of communication between the Audit Committee, the external auditors and the management of the Resulting Issuer. The Audit Committee will be given full access to the Resulting Issuer's management, records and external auditors as necessary to carry out these responsibilities. The Resulting Issuer will provide appropriate funding, as determined by the Audit Committee, for the payment of compensation of the independent auditor for the purpose of rendering or issuing an audit report and to any advisors employed by the Audit Committee.

For the relevant education and experience of each of the proposed members of the Audit Committee, please refer to the biographies of Jimmy Vaiopoulos, Frederick T. Pye and Andrew D'Souza in "*Information Concerning the Resulting Issuer – Management*".

Compensation Committee

Following the Closing, the Resulting Issuer expects to appoint a Compensation Committee consisting of three directors, initially being Andrew D'Souza (Chair), Jimmy Vaiopoulos and Frederick T. Pye, each of whom are independent directors within the meaning of NI 52-110, which will be charged with reviewing, overseeing and evaluating the Resulting Issuer's compensation policies.

The Resulting Issuer Board is expected to adopt a written charter setting forth the responsibilities of the Compensation Committee, which are expected to include:

- reviewing and recommending to the Resulting Issuer Board the appropriate compensation level for the Resulting Issuer's senior management; and

- overseeing the Resulting Issuer's compensation and benefit plans, policies and practices.

Governance Committee

Upon closing of the Transaction, the Resulting Issuer expects to appoint a Governance Committee consisting of three directors, each of whom are independent, and will be charged with reviewing, overseeing and evaluating our nomination and governance policies. The Governance Committee is initially expect to be comprised of Jimmy Vaiopoulos, Frederick T. Pye, and Andrew D'Souza. Frederick T. Pye will chair the Governance Committee.

For additional details regarding the relevant education and experience of each member of the Governance Committee, see also "*Information Concerning the Resulting Issuer – Management".*

The Resulting Issuer Board will adopt a written charter setting forth the purpose, composition, authority and responsibility of the Governance Committee. The Governance Committee's duties and responsibilities are to:

- determine the qualifications, skills and other expertise required to be a director of the Resulting Issuer, and develop, and recommend to the Resulting Issuer Board for approval, criteria to be considered in selecting nominees for director;

- review the Resulting Issuer Board committee structure on an annual basis and recommend to the Resulting Issuer Board any changes it considers necessary or desirable with respect to that structure;

- review and discuss with management the disclosure of the Resulting Issuer's corporate governance practices;

- develop and oversee a Resulting Issuer orientation program for new directors, which will include opportunities for meetings and discussion with senior management and other directors; and

- develop and evaluate potential candidates for CEO.

The assessment undertaken by the Governance Committee will address, among other things, individual director independence, individual director and overall Resulting Issuer Board skills, and individual director financial literacy. The Resulting Issuer Board will receive and consider the recommendations from the Governance Committee regarding the results of the evaluation of the performance and effectiveness of the Resulting Issuer Board, committees of the Resulting Issuer Board, individual Resulting Issuer Board members, the Chair and committee chairs. The Governance Committee will also be responsible for orientation and continuing education programs for our directors.

Key Governance Documents

Following completion of the Transaction, it is expected that many policies and practices will support the corporate framework of the Resulting Issuer. The following documents will constitute key components of the Resulting Issuer's corporate governance system and are expected to be made available by the Resulting Issuer subsequent to completion of the Transaction:

- Resulting Issuer Board Mandate
- Audit Committee Charter
- Compensation Committee Charter
- Governance Committee Charter
- Majority Voting Policy for Director Elections
- Insider Trading Policy
- Diversity Policy
- Code of Conduct (if adopted)

Auditor, Transfer Agent and Registrar

Auditor

Upon completion of the Transaction, it is expected that the Resulting Issuer's auditor will change to Manning Elliott LLP, being the auditor of Tokens, at its Vancouver, British Columbia office, located at Suite 1700, 1030 West Georgia Street, Vancouver, British Columbia V6E 2Y3.

Transfer Agent and Registrar

The Resulting Issuer anticipates that, at the time of Closing, the transfer agent and registrar for the Resulting Issuer will be Computershare Investor Services Inc. at its Toronto, Ontario office, located at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1.

GENERAL MATTERS

Experts

MNP LLP is the independent auditor of COIN. To the knowledge of management of COIN, as of the date of this Filing Statement, neither MNP LLP nor any Associate or Affiliate of MNP, has any material beneficial interest, direct or indirect, in the securities or property of COIN.

Manning Elliott LLP is the independent auditor of Tokens. To the knowledge of management of Tokens, as of the date of this Filing Statement, neither Manning Elliott LLP, nor any Associate or Affiliate of Manning Elliott, has any material beneficial interest, direct or indirect, in the securities or property of Tokens.

Other Material Facts

To the knowledge of management of COIN and Tokens, there are no other material facts relating to the Transaction that are not otherwise disclosed in this Filing Statement or are necessary for this Filing Statement to contain full, true and plain disclosure of all material facts relating to the Transaction.

Board Approval

The contents and the filing of this Filing Statement have been approved by the COIN Board and the Tokens Board.

CERTIFICATE OF COIN HODL INC.

The foregoing document constitutes full, true, and plain disclosure of all material facts relating to the securities of COIN Hodl Inc. assuming completion of the Transaction (as that term is defined in the Filing Statement of COIN Hodl Inc. dated April 22, 2021).

DATED April 22, 2021.

COIN HODL INC.

"*Ben Cubitt*"
Ben Cubitt
CEO

On behalf of the Board of Directors of COIN Hodl Inc.

"*Ben Cubitt*"
Ben Cubitt
Director

"*Justin Oliver*"
Justin Oliver
Director

CERTIFICATE OF TOKENS.COM INC.

The foregoing document, as it relates to Tokens.com Inc., constitutes full, true, and plain disclosure of all material facts relating to the securities of Tokens.com Inc.

DATED April 22, 2021

TOKENS.COM INC.

"*Andrew Kiguel*"
Andrew Kiguel
CEO and Director

"*Kyle Appleby*"
Kyle Appleby
Chief Financial Officer

On behalf of the Board of Directors of Tokens.com Inc.

"*Andrew Kiguel*"
Andrew Kiguel
Director

"*Deven Soni*"
Deven Soni
Director

SCHEDULE A

Audited annual consolidated financial statements of COIN Hodl Inc. as at and for the years ended December 31, 2020 and 2019

See Attached Documents

COIN HODL INC.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

(EXPRESSED IN CANADIAN DOLLARS)

Independent Auditor's Report

To the Shareholders of COIN Hodl Inc.:

Opinion

We have audited the consolidated financial statements of COIN Hodl Inc. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2020 and December 31, 2019, and the consolidated statements of income (loss) and comprehensive income (loss), changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2020 and December 31, 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resultingfrom error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is Brock Stroud.

MNP LLP

Toronto, Ontario
March 24, 2021

Chartered Professional Accountants
Licensed Public Accountants

MNP

COIN Hodl Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

		As at December 31, 2020		As at December 31, 2019
ASSETS				
Current assets				
Cash and cash equivalents	**$**	**2,229,026**	$	2,427,444
Receivables		**-**		24,724
Prepaid expenses		**14,545**		20,576
Investments (note 6)		**4,105,675**		687,500
Total assets	**$**	**6,349,246**	$	3,160,244
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (note 11)	**$**	**120,638**	$	81,777
Total liabilities		**120,638**		81,777
Shareholders' Equity				
Capital stock (note 7)		**34,360,252**		34,360,252
Contributed surplus		**12,431,209**		12,184,109
Deficit		**(40,562,853)**		(43,465,894)
Total shareholders' equity		**6,228,608**		3,078,467
Total liabilities and shareholders' equity	**$**	**6,349,246**	$	3,160,244

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

Nature of operations (note 1)
Commitments (note 13)
Subsequent event (note 14)

Approved on behalf of the Board:

"Ben Cubitt", Director

"Justin Oliver", Director

COIN Hodl Inc.

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Expressed in Canadian Dollars)

	Year ended December 31, 2020	Year ended December 31, 2019
Operating expenses		
General and administrative (note 12)	**$ (515,296)**	$ (244,194)
	(515,296)	(244,194)
Interest income	**9,355**	23,503
Foreign exchange loss	**(9,193)**	(10,615)
Realized loss on sale of investments	**-**	(1,477,135)
Net change in unrealized gain on investments	**3,418,175**	1,668,755
Total comprehensive income (loss)	**$ 2,903,041**	$ (39,686)
Basic and diluted net income (loss) per share (note 9)	**$ 0.20**	$ (0.00)
Basic and diluted weighted average number of common shares outstanding	**14,654,730**	14,654,730

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

COIN Hodl Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended December 31, 2020	Year ended December 31, 2019
Operating activities		
Net income (loss) for the year	**$ 2,903,041**	$ (39,686)
Adjustments for:		
Realized loss on sale of investments	**-**	1,477,135
Unrealized foreign exchange	**-**	(6,088)
Storage fees settled with digital currencies	**-**	2,385
Stock-based compensation	**247,100**	-
Written off non recoverable receivable	**47,539**	-
Unrealized gain on investments	**(3,418,175)**	(1,668,755)
Changes in non-cash working capital items:		
Receivables	**(22,815)**	(21,324)
Prepaid expenses	**6,031**	27,036
Accounts payable and accrued liabilities	**38,861**	7,229
Net cash used in operating activities	**(198,418)**	(222,068)
Investing activities		
Sale of investments	**-**	961,260
Net cash provided by investing activities	**-**	961,260
Net change in cash and cash equivalents	**(198,418)**	739,192
Cash and cash equivalents, beginning of year	**2,427,444**	1,688,252
Cash and cash equivalents, end of year	**$ 2,229,026**	$ 2,427,444

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

COIN Hodl Inc.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Capital stock	Contributed surplus	Deficit	Total
Balance, December 31, 2018	**$ 34,360,252**	**$ 12,184,109**	**$ (43,426,208)**	**$ 3,118,153**
Net loss for the year	-	-	(39,686)	(39,686)
Balance, December 31, 2019	**$ 34,360,252**	**$ 12,184,109**	**$ (43,465,894)**	**$ 3,078,467**
Stock-based compensation (note 8)	-	247,100	-	247,100
Net income for the year	-	-	2,903,041	2,903,041
Balance, December 31, 2020	**$ 34,360,252**	**$ 12,431,209**	**$ (40,562,853)**	**$ 6,228,608**

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

1. Nature of operations

COIN Hodl Inc. and its subsidiary (the “Company” or “COIN”) is a Canadian based company. COIN Hodl Inc. was originally incorporated on April 7, 1998 under the laws of British Columbia and operated as Arapaho Capital Corp. (“Arapaho”) until December 8, 2009. Effective December 8, 2009, Arapaho operated as Malbex Resources Inc. on a continuing basis under the laws of Ontario. On September 6, 2018, the Company changed its name to COIN Hodl Inc. COIN is a publicly listed company with common shares traded on the TSX Venture Exchange (“TSX-V”). The address of the Company’s registered office is the Canadian Venture Building, 82 Richmond Street East, Suite 200, Toronto, Ontario, M5C 1P1.

The Company’s common shares are listed on the TSX-V as a Tier 2 Investment Issuer and trade on the TSX-V under the symbol “COIN”.

During the year ended December 31, 2018, the Company closed its change of business transaction pursuant to the policies of the TSX-V and is now a merchant banking and financial advisory company focused on the small-cap market, with investments in cryptocurrency and blockchain sectors.

COVID-19

Commencing in March 2020, the outbreak of the novel strain of coronavirus, specifically identified as “COVID19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and it subsidiary in future periods. The Company is closely monitoring the business environment as a result to ensure minimal distribution to business operations.

2. Significant accounting policies

The Company applies International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

The policies applied in these consolidated financial statements are based on IFRSs issued and outstanding as of March 22, 2021, the date the Board of Directors approved the statements.

<u>Consolidation</u>

The Company’s consolidated financial statements include the interest in the Company’s wholly owned subsidiary: Malbex Nominee Inc.

These consolidated financial statements incorporate the assets, liabilities and results of operations of all entities controlled by the Company. The effects of all transactions between entities in the consolidated group have been eliminated.

2. Significant accounting policies (continued)

Foreign currency

These consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency. Items included in the financial statements of COIN Hodl Inc. (the "Parent") and the Company's subsidiary are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The functional currency of the Parent is the Canadian dollar and the functional currency of the subsidiary is the United States dollar ("USD"). The subsidiary is funded by the Parent company in USD. When translating to functional currency, foreign currency monetary assets and liabilities are translated into the functional currency at the rate of exchange prevailing at the end of the period. Non-monetary assets and liabilities are translated at the rate of exchange prevailing when the assets were acquired or the liabilities incurred. Income, and expense items are translated using the average rate of exchange during the financial statement periods, except for one time specific transactions that can be measured at their transaction date. Foreign exchange gains and losses resulting from the translation of monetary balances and balances denominated in foreign currencies are included in net comprehensive loss.

Assets and liabilities of entities with functional currencies other than the Canadian dollar are translated into the presentation currency at the period end exchange rate and the results of their operations are translated at the average rates of exchange for the period. The resulting translation adjustments are recognized in other comprehensive income as cumulative translation adjustments.

Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid short-term investments held in the form of high quality money market investments with a maturity date of less than three months at acquisition.

Share-based payments

Equity-settled share-based payments to employees and consultants providing services to the Company are measured at the fair value of the equity instruments at the grant date.

The fair value of options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options are granted. The fair value of awards is adjusted by the estimated number of options that are expected to vest as a result of non-market conditions, and is expensed over the vesting period, which is established by the Board of Directors for each award, using a graded vesting method of amortization. At each balance sheet date, the Company revises its estimates of the number of options that are expected to vest based on non-market vesting conditions. It recognizes the impact of the revision to original estimates, if any, in net loss, with a corresponding adjustment to contributed surplus.

Income tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets and liabilities are determined on a non-discounted basis, using the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets are recognized to the extent that it is probable that the asset can be recovered.

2. Significant accounting policies (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Income (loss) per share

Basic income (loss) per common share has been computed by dividing the income (loss) applicable to common shareholders by the weighted-average number of common shares outstanding during the period.

The diluted loss per share amounts are calculated by dividing net profit attributable to common shareholders by the weighted average number of shares outstanding during the year plus the weighted average number of shares that would be issued on the conversion of all the dilutive potential ordinary shares into common shares, which comprise warrants and stock options granted. During the years ended December 31, 2020 and 2019, shares issuable on exercise of all the outstanding stock options were not included in the computation of diluted loss per share as the effectwould have been anti-dilutive.

Financial instruments

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 throughprofit and loss ("FVTPL").

Below is a summary showing the classification and measurement bases of our financial instruments:

Classification	IFRS 9
Cash and cash equivalents	FVTPL
Investments	FVTPL
Accounts payable and accrued liabilities	Amortized cost

Financial assets
Financial assets are classified as either financial assets at FVTPL, or amortized cost. The Company determines the classification of its financial assets at initial recognition.

i. Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss. The Company's cash and cash equivalents and investments are classified as financial assets measured at FVTPL.

2. Significant accounting policies (continued)

ii. Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest".

iii) Investments recorded at fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to measure the investment at FVOCI whereby changes in the investment's fair value (realized and unrealized) will be recognized permanently in OCI with no reclassification to profit or loss. The election is made on an investment-by-investment basis.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

i. Amortized cost
Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

The Company's accounts payable and accrued liabilities do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

ii. Financial liabilities recorded FVTPL
Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

<u>Transaction costs</u>
Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

<u>Subsequent measurement</u>
Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

<u>Derecognition</u>
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

2. Significant accounting policies (continued)

Expected credit loss impairment model

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Leases and right-of-use assets

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by the incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Lease liabilities, on initial measurement, increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

2. Significant accounting policies (continued)

New standards adopted

Definition of Material - Amendments to IAS 1 and IAS 8

The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Change in Accounting Estimates and Error which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information.

The Company adopted this policy and there was no material impact to the consolidated December 31, 2020 financial statements.

Definition of a Business (Amendments to IFRS 3)

The IASB has issued Definition of a Business (Amendments to IFRS 3) to clarify the definition of a business for the purpose of determining whether a transaction should be accounted for as an asset acquisition or a business combination. The amendments:

- clarify the minimum attributes that the acquired assets and activities must have to be considered a business
- remove the assessment of whether market participants can acquire the business and replace missing inputs or processes to enable them to continue to produce outputs
- narrow the definition of a business and the definition of outputs
- add an optional concentration test that allows a simplified assessment of whether an acquired set of activities and assets is not a business

The Company adopted this policy and there was no material impact to the consolidated December 31, 2020 financial statements.

New standards not yet adopted

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets orservices that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022. There is currently a proposal in place to extend effective date for annual periods beginning on or after January 1, 2023. Earlier application is permitted.

The extent of the impact of adoption of this amendment has not yet been determined.

3. Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Other significant estimates made by the Company include factors affecting valuations of stock-based compensation, recognition of deferred income tax amounts and in the prior period, fair value of the investment in private company. The Company regularly reviews its estimates and assumptions; however, actual results could differ from these estimates and these differences could be material. Significant assumptions and judgment about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

At present, there is limited guidance in IFRS on the recognition and measurement of digital currencies. These assets were measured at fair value using the quoted price on www.coinmarketcap.com. Management considers this fair value to be a Level 1 input under IFRS 13 Fair Value Measurement fair value hierarchy as the price on this source represents an average of quoted prices on multiple digital currency exchanges. These assets were valued based on the closing price obtained from the www.coinmarketcap.com ("Coin Market Cap") at the reporting period corresponding to the different assets held by the Company. The Company liquidated all digital currency holdings in the prior year and as a result no longer rely on quoted prices on www.coinmarketcap.com for the fair value of these investments.

Functional currency – Under IFRS, each entity within the Company has its results measured using the currency of the primary economic environment in which the entity operates (the "functional" currency). Judgment is necessary in assessing each entity's functional currency. The Company considers the currency of expenses and outflows, as well as financing activities as part of its decision-making process.

4. Capital risk management

The Company considers its capital structure to consist of capital stock, contributed surplus and deficit, which at December 31, 2020 totaled $6,228,608 (December 31, 2019 - $3,078,467). When managing capital, the Company's objective is to ensure the Company continues as a going concern, to identify a new project as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management reviews and adjusts its capital structure on an ongoing basis. There can be no assurance that the Company will be able to continue to meet its funding requirements in this manner.

The Company is dependent on external financing to fund its activities. In order to identify a new project and pay for administrative costs, the Company will spend its existing working capital and may issue new shares to facilitate the management of its capital requirements. The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2020. The Company is not subject to any externally imposed capital requirements.

5. Financial instruments

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk, including interest rate and foreign currency rate.

Financial risk management is carried out by the Company's management team with guidance from the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

<u>Credit Risk</u>

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents. Cash and cash equivalents are held with Canadian chartered banks which are closely monitored by management.

5. Financial instruments (continued)

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2020, the Company had cash and cash equivalents of $2,229,026 to settle current liabilities of $120,638. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates and price risk on investments.

i) Interest Rate Risk

The Company has cash balances and no interest bearing debt. The Company's current policy is to invest excess cash in interest-bearing securities of major Canadian chartered banks. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its financial institutions.

ii) Foreign Currency Risk

The Company's cash includes $458,347 held in United States Dollars; which is subject to fluctuations in the currency price market. A change of plus or minus 10% of the United States Dollar rate, would result in change of $45,838 in cash included in the consolidated financial statements.

Financial Instruments

The Company has designated its cash and cash equivalents and investments as FVTPL. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. As at December 31,2020 and December 31, 2019, the carrying value and fair value amounts of the Company's financial instruments were approximately equivalent.

Sensitivity Analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movement is "reasonably possible" due to the Level 1 (2019 - Level 3) investment held. As a result of the 1,011,250 shares (2019 - 1,250,000 shares) held in Abaxx Technologies Inc. ("Abaxx"), a 10% fluctuation in fair value of the shares in Abaxx would result in an change in fair value of $410,568 (2019 - $68,750).

6. Investments

As at December 31, 2020	Number	Carrying value	Market Value Adjustment December 31, 2020	Fair Value
Abaxx	1,011,250	$ 687,500	$ 3,418,175	$ 4,105,675

(Expressed in Canadian Dollars)

As at December 31, 2019	Number		Opening Cost		Market Value Adjustment December 31, 2019		Fair Value
Abaxx	1,250,000	$	500,000	$	187,500	$	687,500

6. Investments (continued)

The Company has elected to irrevocably designate its investments as FVTPL. Gains and losses in respect of these investments are recognized in net income or loss, as a net change in unrealized gain or loss on investments, in the consolidated statements of loss and comprehensive loss.

On December 17, 2020 Abaxx Technologies Inc. announced to received final approval to list on the Neo Exchange Inc. in Canada and began trading under the symbol “ABXX”. Pursuant to the business combination, Abaxx common shareholders each received a ratio of 1:0.809 common shares of the resulting issuer common shares; therefore there was a decrease in the shares owned by the Company from 1,250,000 to 1,011,250. Starting December 18, 2020, Abaxx shares are publicly listed and therefore the valuation methodology is based on the Fair Market Value of the listedclosing share price in the exchange. As December 31, 2020, this investment has been classified as level 1.

During the year ended December 31, 2019, the Company divested all its digital currency assets and shifted the business focus to actively pursuing new investment opportunities outside the sectors of digital currency and block chain. The decision was made as a result of the Company’s digital currency custodian, Goldmoney Wealth Limited, no longer offering custodial services. As a result of the liquidation, the Company received $961,288 and recorded a loss on sale of digital currencies of $1,477,135 and an unrealized gain on digital currencies of $1,481,255, in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2019.

Fair value hierarchy

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table illustrates the classification of the Company’s financial instruments within the fair value hierarchy as at December 31, 2020.

		Level 1		Level 2		Level 3		Total
Cash and cash equivalents	$	2,229,026	$	-	$	-	$	2,229,026
Investments		4,105,675		-		-		4,105,675
	$	**6,334,701**	**$**	**-**	**$**	**-**	**$**	**6,334,701**

The following table illustrates the classification of the Company’s financial instruments within the fair value hierarchy asat December 31, 2019.

		Level 1		Level 2		Level 3		Total
Cash and cash equivalents	$	2,427,444	$	-	$	-	$	2,427,444
Investments		-		-		687,500		687,500
	$	**2,427,444**	**$**	**-**	**$**	**687,500**	**$**	**3,114,944**

In 2020 the Company transferred its investments from level 3 to level 1 as Abaxx’s become listed in the exchange on December 17, 2020. In 2019, the Company classified its investments as level 3 and recognized a fair value adjustment of $187,500 in the consolidated financial statements.

(Expressed in Canadian Dollars)

7. Capital stock

a) Authorized share capital

Authorized share capital consists of an unlimited number of voting common shares without par value and an unlimited number of preferred shares, issuable in series. All issued shares are fully paid. No dividends have been paid or declared by the Company since inception.

b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2019 and December 31, 2020	14,654,730	$ 34,360,252

8. Stock options

The Company has adopted an incentive stock option plan (the "Option Plan") which provides that the directors of the Company may, from time to time, at their discretion, grant to directors, officers, employees, advisors and consultants to the Company non-transferable options to purchase common shares, provided that the number of common shares reserved for issue under the Option Plan will not exceed 10% of the number of then outstanding common shares. Such options will be exercisable for a period of up to five years from the date of grant. Vesting terms will be determined at the time of grant in accordance with the Option Plan.

Stock options outstanding are as follows:

	Number of stock options	Weighted average exercise price
Balance, December 31, 2018 and December 31, 2019	1,400,000	$ 0.32
Issued (i)	1,200,000	0.12
Balance, December 31, 2020	2,600,000	$ 0.29

(i) On December 10, 2020, the Company granted 1,200,000 incentive stock options to directors of the Company. The options are exercisable at $0.26 per share for a period of 5 years, terminating on December 10, 2025. The incentive stock options vested immediately, subject to any blackout periods. The grant date fair value of $247,100 was assigned to the 1,200,000 stock options issued as estimated by using a fair value market technique incorporating the Black-Scholes option pricing model, using the following assumptions: a risk-free interest rate of 0.46%; and expected volatility factor of 111.97%; an expected dividend yield of 0%; share price of $0.26 and an expected life of 5 years.

(Expressed in Canadian Dollars)

8. Stock options (continued)

The following table reflects the actual stock options issued and outstanding as of December 31, 2020:

Expiry date	Weighted average exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
May 10, 2021	0.31	0.14	1,000,000	1,000,000
May 3, 2022	0.33	0.21	400,000	400,000
December 10, 2025	0.26	2.28	1,200,000	1,200,000
	0.29	2.63	2,600,000	2,600,000

9. Income (loss) per share

For the year ended December 31, 2020, basic and diluted income (loss) per share has been calculated based on the income (loss) attributable to common shareholders of $2,903,041 (year ended December 31, 2019 - $(39,686)) and the basic and diluted weighted average number of common shares outstanding of 14,654,730 (year ended December 31, 2019 - 14,654,730). For the year ended December 31, 2019 the diluted income (loss) per share did not include the effect of stock options as they are anti-dilutive.

10. Income taxes

A reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2019 - 26.5%) to the effective tax rate is as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
Income (loss) before income taxes	**$ 2,903,041**	$ (39,686)
Statutory tax rate	**26.50%**	26.50%
Expected income tax recovery	**769,306**	(10,517)
Share based compensation	**65,482**	-
Adjustment to carryforwards	**-**	1,143
Change in timing differences not recognized	**(834,788)**	9,374
Deferred income tax recovery	**$ -**	$ -

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off the current tax assets and current tax liabilities or deferred tax assets and liabilities and they relate to taxes levied by the same tax authority.

(Expressed in Canadian Dollars)

10. Income taxes (continued)

The following table summarized the components of deferred tax:

	Year ended December 31, 2020	Year ended December 31, 2019
Deferred Tax Assets		
Non-capital losses carried forward	**955,500**	49,688
Deferred Tax Liabilities		
Investment - FVTPL	**(955,500)**	(49,688)

The tax benefit of the following unused tax losses and other deductible temporary differences have not been recognized in the financial statements due to the unpredictability of future earnings:

	December 31, 2020	December 31, 2019
Tax loss carry-forwards	**$ 8,314,260**	$ 11,358,422
Exploration and development	**430,290**	531,226
Capital losses carried forward	**6,302,100**	6,302,095
Property plant and equipment	**20,950**	26,020
Other	**2,690**	2,690
	$ 15,070,290	$ 18,220,453

The Company's non-capital income tax losses expire as follows:

Year of expiry		
	2030	$ 125,720
	2031	1,124,270
	2032	1,286,580
	2033	313,170
	2034	1,223,150
	2035	812,190
	2036	508,380
	2037	452,180
	2038	385,680
	2039	1,762,030
	2040	320,910
		$ 8,314,260

The benefit from the non-capital loss carryforward amounts have not been recorded in the financial statements.

(Expressed in Canadian Dollars)

11. Related party transactions

Related parties include key management being the Company's executive officers and the Board of Directors. The following related party transactions were conducted in the normal course of operations and were recorded at the exchange amount agreed to by the respective parties.

(a) Compensation of key management personnel of the Company

In accordance with IAS 24, Related Party Disclosures ("IAS 24"), key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of key management personnel is determined by the Board of Directors having regard to the performance of individuals and market trends, was as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
Management fees	**$ 123,884**	$ 127,424
Stock-based compensation	**247,100**	-
	$ 370,984	$ 127,424

(a) The Chief Financial Officer ("CFO") is a senior employee of Marrelli Support Services Inc. ("MSSI"), a firm also providing accounting services. During the year ended December 31, 2020, the Company incurred $47,680 (year ended December 31, 2019 - $47,051) for CFO and accounting services rendered by MSSI. As at December 31, 2020, MSSI was owed $2,349 (December 31, 2019 - $2,359) and this amount was included in accounts payable and accrued liabilities.

(b) The Company received management services from Samara Capital Inc. ("Samara"), a company controlled by the CEO. During the year ended December 31, 2020, the Company incurred $76,204 (December 31, 2019 - $77,988) for management services. As at December 31, 2020, Samara was owed $48,471 (December 31, 2019 - $40,052) and this amount was included in accounts payable and accrued liabilities.

12. General and administrative

	Year ended December 31, 2020	Year ended December 31, 2019
Corporate expenses (note 11)	**$ 82,784**	$ 59,659
Shareholder information	**20,305**	20,461
Stock-based compensation	**247,100**	-
Professional fees (note 11)	**117,568**	164,074
Written off non recoverable receivable	**47,539**	-
	$ 515,296	$ 244,194

13. Commitments

On May 29, 2018, the Company and Samara entered into the Management Services Agreement pursuant to which Samara will be appointed to manage the operations, business and affairs of the Company and to provide all necessary or advisable administrative services and facilities to carry out the merchant banking business of the Company for the Initial Term. The Management Services Agreement provides Samara with broad discretion, subject to certain limitations, to carry out the Investment Policy.

The Management Service Agreement will be in force for the Initial Term, expiring December 31, 2022, at which time (and from time to time thereafter) it will automatically renew for a period of one year. The Management Service Agreement can be terminated by: written agreement between the Company and Samara; by either party on notice before the end of the initial or a renewal term; by the Company in the event of a persistent or fundamental breach by Samara; by the Company after a change of control or sale of its business; by the Company should Ben Cubitt cease tobe employed by Samara; by the Company upon an insolvency; or by Samara in the event of a change of control, material change in business, creation of a new class of shares, or a proposal to wind up the Company without Samara's prior consent.

Samara shall be entitled to the Management Fee, which shall be, initially, an annual fee equal to 2% of the Company's Net Asset Value. The Management Fee will be calculated and accrue quarterly (i.e., 0.5% of net asset value per quarter), payable within 30 days following the end of the quarter to which the payment is referable. At any time followingthe end of the Initial Term, the Board may elect to review and reset the Management Fee (the "Management Fee Review Election").

Either party hereto may terminate this Agreement effective at the end of the Initial Term or current successive term, as applicable, by giving the other of them at least 180 days' written notice prior to the expiry of such term, and, in the event of such termination by the Company, Samara shall be entitled to a cash payment upon termination of (i) all Management Fees payable to Samara up to and including the Termination Date, plus (ii) if the Termination Payout Condition has been satisfied, a lump sum equal to the Termination Payout.

The "Termination Payout" means two times (2x) the aggregate Management Fees accrued for the four most recently completed financial quarters of the Company preceding the Termination Date. "Termination Payout Condition" means the Company having raised a minimum of $10 million of new equity capital between the Commencement Date and the earlier of (i) the Termination Date, and (ii) the end of the Initial Term.

Samara may terminate this Agreement within 180 days following the occurrence of a Triggering Event by giving at least 90 days' prior written notice to the Company of such termination, and, in the event of such a termination, Samara shall be entitled to a cash payment upon termination of (i) all Management Fees payable to Samara up to and including the Termination Date, plus (ii) a lump sum equal to that percentage of the Net Asset Value on the Termination Date that is equal to 0.1667% multiplied by the number of months remaining in the Initial Term or the current successive term, as applicable, as of the Termination Date, plus (iii) if the Termination Payout Condition has been satisfied, a lump sum equal to the Termination Payout.

13. Commitments (continued)

“Triggering Event” means any of the following events that occur without the prior written consent of Samara:

i) a Change of Control of the Company;
ii) during the Initial Term, a decision by the Board that results in a material change to the nature of the Business being carried out by the Company;
iii) during the Initial Term, a decision by the Board which is inconsistent with the Cryptocurrency and Block-Chain Investment Business and the delegation of duties to Samara as set forth in this Agreement;
iv) during the Initial Term, the issuance or creation of any new class of shares or securities convertible into a new class of shares of the Company that would not be subject to the terms of this Agreement; or
v) during the Initial Term, a decision by the Board or a proposal by the Board to the shareholders of the Company to wind-up the Company.

Either party may terminate this Agreement if after 45 days following the occurrence of a Management Fee Review Election, the parties have not agreed on the Management Fee for the remainder of the Initial Term, by giving at least 60 days’ prior written notice to the other party of such termination, and, in the event of such a termination, Samara shall be entitled to a cash payment upon termination of (i) all Management Fees payable to Samara up to and including the Termination Date, plus (ii) a lump sum equal to 150% of the Management Fee paid for the last completed financial year.

During the year ended December 31, 2018, a Triggering Event occurred such that the Company has had a material change to the nature of the Business. Due to the liquidation of all digital currencies, and a shift in focus of the Company to now actively pursue new opportunities. Samara has not provided a notice of termination and as such the Master Service Agreement will continue.

14. Subsequent event

On January 21, 2021, the Company entered into a letter of intent with Tokens.Com Inc. (“Tokens”), pursuant to which Tokens shall acquire all of the issued and outstanding common shares of the Company by way of a business combination constituting a “reverse-takeover” of the Company by Tokens under the policies of the TSX Venture Exchange (the “Transaction”).

The Transaction shall be completed by way of a three-cornered amalgamation, pursuant to which Tokens will merge with a wholly-owned Ontario subsidiary of COIN formed for the purposes of completing the Transaction, following which COIN (following the Closing, the “Resulting Issuer”) will change its name to “Tokens.com Inc.”, or such other name as may be determined by Tokens (the “Name Change”), and continue the business of Tokens. The final transaction structure will be determined after the parties have considered applicable tax, securities and accounting matters.

The parties intend to enter into a definitive agreement in respect of the Transaction (the “Definitive Agreement”) within 45 days of the date of the LOI, or such other date as may be agreed to by COIN and Tokens. Prior to the Closing, it is expected that the issued and outstanding common shares in the capital of COIN (each, a “COIN Share”) will be consolidated (the “Consolidation”) such that, immediately prior to the Closing, the number of COIN Shares outstanding will be equal to $1,000,000 divided by the price at which subscription receipts are sold under the Private Placement (as defined below). It is anticipated that certain Resulting Issuer Shares to be issued to holders of Tokens Shares will be subject to lock-up arrangements, pursuant to which 25% will become freely tradeable at the Closing and 25% will become freely tradeable on each of the first, second and third months following the Closing. In addition, certain Resulting Issuer Shares will be subject to the escrow requirements of the Exchange.

14. Subsequent event (continued)

Transaction will be subject to various conditions, including:

- the parties entering into the Definitive Agreement;
- the parties obtaining all required directors', shareholders', regulatory and third-party
- consents, including the conditional approval of the Exchange, for the Transaction;
- approval of all matters put forward by COIN at the COIN Meeting (as defined below);
- completion of the Private Placement by Tokens, to raise minimum aggregate gross process of $15,000,000;
- completion of the Consolidation;
- completion of the Return of Capital (as defined below);
- compliance with applicable listing requirements of the Exchange; and
- at the Closing, the liabilities and obligations (contingent or otherwise) of COIN being zero, and COIN having at least $360,000 in available cash.

It is expected that, prior to the Closing, COIN will distribute, as a tax-free return of capital to its shareholders, on a pro rata basis, between approximately $1,600,000 and $2,400,000 in cash (depending pre-distribution option exercises and expenses of the distribution), and 1,011,250 shares of Abaxx Technologies Inc., which represent all of the common shares in the capital of Abaxx held by COIN (the "return of Capital") on terms to be agreed, in writing, by Tokens, acting reasonably, and in compliance with all applicable securities laws.

The Transaction is subject to completion to a number of conditions, including and the approval of the Toronto Stock Exchange, the TSX Venture Exchange and the Shareholders of the Company and Tokens.

On February 18, 2021, the Company entered into a binding agreement with a royalty company to sell its royalty interest on certain mining concession located in the Province of San Juan, Argentina, for cash consideration of $1,600,000.

On February 2, 2021, the Company and Tokens.com Inc. announced that Tokens entered into an agreement dated January 25, 2021 with a syndicate of agents led by Stifel GMP and Canaccord Genuity Corp. to complete a brokered private placement financing of subscription receipts of Tokens and expected to raise gross proceeds of approximately $20M. Subsequent, on February 25, 2021, the Company and Tokens.com Inc. announced that Tokens has priced the subscription receipts of Tokens to be offered under its brokered private placement financing at a price of $2.35 per Subscription Receipt. Concurrently, Tokens intends to undertake a non-brokered private placement financing subscription Receipts to raise aggregate gross proceeds of approximately $25M.

On March 16, 2021, the Company and Tokens.com Inc. announced the closing of the private placement and raised aggregate gross proceeds of $25M at a price of $2.35 per Subscription Receipt. The offering was comprised of:

i) a brokered private placement of 8,821,431 for aggregate gross proceeds of $20.73M and
ii) a non-brokered private placement of 1,816,929 Subscriptions Receipts for aggregate gross proceeds of $4.27M

The gross proceeds of the Offering, less 50% of the Agents' cash commission and advisory fees in connection with the Offering and the Agents' expenses incurred to March 10, 2021 (the "Escrowed Proceeds"), have been deposited into escrow with TSX Trust Company.Upon the satisfaction or waiver of the Escrow Release Conditions, provided that the Escrow Release Conditions are satisfied prior to July 8, 2021 (the "Deadline"), the Escrowed Proceeds will be released by the Escrow Agent to Tokens, and each Subscription Receipt will automatically convert, for no additional consideration, into one Class A common share in the capital of Tokens (each, a "Tokens Share"). All Tokens Shares will subsequently be exchanged for common shares in the capital of COIN in connection with the closing of the Transaction. If the Escrow Release Conditions are not satisfied by the Deadline, or the Transaction is earlier terminated, the Escrowed Proceeds will be returned to subscribers.

SCHEDULE B

Management's discussion and analysis of COIN Hodl Inc. for the year ended December 31, 2020

See Attached Document

COIN Hodl Inc.

Management's Discussion & Analysis – Quarterly Highlights

FOR THE YEAR ENDED DECEMBER 31, 2020

This Management's Discussion and Analysis – Quarterly Highlights ("MD&A") provides a discussion and analysis of the financial condition and results of operations of COIN Hodl Inc ("COIN" or the "Company") for the year ended December 31, 2020 and has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management discussion & analysis, being the Management Discussion & Analysis ("Annual MD&A") for the fiscal year ended December 31, 2019.

This MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual consolidated financial statements for the years ended December 31, 2020 and 2019 ("Statements").

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

All amounts included in this MD&A are in Canadian dollars, unless otherwise specified. This report is dated as of March 22, 2021. Readers are encouraged to read the Company's public filings, which can be viewed on the SEDAR website (www.sedar.com).

RECENT HIGHLIGHTS

- December 31, 2020: Working capital of $6,223K, including cash and cash equivalents of $2,229K, compared with working capital of $3,078K, including cash and cash equivalents of $2,427K, on December 31, 2019. The increase in working capital was mainly due to the valuation to fair market value its Abaxx investment as of December 31, 2020 of $3,418K.
- The company entered into a letter of intent with Tokens.Com Inc. ("Tokens"), pursuant to which Tokens shall acquire all of the issued and outstanding common shares of the Company by way of a business combination constituting a "reverse-takeover" of the Company by Tokens under the policies of the TSX Venture Exchange.
- The Company grant 1,200K incentive stock options to directors of the Company and recognized $247.1K fair value share compensation expenses in the consolidated financial statements.
- The Company entered into a binding agreement with a royalty company to sell its royalty interest on certain mining concession located in the Province of San Juan, Argentina, for cash consideration of $1,600K.
- The Company announced the closing of the private placement and raised aggregate gross proceeds of $25M at a price of $2.35 per subscription receipt.

STRATEGIC OBJECTIVE

The Company is focused on identifying a new project or business.

OUTLOOK

The strategic objectives are currently under review as management searches for new opportunities. The Company's current balance sheet should enable the Company to identify, evaluate and advance opportunities and projects without the requirement for immediate access to the capital markets.

SELECTED ANNUAL FINANCIAL INFORMATION

	Year ended December 31, 2020 ($)	Year ended December 31, 2019 ($)	Year ended December 31, 2018 ($)
Net income (loss)	2,903,041	(39,686)	(1,805,903)
Basic and diluted income (loss) per share	0.20	0.00	(0.12)
Total assets	6,349,246	3,160,244	3,192,701

SELECTED QUARTERLY FINANCIAL INFORMATION

Three Months Ended	Total Revenue ($)	Income (loss)		Total Assets ($)
		Total ($)	Per Share ($)	
December 31, 2020	-	3,032,551	0.21	6,349,246
September 30, 2020	-	(42,823)	0.00	3,107,163
June 30, 2020	-	(79,636)	(0.01)	3,055,826
March 31, 2020	-	(7,051)	0.00	3,164,440
December 31, 2019	-	98,186	0.01	3,160,244
September 30, 2019	-	(47,847)	0.00	3,075,415
June 30, 2019	-	(52,266)	0.00	3,125,389
March 31, 2019	-	(37,759)	0.00	3,170,108

RESULTS OF OPERATIONS

Three months ended December 31, 2020 compared to three months ended December 31, 2019.

The Company's net income totaled $3,032K for the three months ended December 31, 2020, with basic and diluted income per share of $0.21. This compares with a net income of $98K, with basic and diluted income per share of $0.01 for the three months ended December 31, 2019.

The increase of in net income was principally because in the current period a large unrealized gain was recorded through its Abaxx investment of $3,418K, offset by operating expenses of $385.6K. This was a result of measure its investments in Abaxx through fair value based on the listed publicly share price as of December 31, 2020.

The company has increase general and administrative expenses cost of $282.5K, mainly due to increases in in stock-based compensation of $247.1K written of non-recoverable receivable of $47.5K and base on decrease in professional fees of $9.9K and corporate expenses of $6.8K.

Year ended December 31, 2020 compared to Year ended December 31, 2019

The Company's net income totaled $2,903K for the year ended December 31, 2020, with basic and diluted income per share of $0.20. This compares with a net loss of $39.6K, with basic and diluted loss per share of $0.00 for the year ended December 31, 2019.

The increase of $2,942K in net income was principally because in the current period a large unrealized gain was recorded through its Abaxx investment of $1.749K, offset by operating expenses of $271K and decrease in realized loss on sale of investments for $1.477K. This was a result of measure its investments in Abaxx through fair value based on the listed publicly share price as of December 31, 2020.

The company has increase general and administrative expenses cost by $271K, mainly due to increases in in stock-based compensation of $247.1K, written of non-recoverable receivable of $47.5K, and corporate expenses of $23.1 and decreases in professional fees of $46.5K.

LIQUIDITY AND CAPITAL RESOURCES

As December 31, 2020, the Company had working capital of $6,228,608 (December 31, 2019 – $3,078,467) and held cash and cash equivalents of $2,229,026 (December 31, 2019 - $2,427,444). The increase in working capital was due to the valuation to fair market value its Abbaxx investment.

The Company's only sources of liquidity are its cash balances, its investments, the exercise of stock options and the equity markets. On an ongoing basis, the Company examines various financing alternatives to address future funding requirements. There is no guarantee of the sufficiency or success of these initiatives. See "Outlook" above.

The timing and ability to complete any future funding efforts will depend on the liquidity of the financial markets and the willingness of investors to finance the new business. At this time, the Company has no profit from operations; therefore, it will have to rely on its ability to obtain equity or debt financing for growth. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable to the Company.

COMMITMENTS

On May 29, 2018, the Company and Samara entered into the Management Services Agreement pursuant to which Samara will be appointed to manage the operations, business and affairs of the Company and to provide all necessary or advisable administrative services and facilities to carry out the merchant banking business of the Company for the Initial Term. The Management Services Agreement provides Samara with broad discretion, subject to certain limitations, to carry out the Investment Policy.

The Management Service Agreement will be in force for the Initial Term, expiring December 31, 2022, at which time (and from time to time thereafter) it will automatically renew for a period of one year. The Management Service Agreement can be terminated by: written agreement between the Company and Samara; by either party on notice before the end of the initial or a renewal term; by the Company in the event of a persistent or fundamental breach by Samara; by the Company after a change of control or sale of its business; by the Company should Ben Cubitt cease to be employed by Samara; by the Company upon an insolvency; or by Samara in the event of a change of control, material change in business, creation of a new class of shares, or a proposal to wind up the Company without Samara's prior consent.

Samara shall be entitled to the Management Fee, which shall be, initially, an annual fee equal to 2% of the Company's Net Asset Value. The Management Fee will be calculated and accrue quarterly (i.e., 0.5% of net asset value per quarter), payable within 30 days following the end of the quarter to which the payment is referable. At any time following the end of the Initial Term, the Board may elect to review and reset the Management Fee (the "Management Fee Review Election").

Either party hereto may terminate this Agreement effective at the end of the Initial Term or current successive term, as applicable, by giving the other of them at least 180 days' written notice prior to the expiry of such term, and, in the event of such termination by the Company, Samara shall be entitled to a cash payment upon termination of (i) all Management Fees payable to Samara up to and including the Termination Date, plus (ii) if the Termination Payout Condition has been satisfied, a lump sum equal to the Termination Payout.

The "Termination Payout" means two times (2x) the aggregate Management Fees accrued for the four most recently completed financial quarters of the Company preceding the Termination Date. "Termination Payout Condition" means the Company having raised a minimum of $10 million of new equity capital between the Commencement Date and the earlier of (i) the Termination Date, and (ii) the end of the Initial Term.

Samara may terminate this Agreement within 180 days following the occurrence of a Triggering Event by giving at least 90 days' prior written notice to the Corporation of such termination, and, in the event of such a termination, Samara shall be entitled to a cash payment upon termination of (i) all Management Fees payable to Samara up to and including the Termination Date, plus (ii) a lump sum equal to that percentage of the Net Asset Value on the Termination Date that is equal to 0.1667% multiplied by the number of months remaining in the Initial Term or the current successive term, as applicable, as of the Termination Date, plus (iii) if the Termination Payout Condition has been satisfied, a lump sum equal to the Termination Payout;

"Triggering Event" means any of the following events that occur without the prior written consent of Samara:

i. a Change of Control of the Company;
ii. during the Initial Term, a decision by the Board that results in a material change to the nature of the Business being carried out by the Company;
iii. during the Initial Term, a decision by the Board which is inconsistent with the Cryptocurrency and Block-Chain Investment Business and the delegation of duties to Samara as set forth in this Agreement;
iv. during the Initial Term, the issuance or creation of any new class of shares or securities convertible into a new class of shares of the Company that would not be subject to the terms of this Agreement; or
v. during the Initial Term, a decision by the Board or a proposal by the Board to the shareholders of the Company to wind-up the Company.

Either party may terminate this Agreement if after 45 days following the occurrence of a Management Fee Review Election, the parties have not agreed on the Management Fee for the remainder of the Initial Term, by giving at least 60 days' prior written notice to the other party of such termination, and, in the event of such a termination, Samara shall be entitled to a cash payment upon termination of (i) all Management Fees payable to Samara up to and including the Termination Date, plus (ii) a lump sum equal to 150% of the Management Fee paid for the last completed financial year.

During the year ended December 31, 2019, a Triggering Event occurred such that the Company has had a material change to the nature of the Business. Due to the liquidation of all digital currencies, and a shift in focus of the Company to now actively pursue new opportunities. Samara has not provided a notice of termination and as such the Master Service Agreement will continue.

RELATED PARTY AND OTHER TRANSACTIONS

In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of key management personnel is determined by the Board of Directors having regard to the performance of individuals and market trends and was as follows:

	Year ended December 31, 2020 ($)	**Year ended December 31, 2019 ($)**
Management fees	123,884	127,424
Stock-based compensation	247,100	-
Total	**370,984**	127,424

The Chief Financial Officer ("CFO") is a senior employee of Marrelli Support Services Inc. ("MSSI"), a firm also providing accounting services. During the year ended December 31, 2020, the Company incurred $47,680 (Year ended December 30, 2019 - $47,051) for CFO and accounting services rendered by MSSI. As at December 31, 2020, MSSI was owed $2,349 (December 31, 2019 - $2,359) and this amount was included in accounts payable and accrued liabilities.

The Company received management services from Samara Capital Inc. ("Samara"), a company controlled by the CEO. During the year ended December 31, 2020, the Company incurred $76,204 (Year ended December 31, 2019 - $77,988) for management services. As at December 31, 2020, Samara was owed $48,471 (December 31, 2019 - $40,052) and this amount was included in accounts payable and accrued liabilities.

On November 9, 2020, the Company announced the appointment of Mr. Omar Gonzalez as Chief Financial Officer ("CFO"), effective November 4, 2020. Mr. Gonzalez's appointment followed the resignation of the Company's former CFO, Mr. Aamer Siddiqui who resigned to pursue other business opportunities. Mr. Gonzalez is a senior employee of Marrelli Support Services Inc. ("Marrelli Services"). Marrelli Services provides the Company with CFO and accounting services.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of voting common shares without par value and an unlimited number of preferred shares, issuable in series.

As of the date of this MD&A, the Company had 14,654,730 issued and outstanding common shares.

Stock options outstanding for the Company at the date of this MD&A were as follows:

Options	Expiry Date	Exercise Price ($)
1,000,000	May 10, 2021	0.31
400,000	May 3, 2022	0.33
1,200,000	December 10, 2025	0.26
2,600,000		

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

General and Administrative

	Year ended December 31, 2020 ($)	Year ended December 31, 2019 ($)
Corporate expenses	82,784	59,659
Shareholder information	20,305	20,461
Stock-based compensation	247,100	-
Professional fees	117,568	164,074
Written off non recoverable receivable	47,539	-
Total	**515,296**	**244,194**

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

NEW ACCOUNTING PRONOUNCEMENTS

New standards adopted

Definition of Material - Amendments to IAS 1 and IAS 8

The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Change in Accounting Estimates and Error which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information.

The Company adopted this policy and there was no material impact to the consolidated December 31, 2020 financial statements.

Definition of a Business (Amendments to IFRS 3)

The IASB has issued Definition of a Business (Amendments to IFRS 3) to clarify the definition of a business for the purpose of determining whether a transaction should be accounted for as an asset acquisition or a business combination. The amendments:

- clarify the minimum attributes that the acquired assets and activities must have to be considered a business
- remove the assessment of whether market participants can acquire the business and replace missing inputs or processes to enable them to continue to produce outputs
- narrow the definition of a business and the definition of outputs
- add an optional concentration test that allows a simplified assessment of whether an acquired set of activities and assets is not a business

The Company adopted this policy and there was no material impact to the consolidated December 31, 2020 financial statements.

New standards not yet adopted

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022. There is currently a proposal in place to extend effective date for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

CAPITAL RISK MANAGEMENT

The Company considers its capital structure to consist of capital stock, contributed surplus and deficit, which on December 31, 2020 totaled $6,228,608 (December 31, 2019 - $3,078,467).

When managing capital, the Company's objective is to ensure Coin continues as a going concern, to identify a new project as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management reviews and adjusts its capital structure on an ongoing basis. There can be no assurance that the Company will be able to continue to meet its funding requirements in this manner.

The Company is dependent on external financing to fund its activities. In order to identify a new project and pay for administrative costs, the Company will spend its existing working capital and may issue new shares to facilitate the management of its capital requirements.

The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2020. The Company is not subject to any externally imposed capital requirements.

DISCLOSURE OF INTERNAL CONTROLS

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the 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 Statements; and (ii) the Statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized, and reported within the time periods specified in securities legislation; and
ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

RISK FACTORS

An investment in securities of the Company is highly speculative and involves significant risks. There are various risk factors that could have a material adverse effect on, among other things, the operating results, properties, business, and condition (financial or otherwise) of the Company. Any prospective investor should carefully consider those risk factors and all of the other information contained in the Company's Annual Information Form dated December 30, 2013 and elsewhere or incorporated by reference (including information contained in the section entitled "Forward-Looking Statements") before purchasing any of the securities of the Company. The risks described herein, or in documents incorporated herein by reference, are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently considers immaterial, may also materially and adversely affect its operating results, properties, business, and condition (financial or otherwise).

As a result of the disposition of the Company's sole property in March of 2015 (which closed in April 2015), it does not currently have any active exploration or development projects. While the Company is currently in the process of examining business opportunities as it formulates a new strategic direction, the Company may currently be considered to be operating with more than one deficiency under the TSX-V Tier 2 continued listing requirements. A failure to remedy these deficiencies in a prescribed period could result in the Company's common shares being transferred to the NEX, which is a unique and separate board of the TSX-V for listed companies that have fallen below the TSX-V's ongoing listing requirements.

COVID-19 Business Interruption

In March 2020 and subsequently after, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

The duration and impact of the COVID-19 outbreak is still unknown at this time, as is the efficacy of the government and central bank interventions. The Company however has not experienced any interruption in its business operations.

FORWARD-LOOKING STATEMENTS AND RISK FACTORS

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities laws which is prospective in nature. Forward-looking information by its nature requires the Company to make assumptions and is subject to inherent risks and uncertainties. Forward-looking information includes, but is not limited to, statements about strategic plans, future operations, cost estimates, sustaining capital, anticipated financial results, budgets and targets, continuity of a favourable markets, contractual commitments, continuous availability of required manpower and continuous access to capital markets, and other statements that express management's expectations or estimates regarding the timing of completion of various aspects of business or of the Company's future performance. Forward-looking information is generally, but not always, identifiable by use of the words "may", "will", "should", "continue", "expect", "anticipate", "estimate", "believe", "intend", "plan" or "project" or the negative or other variations of these words or comparable terminology. The Company has made certain assumptions about the Company's business, the economy and cryptocurrency and blockchain sectors in general and has also assumed that there will be no significant events occurring outside of the Company's normal course of business.

Known and unknown factors could cause actual results or events to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets; changes in interest rates; disruption to the credit markets and delays in obtaining financing; inflationary pressures; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, or other countries in which the Company may carry on business; business opportunities that may be presented to, or pursued by the Company; operating or technical difficulties in connection with business activities; the possibility of unanticipated expenses; and the occurrence of natural disasters, hostilities, acts of war or terrorism; the Company may require additional funds in order to acquire carry out its Investment Policy, as well as for general working capital and will be reliant on the sale of equity for such funds; there can be no assurance the Company will be able to obtain such funds and as a result, the Company may not be able to advance its business plan to carry out the Investment Policy or make further acquisitions or continue operations; there is no assurance the Company will continue to be able to obtain insurance for its operations and investments; the Company's directors and officers serve on the boards and as officers of other companies whose interests may conflict with the Company; there may not be an active or liquid market for the Company shares; the Company may never pay any dividends; the Company's cryptocurrency inventory may lose or may be severely reduced in value as a result of flaws in the cryptocurrency code or malicious actors; regulatory changes or actions may alter or prohibit investment in cryptocurrencies and may result in a restriction in the use of cryptocurrencies; the current value of cryptocurrencies and the value of the Company's future holdings of cryptocurrencies may be overvalued and volatile as a result of momentum pricing; there may be fraud or security failures of the cryptocurrency exchanges on which the Company's cryptocurrencies are exchanged resulting in closures of the cryptocurrency exchanges or complete losses of the Company's cryptocurrency balance; banks may refuse to provide cryptocurrency-related services resulting in a decrease in the usefulness of cryptocurrency and reduction in the value of the Company's cryptocurrency inventory; the algorithm for cryptocurrencies may change resulting in the Company losing its competitive advantage; the Company's operations, investment strategies and profitability may be adversely affected by competition from other cryptocurrencies or financial vehicles; the Company may be subject to incorrect or fraudulent transactions resulting in its coins being lost or irretrievable; the number of coins awarded for solving a block in the blockchain may be decreased resulting in the value of the inventory of the Company to decrease and may be decreased to a level where there is not an adequate incentive for the Company to continue operations; and the sale of coins by other vehicles investing in coins or tracking cryptocurrency markets may negatively affect cryptocurrency prices and reduce the value of the Company's inventory. The factors identified above are not intended to represent a complete list of the factors that could affect the Company. Additional factors are noted under the heading "Risk Factors" in the Company's Filing Statements dated April 24, 2020. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance or achievement may vary materially from those expressed or implied by the forward-looking information. These factors should be carefully considered and readers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date of this MD&A. All subsequent forward-looking information attributable to the Company or the Company herein is expressly qualified in its entirety by the cautionary statements contained in or referred to herein. and the Company do not undertake any obligation to release publicly any revisions to this forward-looking information to reflect events or circumstances that occur after the date of this MD&A or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

SCHEDULE C

Audited financial statements of Tokens.com Inc. for the period from incorporation until December 31, 2020

[see attached]

tokens.com

Financial Statements

For the period from incorporation on November 9, 2020 to December 31, 2020

(Expressed in United States Dollars)

manning elliott

17th floor, 1030 West Georgia St., Vancouver, BC, Canada V6E 2Y3

Tel: 604. 714. 3600 **Fax:** 604. 714. 3669 **Web:** manningelliott.com

INDEPENDENT AUDITORS' REPORT

To the Shareholders and the Board of Directors of
Tokens.com Inc.

Opinion

We have audited the financial statements of Tokens.com Inc. which comprise the statements of financial position as at December 31, 2020, and the statements of loss and comprehensive loss, changes in equity and cash flows for the period from incorporation on November 9, 2020 to December 31, 2020, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

manning elliott

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Tel: 604. 714. 3600 **Fax:** 604. 714. 3669 **Web:** manningelliott.com

INDEPENDENT AUDITORS' REPORT

Auditors' Responsibilities for the Audit of the Financial Statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

/S/ MANNING ELLIOTT LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada
March 19, 2021

TOKENS.COM INC.

Statement of Financial Position as at December 31, 2020
(Expressed in United States Dollars)

	Notes		2020
ASSETS			
Current assets			
Cash		$	**1,952,977**
Taxes recoverable			**6,427**
Amounts receivable	4		**5,932**
Total current assets			**1,965,336**
Digital assets	4		**366,667**
Total Assets		$	**2,332,003**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		$	**43,872**
Total current liabilities			**43,872**
Total liabilities			**43,872**
EQUITY			
Share capital	7		**2,223,243**
Accumulated other comprehensive income			**116,667**
Contributed surplus	7		**76,578**
Deficit			**(128,357)**
			2,288,131
Total Liabilities and Equity		$	**2,332,003**

Going Concern (note 1)
Commitments and Contingencies (note 6)
Subsequent Events (note 10)

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board of Directors:

"Andrew Kiguel"
Director

"Deven Soni"
Director

TOKENS.COM INC.

Statement of Loss and Comprehensive Loss
For the period from incorporation on November 9, 2020 to December 31, 2020
(Expressed in United States Dollars)

	Notes		2020
REVENUE			
Consulting revenue	4	**$**	**5,698**
Staking yield	4		**234**
			5,932
EXPENSES			
Consulting	5		**12,765**
General and administrative			**3,044**
Professional fees			**45,102**
Share-based compensation	7		**76,578**
			137,489
Loss before other items			**(131,557)**
Other items			
Unrealized foreign exchange gain			**3,200**
Net loss			**(128,357)**
Other comprehensive income			
Revaluation of digital assets	4		**116,667**
Comprehensive income (loss) for the year		**$**	**(11,690)**
Weighted average number of common shares outstanding			
Basic and diluted			**9,774,725**
Loss per common share			
Basic and diluted		**$**	**(0.01)**

The accompanying notes are an integral part of these financial statements

TOKENS.COM INC.

Statement of Changes in Equity
For the period from incorporation on November 9, 2020 to December 31, 2020
(Expressed in United States Dollars)

	Share Capital Common Shares	Share Capital Common Shares	Contributed Surplus	Accumulated other comprehensive income	Deficit	Total
	#	$	$	$	$	$
Balance at November 9, 2020		-	-	-	-	**-**
Share based compensation		-	76,578	-	-	76,578
Shares issued on incorporation	11,000,000	550,000	-	-	-	550,000
Shares issued on private placement	1,868,131	1,699,999	-	-	-	1,699,999
Share issue costs	-	(26,756)	-	-	-	(26,756)
Revaluation of digital assets	-	-	-	116,667	-	116,667
Net loss for the period		-	-	-	(128,357)	(128,357)
Balance at December 31, 2020	**12,868,131**	**2,223,243**	**76,578**	**116,667**	**(128,357)**	**2,288,131**

The accompanying notes are an integral part of these financial statements

TOKENS.COM INC.

Statement of Cash Flows
For the period from incorporation on November 9, 2020 to December 31, 2020
(Expressed in United States Dollars)

		2020
Cash flows (used in) from operations		
Net loss for the period	$	**(128,357)**
Non-cash items:		
Staking yield revenue		**(234)**
Consulting revenue		**(5,698)**
Share-based compensation		**76,578**
Changes in non-cash working capital		
Taxes recoverable		**(6,427)**
Accounts payable and accrued liabilities		**43,872**
		(20,266)
Cash flows used in investing activities		
Purchase of digital assets		**(250,000)**
		(250,000)
Cash flows from financing activities		
Issuance of common shares for cash, net of costs		**2,223,243**
		2,223,243
Net increase in cash		**1,952,977**
Cash – beginning of period		**-**
Cash – end of period	**$**	**1,952,977**

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS

Tokens.com Inc. (the "Company" or "Tokens") is a company established to operate the technology that secures next generation blockchain networks through Proof-of-Stake technology (see "Proof-of-Stake") that supports the growth of decentralized finance applications (which are built on top of blockchains).

The Company was incorporated under the BCBCA pursuant to a certificate of incorporation dated November 9, 2020. The Company's head and registered office is located at 100 King Street West, Suite 3400, 1 First Canadian Place, Toronto, Ontario M5X 1A4.

The financial statements were authorized for issue on March 19, 2021 by the directors of the Company.

Going concern

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company is subject to risks and uncertainties common to digital currency companies, including technological change, potential infringement on intellectual property of and by third parties, new product development, regulatory approval and market acceptance of its products, activities of competitors and its limited operating history. During the period ended December 31, 2020 the Company has not generated a significant amount of revenue, incurred a net loss of $128,357 and has not generate positive cash flows from operations. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty if the Company is unable to continue as a going concern.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on operations or the Company's ability to raise funds in the future, however to date the Company has not been significantly impacted by the outbreak and its effects.

2. BASIS OF PRESENTATION

a) Basis of Presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and are presented in United States dollars, which is also the Company's functional currency.

These financial statements have been prepared on the historical cost basis, with the exception of items that IFRS requires to be carried at fair value, as explained in the accounting policies set out in Note 3.

2. BASIS OF PRESENTATION (continued)

b) Accounting judgments and use of estimates:

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. Although these estimates are based on management's best knowledge of the current events and actions that the Company may undertake in the future, actual results may differ from these estimates.

Significant judgments

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

(i) Going concern - The assessment of the Company's ability to execute its strategy by effectively operating the Company involves judgment. Management closely monitors the operations and cash flows in the Company. Further information regarding going concern is outlined in Note 1.

(ii) Income taxes - Management exercises judgment to determine the extent to which deferred tax assets are recoverable and can therefore be recognized in the statements of financial position and comprehensive income or loss.

(iii) Functional currency - The functional currency of the Company has been assessed by management as the United States Dollar (USD) based on consideration of the currency and economic factors that primarily influence the Company's digital assets, revenues and operating costs, financing and related transactions. Specifically, the Company considers the currencies in which digital assets are most commonly denominated and expenses are settled by each entity as well as the currency in which each entity receives or raises financing. Changes to these factors may have an impact on the judgment applied in the determination of the Company's functional currency.

(iv) Digital assets - Digital assets are considered to be an identifiable non-monetary asset without physical substance. Management has determined that the digital assets are should be accounted for as intangible assets in accordance with IAS 38 *Intangible Assets*.

Significant estimates

(i) Digital currency valuation - Digital assets consist of cryptocurrency denominated assets (Note 4) and are long-term assets. Digital assets are carried at their fair market value determined by the spot rate based on the hourly volume weighted average from www.coinbase.com. The digital currency market is still a new market and is highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices for digital assets would have a significant impact on the Company's earnings and financial position. In addition, management estimates that selling costs will be nominal. Digital currency prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. A decline in the market prices for digital assets could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its digital assets.

2. BASIS OF PRESENTATION (continued)

(ii) Share-based compensation - The Company utilizes the Black-Scholes Option Pricing Model ("Black Scholes") to estimate the fair value of stock options granted to directors, employees, and consultants. The use of Black-Scholes requires management to make various estimates and assumptions that impact the value assigned to the stock options including the forecast future volatility of the stock price, the risk-free interest rate, dividend yield and the expected life of the stock options. Any changes in these assumptions could have a material impact on the share-based compensation calculation value, however the most significant estimate is the volatility. Expected future volatility can be difficult to estimate as the Company has had limited history and is in a unique industry, and historical volatility is not necessarily indicative of future volatility.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Cash

Cash comprises cash on hand held at the major financial institutions.

b) Revenue

The Company uses Proof-of-Stake ("PoS") technology to provide blockchain verification services (the "Services") to selected blockchain networks in order to earn staking rewards (also referred to as staking yields) for its shareholders. The staking yields are based on a predetermined formula, specific to each blockchain network, and to the timing of the Services. As consideration for these Services, the Company receives digital currency from each specific network in which it participates. Revenue is measured based on the fair value of the digital currency received or receivable. The fair value is determined using the spot price based on the hourly volume weighted average from www.coinbase.com on the date the tokens are earned.

The Company also, from time to time, provides consulting services. As consideration for these consulting services, the Company may receive fiat or digital currency dependent upon the nature of the agreement. Consulting fees are recognized as the consulting services are provided to customers over the term of the consulting contract.

c) Digital assets

Digital assets meet the definition of intangible assets in IAS 38 *Intangible Assets* as they are identifiable non-monetary assets without physical substance. They are initially recorded at the fair value of the acquisition date and the revaluation method is used to measure the digital assets subsequently. Under the revaluation method, increases in fair value are recorded in other comprehensive income, while decreases are recorded in profit or loss. The Company revalues its digital assets at the end of each of its three interim financial reporting periods and at its annual financial reporting period end date. There is no recycling of gains from other comprehensive income to profit or loss. However, to the extent that an increase in fair value reverses a previous decrease in fair value that has been recorded in profit or loss, that increase is recorded in profit or loss. Decreases in fair value that reverse gains previously recorded in other comprehensive income are recorded in other comprehensive income.

Digital assets that are being held with a short-term nature are recorded as current assets on the statement of financial position while digital assets being held to generate staking rewards are classified as long-term assets.

Digital assets are measured at fair value using the quoted price on www.coinbase.com. Management considers this fair value to be a Level 2 input under IFRS 13 Fair Value Measurement fair value hierarchy as the price on this source represents an average of quoted prices on multiple digital currency exchanges. These assets are valued based on the closing price obtained from the www.coinbase.com at the reporting period corresponding to the different assets held by the Company.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Amounts receivable

Amounts receivable relate to accrued staking rewards to be received per the terms of the staking contract. They are initially recorded at fair value using the price of the staking rewards when they are earned, and are subsequently remeasured at the fair value where gains and losses are recognised entirely in the statement of loss and comprehensive loss.

e) Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in shareholders' equity. Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to income tax payable in respect of previous years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. They are offset only when they arise in the same legal entity and jurisdiction.

f) Financial Instruments

(i) Classification and Measurement

Financial assets and financial liabilities are initially measured at fair value and are subsequently accounted for based on their classification as described below. The classification depends on the purpose for which the financial instruments were acquired and their characteristics. Except in very limited circumstances, the classification is not changed subsequent to initial recognition.

Financial Assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following categories: amortized cost, fair value through profit or loss, or fair value through other comprehensive income.

Amortized cost

Financial assets are measured at amortized cost if both the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest".

The Company's financial assets measured at amortized cost comprise cash. Due to their short-term nature, the carrying value of cash approximates their fair value.

Financial Liabilities at Fair Value Through Profit or Loss (FVTPL)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities that are incurred with the intention of generating profits in the near term are classified as fair value through profit or loss. Financial liabilities classified as FVTPL include derivative liabilities that are not accounted for as hedging instruments, obligations to deliver financial assets borrowed by a short seller and financial liabilities that are part of a portfolio of identified financial instruments that are managed together with the intention of generating profits in the near term. These instruments are accounted for at fair value with the change in the fair value recognized in the statement of comprehensive loss during the period. Attributable transaction costs are recognized in the statement of comprehensive loss when incurred. The Company does not have any financial liabilities classified as fair value through profit or loss.

Other Financial Liabilities

Other liabilities are accounted for at amortized cost using the effective interest rate method. Accounts payable and accrued liabilities and any loans from related parties are classified as other financial liabilities. Transaction costs are included in the underlying balance.

(ii) Determination of Fair Value

The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, fair value is determined by management using available market information or other valuation methodologies.

(iii) Fair Value Hierarchy

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3).

The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices 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;

Level 3: Inputs that are not based on observable market data.

(iv) Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

(v) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to set off the recognized amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

h) Share-based Payments

Share-based payments include option and stock grants granted to directors, employees and consultants. The Company accounts for share-based compensation using a fair value-based method with respect to all share based payments measured and recognized, to directors, employees and consultants. For directors and employees, the fair value of the options and stock grants is measured at the date of grant. For consultants, the fair value of the options and stock are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. For directors, employees and consultants, the fair value of the options and stock grants is accrued and charged to operations, with the offsetting credit to share based payment reserve for options, and commitment to issue shares for stock grants over the vesting period. If and when the stock options are exercised, the applicable amounts are transferred from share-based payment reserve to share capital. When the stock grants are issued, the applicable fair value is transferred from commitment to issue shares to share capital. Option based compensation awards are calculated using the Black-Scholes option pricing model while stock grants are valued at the fair value on the date of grant.

i) Earnings (Loss) per Share

Basic earnings (loss) per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant year.

Diluted earnings per share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

j) Foreign Currency Translation

The functional currency of the Company is the United States dollar (USD). When translating to functional currency, foreign currency monetary assets and liabilities are translated into the functional currency at the rate of exchange prevailing at the end of the period. Non-monetary assets and liabilities are translated at the rate of exchange prevailing when the assets were acquired or the liabilities incurred. Income, and expense items are translated using the average rate of exchange during the financial statement periods, except for one time specific transactions that can be measured at their transaction date.

(Expressed in United States Dollars)

4. DIGITAL ASSETS

Digital assets are recorded at their fair value on the acquisition date or when they are received as revenues and are revalued to their current market value at each reporting date. The fair value is determined using the spot price based on the hourly volume weighted average from www.coinbase.com on the date the tokens are received or recorded as a receivable.

On November 17, 2020, the Company subscribed for (the “Subscription Agreement”) 8,333,333 Oasis Rose Tokens (“Rose Tokens”) at a cost of $250,000. In accordance with the Subscription Agreement, the number of Rose Tokens purchased shall be delivered and released to the Company in accordance with the following schedule:

(a) 33% of the Number of Tokens Purchased shall be delivered and released to the Purchaser on the date that is the later of (i) forty days after the date of closing of this Subscription Agreement, and (ii) the date that the Rose Token is launched;

(b) an additional 33% of the number of Rose Tokens purchased shall be delivered and released to the Company on the one-year anniversary of the First Release Date; and

(c) the remaining 34% of the number of Rose Tokens purchased shall be delivered and released to the Purchaser on the 18-month anniversary of the First Release Date (the “Final Delivery Date”);

The effective staking yield for the first year post Rose Token launch is set at 18% per year. The Rose Token was launched on November 17, 2020.

Additionally, in exchange for consulting services performed by the Company, Oasis Foundation agreed to issue an additional grant of Rose Tokens as consideration for these services. As a result of the Subscription Agreement and the consulting service grant, the Company expects to receive a total of 1,005,000 is Rose Token awards in one year from November 17, 2020, and additional 170,000 in Rose Token rewards in a year and a half from November 17, 2020.

As at December 31, 2020, the fair value of the digital assets is as follows:

	Units	Fair value per unit	Amount
Balance on incorporation, November 9, 2020	-	$ -	$ -
Digital assets acquired	8,333,333	0.030	250,000
Revaluation of Digital assets	-	-	116,667
Balance, December 31, 2020	8,333,333	$ 0.044	$ 366,667

During the period ended December 31, 2020, the Company earned a total $5,9320 in revenue, of which $5,698 was consulting services revenue and the remaining $234 was the staking yield revenue. The $5,932 in revenue was recorded as earned pursuant to contracts and is included in amounts receivable at December 31, 2020.

(Expressed in United States Dollars)

5. RELATED PARTY BALANCES AND TRANSACTIONS

Key management personnel are those persons that have authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. As of December 31, 2020, the Company's key management personnel consist of its directors and senior management (Chief Executive Officer, Chief Financial, Chief Technology Officer and Chief Operating Officer). The Company incurred fees and expenses for key management compensation in the normal course of operations, details are as follows:

Nature of Transactions	2020
Management fees and salaries	$ 2,357
Stock based compensation	54,418
	$ 56,775

As at December 31, 2020, there was $11,775 payable to a director and CTO included in accounts payable and accrued liabilities.

During the period ended December 31, 2020, the Company was charged $2,357 pursuant to a consulting services agreement dated December 1, 2020 between the Company and CFO Advantage Inc., a company controlled by Kyle Appleby, the Chief Financial Officer of the Company. In accordance with the terms of the agreement, CFO Advantage Inc. will charge CAD$3,000 a month for the provision of services by Mr. Appleby. Mr. Appleby, was also granted 9,000 stock options, with and exercise price of $0.25, expire ten years from the date of grant and vest over the course of the next three years (see Note 7).

During the period ended December 31, 2020, 150,000 stock options were granted to Andrew Kiguel the Chief Executive Officer of the Company. The options have an exercise price of $0.25, expire ten years from the date of grant and vest over the next three years (see Note 7). Also see Note 12 for the details of the employment agreement with Andrew Kiguel signed in January 2021.

On December 1, 2020, the Company entered into an agreement with DASA Software Inc., a company controlled by Deven Soni, the Chief Operating Officer of the Company. Pursuant to the terms of the agreement, DASA Software Inc. is entitled to receive compensation of $7,500 per month commencing the first month the Company has raised (and closed) cash equity capital of $20,000,000 or as agreed to by the board of directors. The Company also granted 300,000 stock options (see Note 7), with an exercise price of $0.25, expire ten years from the date of grant and vest over the course of the next three years.

On December 1, 2020, the Company entered into an agreement with a company controlled by the former Chief Technology Officer of the Company. Pursuant to the terms of the agreement, TFK Cashflow Ltd. is entitled to receive compensation of CAD$12,500 per month commencing the first month the company has raised (and closed) cash equity capital of $20,000,000 or as agreed to by the board of directors. The Company also granted 150,000 stock options (see Note 7) with an exercise price of $0.25, expire ten years from the date of grant and vest over the course of the next three years.

See Note 7 for other related party transactions with respect to share and option issuances and note 12 Subsequent events.

6. COMMITMENTS AND CONTINGENCIES

As part of the Board's ongoing compliance process, the Board continues to monitor legal and regulatory developments and their potential impact on the Company. The Company takes legal advice as to the potential outcomes of claims and actions and provisions are made where appropriate. No provision is made where the directors consider, based on that advice, that the action does not meet the more likely than not criteria. Contingent liabilities are disclosed where the Company cannot make a sufficiently reliable estimate of the potential obligation.

Management is not aware of any contingencies that may have a significant impact on the financial position of the Company.

7. SHARE CAPITAL

a) Authorized Share Capital

The Company's authorized share capital consists of an unlimited number of common shares and preferred shares without par value.
an unlimited number of Class A Common Shares, voting;
an unlimited number of Class B Common Shares, voting;
an unlimited number of Class C Common Shares, voting;
an unlimited number of Class D Common Shares, non-voting;
an unlimited number of Class E Preferred Shares, voting, redeemable;
an unlimited number of Class F Preferred Shares, non-voting, redeemable;
an unlimited number of Class G Preferred Shares, non-voting, redeemable;
an unlimited number of Class H Preferred Shares, non-voting, redeemable;
an unlimited number of Class I Preferred Shares, non-voting, redeemable;
an unlimited number of Class J Preferred Shares, non-voting, redeemable;
an unlimited number of Class K Preferred Shares, non-voting, redeemable;
an unlimited number of Class L Preferred Shares, non-voting, redeemable; and
an unlimited number of Class V Preferred Shares, voting, redeemable, non-transferable.

b) Share Capital Issued – Class A Common Shares

	Number of shares	**Amount**
Issuance of founders' shares (i)	11,000,000	$ 550,000
Private placement of shares (ii)	1,868,131	1,699,999
Issuance costs – cash (ii)	-	(26,756)
As at December 31, 2020	**12,868,131**	**$ 2,223,243**

(Expressed in United States Dollars)

7. SHARE CAPITAL (continued)

b) Share Capital Transactions – Class A Common Shares (continued)

i. Between November 17 and November 27, 2020, the Company issued 11,000,000 common shares at $0.05 per share for proceeds of $550,000. Two directors subscribed for a total of 7,500,000 shares.

ii. On December 18, 2020 the Company completed a private placement with the issuance of 1,868,131 common shares at $0.91 per share for proceeds of $1,699,999. The company incurred $26,756 of legal fees associated with the financing.

c) Stock Options

On December 1, 2020, the Company adopted a stock option plan under which it is authorized to grant options to directors, employees and consultants to acquire up to 10% of the issued and outstanding common stock. The exercise price of each option is based on the market price of the Company's stock for a period preceding the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

Details of stock option transactions are as follows:

	Number of options	Weighted average exercise price of options
Opening balance	-	$ -
Granted	699,000	0.25
Outstanding, December 31, 2020	699,000	$ 0.25

The weighted average fair value of options granted in 2020, is $0.90 per option.

On December 2, 2020, the Company granted 699,000 stock options to officers, directors and consultants. 606,000 of the options were granted to officers and directors of the Company. The options have an exercise price of $0.25 and expire 10 years from the date of grant. 24,000 of the options vested on the date of grant, 112,500 vests on February 28, 2021, 112,500 vests on December 2, 2021, 225,000 vests on December 2, 2022 and the remaining 225,000 vests on December 2, 2023. The fair value of each option was estimated on the date of the grant using the Black-Scholes fair value option pricing model. The following assumptions were used for options issued:

	2020
Risk-free interest rate	**0.76%**
Volatility	**150%**
Share price	**$ 0.91**
Exercise price	**$ 0.25**
Dividend yield	**0%**
Forfeiture rate	**0%**
Weighted average expected life of options	**10 years**

The following table summarizes the information regarding stock options outstanding as at December 31, 2020:

Exercise price per share	Number outstanding	Number exercisable	Weighted average life
$0.25	699,000	24,000	9.93

In 2020 the Company recorded a share-based payment expense of $76,578 for these stock options.

(Expressed in United States Dollars)

8. INCOME TAX

The Company’s effective tax rate differs from the amount obtained by applying the Canadian statutory tax rate due to the following:

		December 31, 2020
Loss before taxes	$	(128,357)
Canadian statutory tax rate		26.5%
Income tax recovery		(34,014)
Permanent differences and other		13,202
Deferred income tax recovery - unrecognized		20,812
Income tax expense	$	-

The tax benefit of the following has not been recognized in the financial statements due to the uncertainty of future taxable income:

		December 31, 2020
Deferred income tax assets (liabilities) relate to:		
Non–capital losses	$	46,057
Share issue costs		5,672
Digital assets		(30,917)
Deferred tax assets unrecognized		(20,812)
Deferred income tax assets		-

As at December 31, 2020 the Company had non-capital losses in Canada of approximately $174,000 that may be applied against future income for income tax purposes. If unused, these non-capital losses will expire 2040 onwards. Share issue costs will be fully amortized in 2025. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

9. RISK MANAGEMENT

The Company’s financial instruments are exposed to the following financial risks:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. Financial instruments which are potentially subject to credit risk for the Company consist of cash and digital assets

The carrying amount of financial assets represents the maximum credit exposure. The Company has gross credit exposure at December 31, 2020 relating to cash of $1,952,977. The majority of the cash (99% at December 31, 2020) is held at Canadian chartered banks, which minimizes credit risk.

9. RISK MANAGEMENT (continued)

Currency risk

The Company generates all revenue in United States dollars but expenses are incurred in both U.S. and Canadian dollars, exposing the Company to fluctuations in earnings from volatility in foreign currency rates. The fluctuation in foreign currencies in relation to the United States dollar will consequently impact the profitability of the Company and may also affect the value of the Company's assets and liabilities and the amount of equity. Management however concludes the exposure to currency risk is not material and the Company does not utilize any financial instruments or cash management policies to mitigate such currency risks. At December 31, 2020, the Company held $168,017 denominated in Canadian dollars (CAD$213,886). A 10% change in the foreign exchange rate would not a result in a material impact on the Company's operations.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to this risk mainly with respect to ensuring the sufficiency of funds for working capital and commitments. The Company monitors the maturity dates of existing accounts payable and accrued liabilities, loans payable, and commitments to mitigate this risk. The Company's financial liabilities are comprised of accounts payable and accrued liabilities.

Fair Value Risk

Due to their short-term nature, the carrying value of cash, amounts receivable, and accounts payable approximate their fair value.

10. FAIR VALUE HIERARCHY

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in levels 1 to 3 of the fair value hierarchy based on the degree to which inputs used in measuring fair value is observable:

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 (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(a) Fair values of financial instruments measured at fair value on a recurring basis.

	Quoted prices in active markets for identical instruments Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3	Total
December 31, 2020				
Cash	$ **1,952,977**	$ -	$ -	$ **1,952,977**

The Company has determined the estimated fair value of its financial instruments, if any, based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. The fair values of the Company's financial instruments, if any, are not materially different from their carrying values.

(b) All digital assets described in Note 4 are measured at fair value and are categorized as Level 2 under the fair value hierarchy described above.

11. CAPITAL MANAGEMENT

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to acquire more digital assets and fund the operation of the Company. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through the equity or debt financing. The Company is not subject to any external capital requirements imposed by a regulator.

12. SUBSEQUENT EVENTS

(a) On January 1, 2021, the Company entered into an employment agreement with Andrew Kiguel, the Chief Executive Officer of the Company. Pursuant to the terms of the agreement Mr. Kiguel is entitled to receive a salary of CAD$375,000 per annum (the "Base Salary"), less applicable deductions and withholdings. Additionally, Mr. Kiguel is entitled to receive an annual bonus, with a target of 50% of the Base Salary, based on the achievement of performance metrics to be mutually established by the Company's board and Mr. Kiguel at the beginning of each year. The term of the agreement is indefinite and may be terminated without cause by Tokens providing written notice to Mr. Kiguel specifying the effective date of termination, and by Mr. Kiguel on providing four weeks' written notice.

(b) On March 9, 2021, the Company signed a definitive transaction agreement (the "Definitive Agreement"), which will result in the reverse takeover of COIN Hodl Inc. ("COIN") by Tokens (the "Transaction"). Pursuant to the terms of the Definitive Agreement, the Transaction will be structured as a "three-cornered amalgamation" involving COIN, a wholly-owned subsidiary of COIN ("COIN Subco") and Tokens (the "Amalgamation").

(c) On March 16, 2021, the Company closed a private placement for gross proceeds of $25.0 million from the sale of subscription receipts of Tokens at a price of $2.35 per subscription receipt. The offering was comprised of: (i) a brokered private placement of 8,821,431 subscription receipts for aggregate gross proceeds of $20.73 million that closed on March 10, 2021, and (ii) a non-brokered private placement of 1,816,929 subscription receipts for aggregate gross proceeds of $4.27 million that closed on March 16, 2021.

The gross proceeds of the offering, less 50% of the agents' cash commission and advisory fees in connection with the offering, and the agents' expenses incurred to March 10, 2021 (the "Escrowed Proceeds"), have been deposited into escrow with TSX Trust Company, as escrow agent (the "Escrow Agent"), pursuant to the terms of a subscription receipt agreement dated March 10, 2021 (the "Subscription Receipt Agreement") among Tokens, the Escrow Agent and the Co-Lead Agents, pending satisfaction of the escrow release conditions, which include that all conditions precedent to the closing of the Transaction as defined in Note 12 (b) be satisfied or waived. Upon the satisfaction or waiver of the escrow release conditions, provided that the escrow release conditions are satisfied prior to July 8, 2021, the Escrowed Proceeds will be released by the Escrow Agent to Tokens, and each subscription receipt will automatically convert, for no additional consideration, into one Class A common share in the capital of Tokens (each, a "Tokens Share"). All Tokens Shares will subsequently be exchanged for common shares in the capital of COIN in connection with the closing of the transaction between Tokens and COIN. If the escrow release conditions are not satisfied by July 8, 2021, or the Transaction is earlier terminated, the Escrowed Proceeds will be returned to subscribers. Pursuant to the terms of the agency agreement, Tokens: (i) agreed to pay the agents a cash commission and advisory fee in the aggregate amount of $1.35 million, and (ii) issued the agents an aggregate of 566,672 compensation options, each of which is exercisable into one Tokens Share at a price of $2.35 per Tokens Share for a period of 24 months following the escrow release date.

(d) In March 2021, 212,500 stock options outstanding at December 31, 2020 were cancelled.

SCHEDULE D

Management's discussion and analysis of Tokens.com Inc. for the period from incorporation until December 31, 2020

[see attached]

TOKENS.COM INC.

Management's Discussion and Analysis

For the period from incorporation on November 9, 2020 to December 31, 2020

(Expressed in United States Dollars)

Introduction

This Management's Discussion and Analysis ("MD&A") is dated March 19, 2021, and consolidates management's review of the factors that affected Tokens.com Inc.'s ("Tokens.com" or the "Company") financial and operating performance for period from incorporation on November 9, 2020 to December 31, 2020, and factors reasonably expected to impact on future operations and results. This discussion is intended to supplement and complement the Company's audited financial statements as at and for the same period ended December 31, 2020 ("2020 Audited Financial Statements") and the notes thereto which were prepared in accordance with International Financial Reporting Standards ("IFRS" or "GAAP").

Unless otherwise stated, results are reported in United States dollars, unless otherwise noted. The Company applies International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board and interpretations issued by the IFRS Interpretations Committee. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. The results presented in the MD&A are not necessarily indicative of the results that may be expected for any future period.

This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results presented are not necessarily indicative of the results that may be expected for any future period.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. For a complete list of the factors that could affect the Company, please make reference to those risk factors referenced in Part VI – "*Risk Factors*" of the Filing Statement of the Company dated April 22, 2021. Readers are cautioned that such risk factors, uncertainties and other factors are not exhaustive. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the Company's ability to meet its working capital needs at the current level for the next twelve-month period; management's outlook regarding future trends; sensitivity analysis on financial instruments, which may vary from amounts disclosed; and general business and economic conditions.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly, or otherwise revise, any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

The Company

Tokens.com was incorporated under the OBCA on November 9, 2020. Tokens is a proof-of-stake (PoS) technology company compensated with tokens for its work.

Tokens.com was founded in 2020 to operate the technology that secures next generation blockchain networks through PoS technology that supports the growth of decentralized finance applications (which are built on top of blockchains). Tokens.com provides its staking services to digital assets in the cryptocurrency sector that developers use to write smart contracts and decentralized finance ("DeFi") applications, such as Ethereum 2.0. DeFi is a new class of financial applications that provides users with automated and transparent financial services, such as borrowing and lending, without the need for financial institutions. PoS is inextricably linked to DeFi, with staking providing the infrastructure and security needed to process transactions and secure blockchains. Management of Tokens believes that as DeFi applications become mainstream in the future, the need for Tokens' staking services will commensurately increase.

Tokens.com's was founded by blockchain entrepreneur, Andrew Kiguel, co-founder and former CEO of Hut 8 Mining Corp., one of North America's largest bitcoin miners.Tokens was formed in collaboration with Polychain Labs, an affiliate of Polychain Capital, which is one of the largest cryptocurrency venture capital firms in Silicon Valley. In December 2020, Tokens conducted a private placement which included strategic investments by Bitbuy Limited, First Block Capital, HIVE Blockchain Technologies Ltd., PowerOne Capital Group, Matthew Roszak (the co-founder and Chairman of Bloq, Inc.), and Olaf Carlson-Wee (the founder and CEO of Polychain Capital).

Tokens.com has deployed capital into staking blockchain based digital assets. Tokens.com gets compensated for providing its staking services in the underlying digital asset it is staking. Tokens.com may also benefit from the potential appreciation in the underlying digital asset inventory used for staking. Staking is a next generation technology used by many digital assets, such as Ethereum 2.0, to secure their networks. Unlike traditional cryptocurrency mining, which is used to mine older blockchains like Bitcoin and Ethereum 1.0, staking is not reliant on specialized hardware that can rapidly become outdated, and does not consume vast amounts of electricity. Instead, staking technology uses digital asset ownership and intelligent software to make digital asset transactions secure, reliable and sustainable.

Tokens.com has entered into agreements with industry leaders, Polychain Labs, Bison Trails and Staked, to manage its staking operations and provide the underlying technology and services. Tokens.com holds the majority of its digital assets in Coinbase Custody, a SOC 1/ SOC 2 certified digital asset custodian, which claims to hold $20bn+ of digital assets in segregated cold-storage. Some of Tokens.com's digital assets that cannot be custodied at Coinbase Custody (e.g., if Coinbase does not support the custodying or staking of a particular digital asset) are custodied by Tokens internally, using its extensive security protocols and internal controls. Currently the Company does not custody any digital assets internally. At December 31, 2020 and the date of this MD&A, the Company owned Tokens (Rose) that cannot be custodied with Coinbase, and are currently custodied with Anchorage (see below). The Company intends to transfer these Tokens to Coinbase in the coming weeks once they can be supported. Other digital assets owner by the Company are currently held with Coinbase.

Tokens holds the majority of its digital assets with Coinbase, a SOC 1 type 2 certified digital asset custodian, a non-related party. See Coinbase Custodial agreement below.

Custodial Agreement

The Coinbase User Agreement was entered into on December 8, 2020 between Tokens and Coinbase. Coinbase agreed to provide wallet and vault services to Tokens. Coinbase was founded in 2012 in San Francisco, California, where it is currently headquartered. Since inception, Coinbase has raised approximately US$547 million from leading investors, including Andreesen Horowitz, Tiger Global Management and Polychain Capital, and the New York Stock Exchange. Coinbase is independent of Tokens.

Coinbase is regulated under the New York Department of Financial Services. As such, Coinbase is a fiduciary under NY State Banking Law and is held to the same fiduciary standards as national banks in the US. Coinbase undergoes regular financial and security audits and has obtained both SOC 1 Type II and SOC 2 Type II reports. All digital assets are segregated and held in trust.

In addition, Coinbase has an insurance policy, established in 2013, that is provided through a global syndicate that includes Lloyd's of London and is coordinated through AON Risk. The insurance policy covers all types of storage and has a US$255 million limit.

There have been no known incidents of which crypto assets have been lost or stolen.

In accordance with the terms of the agreement, Coinbase is responsible for wallet and custodial services which include establishing and hosting Tokens'; (a) digital currency wallet(s) for holding digital currencies; and (b) wallet for holding USD. Coinbase is also responsible for payment services, purchase and sale transactions, credit transactions, digital currency transfers and additional services as outlined in the agreement.

Although Tokens' cryptocurrency assets are not stored in a physical sense, the transaction records included in the blockchain assign a location for each of Tokens' cryptocurrency assets to the account established by Coinbase. Private keys are kept in "cold storage," which means that the cryptocurrency assets are not directly connected to, or accessible from, the internet or other computers. The wallets within Tokens' wallet digitally hold the cryptocurrency and permit Tokens to transfer and/or sell upon advanced notice to Coinbase. Access to a digital wallet, and the cryptocurrencies that it holds, is restricted through the public-private key pair, which may be broken into parts, referred to as multi-signature, that relates to each digital wallet. Coinbase is responsible for the safekeeping of Tokens' private keys that are used to access its cryptocurrency account and that facilitate the transfer of cryptocurrency in accordance with Tokens' instructions.

Other Material Agreements

<u>Bison Trails MSA</u>
On December 11, 2020, Tokens entered into the Bison Trails MSA with Bison Trails Co. Pursuant to this agreement, Bison Trails provides a fully managed platform powering the critical infrastructure required to operate nodes across a number of blockchains. Bison Trails has guaranteed a 99% platform uptime guarantee for the monthly billing cycle. If this service level is not maintained, Tokens is eligible for a service credit equal to 10% of the pro-rata fees for such month. Bison Trails will also provide Tokens with any professional services necessary to configure the hosted service as set forth in the applicable order schedule. Platform changes will only be deployed to Tokens after a code review and testing in a staging environment, where manual quality assurance testing is performed.

The fees connected to the provision of these services are initially expected to be approximately 8% of tokens rewards generated. If necessary, the Bison Trails will decrease the applicable service fees so that the pricing afforded to Tokens is at least equal to the pricing afforded to other third parties.

Either party may terminate the Order Schedule (as such term is defined in the Bison Trails MSA) at any time for convenience upon thirty days' prior written notice to the other party, subject to any unbonding period set by the network protocol.

Polychain MSA
On November 25, 2020, Tokens entered into a master service agreement with Polychain Labs, a designer, builder and operator of validating infrastructure on various blockchain networks.

Polychain Labs was founded in 2018 and is led by a team of engineers from Coinbase, Google and NASA's Jet Propulsion Laboratory to provide secure, institutional grade staking services. Polychain Labs is an affiliate and primary service provider for one of the leading and largest cryptocurrency VC funds, Polychain Capital. Polychain Labs has built the industry's largest private staking infrastructure that supports all major staking blockchains.

Risk management is a key priority for Polychain Labs, with the company having isolated control planes with geographic redundancy and industry-leading double-signing protection against malfunction and loss. Polychain Labs designs their operations with scale and security in mind, having invested heavily in financial auditability and compliance for the networks they operate on. Presently, Polychain Labs operates some of the largest staking operations across the Tezos, Cosmos, and Terra networks. Polychain Labs continues to help these networks scale, while using this experience to help Tokens confidently launch validators on several more networks that Tokens is incubating. Polychain Labs continues to be focused on the potential of programmable money and continues to advance the state of the art through proof-of-stake networks infrastructure.

Tokens will delegate a portion of its cryptocurrency assets to Polychain Labs so that Polychain Labs may provide validating and staking services in respect of Tokens' delegated assets, subject to the terms and conditions of the agreement. The fees connected to the provision of Polychain Labs' services are initially expected to be approximately 20% of tokens rewards generated.

Staked Services Agreement
On January 18, 2021, Tokens entered into the Staked Services Agreement. Pursuant to the Staked Services Agreement, Staked will provide a fully managed platform powering the critical infrastructure required to operate Ethereum 2.0 validators. For each hour of staking downtime, Tokens shall be entitled to a credit in the amount equal to the pro-rated net revenue for one hour of the revenue share that would ordinarily be payable, plus a credit for any slashing penalties, if applicable, incurred as a result of such staking node downtime. All staking nodes are monitored by Staked 24 hours a day, 7 days per week. Staked will inform Tokens of all scheduled maintenance which could reasonably be expected to cause significant degradation of block product or general downtime.

The fees connected to the provision of these services are initially expected to be approximately 10% of tokens rewards generated.

Either party may terminate this agreement at any time for its convenience upon 30 days' prior written notice to the other party, subject to any unbonding period set by the network protocol.

Proposed Transaction

On March 9, 2021, the Company signed a definitive transaction agreement (the "Definitive Agreement"), which will result in the reverse takeover of COIN Hodl Inc. ("COIN") by Tokens (the "Transaction").

Pursuant to the terms of the Definitive Agreement, the Transaction will be structured as a "three-cornered amalgamation" involving COIN, a wholly-owned subsidiary of COIN ("COIN Subco") and Tokens (the "Amalgamation").

In connection with the closing of the Transaction (the "Closing"), it is expected that:

i. COIN will distribute to the pre-Closing COIN Shareholders, on a pro-rata basis as a tax-free return of capital, an approximate amount between $1,600,000 and $3,400,000 in cash and all of the shares of Abaxx Technologies Inc. held by COIN;
ii. Tokens will subdivide all of the then issued and outstanding class A common shares of Tokens (each, a "Tokens Share") on the basis of approximately 3.133 new Tokens Shares for each existing Tokens Share (the "Split");
iii. COIN will consolidate all of the then issued and outstanding common shares of COIN (each, a "COIN Share") on a consolidation ratio that will result in there being such number of COIN Shares outstanding immediately prior to the Closing (after giving effect to any COIN option exercises that occur prior to the Closing) as have an aggregate value of $1,050,000 based on the price (on a post-Split basis) per Subscription Receipt under the Concurrent Financing, which, as at the date of this Agreement, is expected to be an aggregate of 1,399,851 COIN Shares based on an expected post-Split price of $0.75 per Subscription Receipt (the "Consolidation");
iv. Tokens and COIN Subco will amalgamate under the Business Corporations Act (Ontario) with the amalgamated company to be named "Tokens.com Capital Corp.", or such other name as may be determined by Tokens, and will be a wholly-owned subsidiary of COIN;
v. COIN will change its name to "Tokens.com Corp.", or such other name as determined by Tokens (on a post-Closing basis, the "Resulting Issuer");
vi. COIN will have at least $360,000 in available cash and no liabilities; and
vii. each Tokens Share will be cancelled, and the former holders of Tokens Shares will receive one post-Consolidation COIN Share (each, a "Resulting Issuer Share") for each Tokens Share held.

The resulting issuer will carry on the business of Tokens.

The Transaction will result in the reverse takeover of COIN by Tokens.com, as contemplated under the policies of the TSX Venture Exchange (the "Exchange"). COIN and Tokens.com are at arm's length and the Transaction will not be a non-arm's length transaction under the policies of the Exchange. On closing of the Transaction (the "Closing"), it is expected that the Resulting Issuer will be listed as a Technology Issuer on the Exchange and its business will be that of Tokens.com.

<u>Tokens Private Placement</u>

Related to the Proposed Transaction, on March 16, 2021 the Company, the Company closed a private placement for gross proceeds of $25.0 million from the sale of subscription receipts of Tokens at a price of $2.35 per subscription receipt. The offering was comprised of: (i) a brokered private placement of 8,821,431 subscription receipts for aggregate gross proceeds of $20.73 million that closed on March 10, 2021, and (ii) a non-brokered private placement of 1,816,929 subscription receipts for aggregate gross proceeds of $4.27 million that closed on March 16, 2021.

The gross proceeds of the offering, less 50% of the agents' cash commission and advisory fees in connection with the offering, and the agents' expenses incurred to March 10, 2021 (the "Escrowed Proceeds"), have been deposited into escrow with TSX Trust Company, as escrow agent (the "Escrow Agent"), pursuant to the terms of a subscription receipt agreement dated March 10, 2021 (the "Subscription Receipt Agreement") among Tokens, the Escrow Agent and the Co-Lead Agents, pending satisfaction of the escrow release conditions, which include that all conditions precedent to the closing of the Transaction as defined in Note 12 (b) be satisfied or waived. Upon the satisfaction or waiver of the escrow release conditions, provided that the escrow release conditions are satisfied prior to July 8, 2021, the Escrowed Proceeds will be released by the Escrow Agent to Tokens, and each subscription receipt will automatically convert, for no additional consideration, into one Class A common share in the capital of Tokens (each, a "Tokens Share"). All Tokens Shares will subsequently be exchanged for common shares in the capital of COIN in connection with the closing of the transaction between Tokens and COIN. If the escrow release conditions are not satisfied by July 8, 2021, or the Transaction is earlier terminated, the Escrowed Proceeds will be returned to subscribers. Pursuant to the terms of the agency agreement, Tokens: (i) agreed to pay the agents a cash commission and advisory fee in the aggregate amount of $1.35 million, and (ii) issued the agents an aggregate of 566,672 compensation options, each of which is exercisable into one Tokens Share at a price of $2.35 per Tokens Share for a period of 24 months following the escrow release date.

Other Financing Events

On November 27, 2020, Tokens completed a non-brokered private placement pursuant to which it issued 11,000,000 Tokens Shares at a price of US$0.05 per Tokens Share for gross proceeds of US$550,000.

In December 2020, Tokens completed the Tokens Seed Financing, in various tranches, pursuant to which it issued an aggregate of 1,868,131 Tokens Shares at a price of US$0.91 per Tokens Share for aggregate gross proceeds of US$1,699,999.

In March 2021, Tokens completed financings related to the proposed Transaction as described above.

COVID -19

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on operations or the Company's ability to raise funds in the future, however to date the Company has not been significantly impacted by the outbreak and its effects.

Selected Annual Financial Information

The following is selected financial data derived from the audited financial statements of the Corporation:

	For the period from incorporation on November 9, 2020 to December 31, 2020
Total revenues	$ 5,932
Total Income (loss) (1)(2)	$(128,357)
Net income (loss) per share – basic (3)(4)	$ (0.01)
Net income (loss) per share – diluted (3)(4)	$ (0.01)
	As at December 31, 2020
Total assets	$2,332,003
Total non-current financial liabilities	n/a
Distribution or cash dividends (5)	n/a

(1) Loss from continuing operations, in total.

(2) Net loss from operations, in total.

(3) Loss from continuing operations, on a per-share and diluted per share basis.

(4) Net loss from operations, on a per-share and diluted per-share basis.

(5) Declared per-share for each class of share.

As the Corporation has no material revenue, its ability to fund its operations is dependent upon completing a debt or equity financing or through the sale of assets.

Discussion of Operations for the period from incorporation on November 9, 2020 to December 31, 2020

The Company recorded a net loss of $128,357 for the period.

The Company earned revenue of $5,932 consisting of consulting revenue of $5,698 and a staking yield of $234. Revenue was derived from the yield earned on the Company's investment in Oasis Rose Tokens, and a related consulting service agreement by which the Company earned addition grant of Oasis Rose Tokens. As a result of the investment and the consulting service grant, the Company expects to receive a total of 1,005,000 is Rose Token awards in one year from November 17, 2020, and additional 170,000 in Rose Token rewards in a year and a half from November 17, 2020 (of which the pro-rata amounts were accrued as a receivable for the period ended December 31, 2020).

Operating expenses for the period were $137,489, of which there were non-cash share-based payments of $76,578, included consulting fees of $12,765 to help manage operations, $45,102 of professional fees which included legal and audit, and $3,044 of general and administrative. Other expenses included an unrealized foreign exchange gain of $3,200.

Other comprehensive income included a revaluation gain of $116,667 from adjusting the value of the digital assets purchased in 2020 and held at December 31, 2020 to the market value on the reporting date, resulting in net comprehensive loss of $11,690.

Selected Quarterly Information

The following table summarizes the Company's quarterly financial information:

		Net Income (Loss)	
Quarter Ended	Net Revenues ($)	Total ($)	Basic and Diluted Income (Loss) Per Share (1) ($)
December 31, 2020*	5,932	(128,357)	(0.01)

The Company was incorporated on November 9, 2020, and therefore does not have any other historical quarterly information.

Liquidity and Capital Resources

As at December 31, 2020 the Company had a working capital balance of $1,921,464. Significant items included cash of $1,952,977, sales tax recoverable of $6,427, and digital assets receivable of $5,932. The Company currently has sufficient cash and cash equivalents to meet its current operating and administrative costs for the next 12 months.

Net cash used in operating activities was $20,266. Cash used in investing activities amounted to $250,000 million which was used for the acquisition of digital assets. Cash provided by financing activities was $2,223,243 from financings and the issuance of common shares, net of costs.

The Company's use of cash at present occurs, and in the future is expected to occur, principally in two areas: the funding of its general and administrative expenditures as a deployment of capital to acquire digital assets for the purposes of earning a staking yield. In connection with the Company's operating and investment activities, when required, the Company will seek to raise capital primarily through the issuance of equity securities. As at the date of this report, the Company has sufficient capital to meet its ongoing operating and investment activities, for at minimum the next twelve months.

The Company has no capital commitments as at the date of this report.

Off-Balance Sheet Arrangements

As of the date of this MD&A, 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.

Financial Instruments and Business Risks

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

<u>Credit risk</u>
Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. Financial instruments which are potentially subject to credit risk for the Company consist of cash and digital assets

The carrying amount of financial assets represents the maximum credit exposure. The Company has gross credit exposure at December 31, 2020 relating to cash of $1,952,977. The majority of the cash (99% at December 31, 2020) is held at Canadian chartered banks, which minimizes credit risk.

<u>Currency risk</u>
The Company generates all revenue in United States dollars but expenses are incurred in both U.S. and Canadian dollars, exposing the Company to fluctuations in earnings from volatility in foreign currency rates. The fluctuation in foreign currencies in relation to the United States dollar will consequently impact the profitability of the Company and may also affect the value of the Company's assets and liabilities and the amount of equity. Management however concludes the exposure to currency risk is not material and the Company does not utilize any financial instruments or cash management policies to mitigate such currency risks. At December 31, 2020, the Company held $168,017 denominated in Canadian dollars (CAD$213,886). A 10% change in the foreign exchange rate would not a result in a material impact on the Company's operations.

<u>Liquidity risk</u>
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to this risk mainly with respect to ensuring the sufficiency of funds for working capital and commitments. The Company monitors the maturity dates of existing accounts payable and accrued liabilities, loans payable, and commitments to mitigate this risk. The Company's financial liabilities are comprised of accounts payable and accrued liabilities.

<u>Fair Value Risk</u>
Due to their short-term nature, the carrying value of cash, amounts receivable, and accounts payable approximate their fair value.

Related Party Transactions

Key management personnel are those persons that have authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. As of December 31, 2020, the Company's key management personnel consist of its directors and senior management (Chief Executive Officer, Chief Financial, Chief Technology Officer and Chief Operating Officer). The Company incurred fees and expenses for key management compensation in the normal course of operations, details are as follows:

Nature of Transactions	2020
Management fees and salaries	$ 2,357
Stock based compensation	54,418
	$ 56,775

As at December 31, 2020, there was $11,775 payable to a director and CTO included in accounts payable and accrued liabilities.

During the period ended December 31, 2020, the Company was charged $2,357 pursuant to a consulting services agreement dated December 1, 2020 between the Company and CFO Advantage Inc., a company controlled by Kyle Appleby, the Chief Financial Officer of the Company. In accordance with the terms of the agreement, CFO Advantage Inc. will charge CAD$3,000 a month for the provision of services by Mr. Appleby. Mr. Appleby, was also granted 9,000 stock options, with and exercise price of $0.25, expire ten years from the date of grant and vest over the course of the next three years.

During the period ended December 31, 2020, 150,000 stock options were granted to Andrew Kiguel the Chief Executive Officer of the Company. The options have an exercise price of $0.25, expire ten years from the date of grant and vest over the next three years.

On December 1, 2020, the Company entered into an agreement with DASA Software Inc. a company controlled by Deven Soni, The Chief Operating Officer of the Company. Pursuant to the terms of the agreement, DASA Software Inc. is entitled to receive compensation of $7,500 per month commencing the first month the company has raised (and closed) cash equity capital of $20,000,000 or as agreed to by the board of directors. The Company also granted 300,000 stock options (see note 7), with an exercise price of $0.25, expire ten years from the date of grant and vest over the course of the next three years. The agreement may be terminated at any time by either party upon 30 days' written notice to the other party.

On December 1, 2020, the Company entered into an agreement with a company controlled by the former Chief Technology Officer of the Company. Pursuant to the terms of the agreement, TFK Cashflow Ltd. is entitled to receive compensation of $12,500 per month commencing the first month the company has raised (and closed) cash equity capital of $20,000,0,00 or as agreed to by the board of directors. The Company also granted 150,000 stock options (see note 7) with an exercise price of $0.25, expire ten years from the date of grant and vest over the course of the next three years. The agreement may be terminated at any time by either party upon 30 days' written notice to the other party.

On January 1, 2021, the Company entered into an employment agreement with Andrew Kiguel, the Chief Executive Officer of the Company. Pursuant to the terms of the agreement Mr. Kiguel is entitled to receive a salary of CAD$375,000 per annum (the "Base Salary"), less applicable deductions and withholdings. Additionally, Mr. Kiguel is entitled to receive an annual bonus, with a target of 50% of the Base Salary, based on the achievement of performance metrics to be mutually established by the Company's board and Mr. Kiguel at the beginning of each year. The term of the agreement is indefinite and may be terminated without cause by Tokens providing written notice to Mr. Kiguel specifying the effective date of termination, and by Mr. Kiguel on providing four weeks' written notice.

See Note 7 of the December 31, 2020 audit financial statements for more details on related party transactions with respect to share and option issuances.

Critical Accounting Estimates and Accounting Policies

The following are the estimates and assumptions that have been made in applying the Company's accounting policies that have the most significant effect on the amounts in the unaudited condensed consolidated interim financial statements:

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. Although these estimates are based on management's best knowledge of the current events and actions that the Company may undertake in the future, actual results may differ from these estimates.

Significant judgments

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

(i) Going concern - The assessment of the Company's ability to execute its strategy by effectively operating the Company involves judgment. Management closely monitors the operations and cash flows in the Company. Further information regarding going concern is outlined in Note 1.

(ii) Income taxes - Management exercises judgment to determine the extent to which deferred tax assets are recoverable and can therefore be recognized in the statements of financial position and comprehensive income or loss.

(iii) Functional currency - The functional currency of the Company has been assessed by management as the United States Dollar (USD) based on consideration of the currency and economic factors that primarily influence the Company's digital assets, revenues and operating costs, financing and related transactions. Specifically, the Company considers the currencies in which digital assets are most commonly denominated and expenses are settled by each entity as well as the currency in which each entity receives or raises financing. Changes to these factors may have an impact on the judgment applied in the determination of the Company's functional currency.

(iv) Digital assets - Digital assets are considered to be an identifiable non-monetary asset without physical substance. Management has determined that the digital assets are should be accounted for as intangible assets in accordance with IAS 38 *Intangible Assets*.

Significant estimates

(iii) Digital currency valuation - Digital assets consist of cryptocurrency denominated assets (Note 4) and are long-term assets. Digital assets are carried at their fair market value determined by the spot rate based on the hourly volume weighted average from www.coinbase.com. The digital currency market is still a new market and is highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices for digital assets would have a significant impact on the Company's earnings and financial position. In addition, management estimates that selling costs will be nominal. Digital currency prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. A decline in the market prices for digital assets could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its digital assets.

(iv) Share-based compensation - The Company utilizes the Black-Scholes Option Pricing Model ("Black Scholes") to estimate the fair value of stock options granted to directors, employees, and consultants. The use of Black-Scholes requires management to make various estimates and assumptions that impact the value assigned to the stock options including the forecast future volatility of the stock price, the risk-free interest rate, dividend yield and the expected life of the stock options. Any changes in these assumptions could have a material impact on the share-based compensation calculation value, however the most significant estimate is the volatility. Expected future volatility can be difficult to estimate as the Company has had limited history and is in a unique industry, and historical volatility is not necessarily indicative of future volatility.

Capital Management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to acquire more digital assets and fund the operation of the Company. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through the equity or debt financing. The Company is not subject to any external capital requirements imposed by a regulator.

Share Capital

As of the date of this MD&A, the Company has 12,868,131 common shares, 10,638,360 subscription receipts, 486,500 stock options and 566,672 warrants issued and outstanding.

Risks

General Digital Asset Risks

Tokens' business is reliant on blockchain technology service providers.

As a "proof-of-stake" technology company, Tokens relies on blockchain technology service providers, including the Service Providers, that provide services to Tokens pursuant to services agreements, to carry out its operations. The Service Providers provide Tokens access to platforms that power the critical infrastructure required to operate nodes across blockchains and validators. Tokens also delegates a portion of its digital assets to Polychain Labs so that it may provide validating and staking services in respect of such delegated assets. In consideration for Tokens agreeing to delegate these assets to Polychain Labs, Polychain Labs has agreed to exclusively provide services to Tokens in Canada, and not to provide similar services to any publicly-traded company listed in Canada. In the event that agreements with the Service Providers were terminated for any reason, Tokens would need to find replacement service providers. While Tokens believes there are a number of other service providers capable of providing replacement services on terms and conditions that would be commercially reasonable, there is no guarantee Tokens would be able to find such service providers and enter into similar agreements on similar terms, or at all. Failure to find suitable replacement service providers could cause Tokens to reduce or terminate its operations.

Tokens' annual compensation percentage is volatile and could materially decline.

Tokens, through its technology partnerships with the Service Providers, operates nodes to stake atop a select few digital asset protocols, and in turn, earns token rewards for processing transactions and securing crypto networks. Tokens expects to, in equal proportion, re-stake its token rewards and convert them to fiat equivalent currencies (CAD or USD), to be used for corporate overhead or eventual distribution to shareholders in the form of a dividend in fiat currency. Tokens' decision to stake an individual token depends on a combination of network quality, network liquidity and expected staking compensation (expressed as an annual compensation percentage), which varies from token to token. The annual compensation percentage is determined by a combination of a network's natural inflation rate, the transaction fees generated on the network, a token's price, and the percent of total tokens being staked. As such, Tokens' annual compensation percentage may fall temporarily due to a short-term decline in transaction volume or an increase in the percent of tokens being staked. While there is an expectation that the networks it chooses to secure will pay compensation rates of 8% to 10% per year, Tokens has no control over the annual compensation percentages of the various tokens it chooses to stake, and the compensation percentage may fall below these levels for a temporary or permanent period of time. The annual percentage rate of return is expected to decrease as sector activity increases and more tokens are invested in specific tokens.

Staking revenues could decrease to a level that materially and adversely affects Tokens' staking assets and staking strategies, the value of its staking assets and the value of any investment in Tokens.

Tokens relies on internal policies in maintaining its portfolio and to guide its decisions to re-stake, hold and cash out tokens, and rebalances its portfolio monthly. Tokens' policy is to rebalance its token holdings within 48 hours of an instance of a single token representing more than 66% of its total holdings. In this situation, Tokens will reduce its position from 66%+ of total holdings to 45% of total holdings and rebalance its other tokens commensurately.

Regulatory changes or actions may alter the nature of an investment in the Resulting Issuer or restrict the use of digital assets in a manner that adversely affects the Resulting Issuer's operations.

As digital assets have grown in both popularity and market size, governments around the world have reacted differently, with certain governments deeming cryptocurrencies illegal and others allowing their use and trade. On-going and future regulatory actions may alter, perhaps to a materially adverse extent, the ability of the Resulting Issuer to continue to operate. The effect of any future regulatory change on the Resulting Issuer or any digital assets that the Resulting Issuer may stake is impossible to predict, but such change could be substantial and adverse to the Resulting Issuer. Governments may in the future take regulatory actions that prohibit or severely restrict the right to acquire, own, hold, sell, use or trade digital assets, or to exchange digital assets for fiat currency. By extension, similar actions by other governments, may result in the restriction of the acquisition, ownership, holding, selling, use or trading in the Resulting Issuer Shares. Such a restriction could result in the Resulting Issuer liquidating its inventory of digital assets at unfavorable prices and may adversely affect the price of the Resulting Issuer Shares.

Digital asset transactions are irrevocable and losses may occur.

Digital asset transactions are irrevocable and stolen or incorrectly transferred cryptoassets may be irretrievable. Digital asset transactions are not reversible without the consent and active participation of the recipient of the transaction. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer of digital assets will not be reversible. To the extent that Tokens is able to seek a corrective transaction with the third party, or is incapable of identifying the recipient of its digital assets through error or theft, Tokens will not be able to revert or otherwise recover any incorrectly transferred digital assets, or to convert or recover digital assets transferred to uncontrolled accounts.

Tokens holds the majority of its digital assets in Coinbase, a SOC 1/ SOC 2 certified digital asset custodian.

Coinbase is responsible for the safekeeping of Tokens' private keys, which are used to access its cryptocurrency account and which facilitate the transfer of digital assets in accordance with Tokens' instructions. Coinbase holds digital assets in segregated cold-storage (meaning the assets are stored on devices without any internet access - making it significantly more difficult for a hacker to access the funds). If Tokens' cryptoassets are lost, stolen or destroyed under circumstances rendering a party liable to Tokens, the responsible party may not have the financial resources sufficient to satisfy Tokens' claim. Also, although Coinbase uses security procedures with various elements, such as redundancy, segregation and cold storage, to minimize the risk of loss, damage and theft, neither Coinbase nor Tokens can guarantee the prevention of such loss, damage or theft, whether caused intentionally, accidentally or by an act of God. Access to Tokens' Coinbase account could also be restricted by natural events (such as an earthquake or flood) or human actions (such as a terrorist attack).

Tokens' use of proprietary and non-proprietary software, data and intellectual property may be subject to substantial risk.

Tokens' token selection strategy may rely heavily on the use of proprietary and non-proprietary software, data and intellectual property of third parties in the digital asset sector. The reliance on this technology and data is subject to a number of important risks. For example, the operation of any element of the digital assets network, or any other electronic platform, may be severely and adversely affected by the malfunction of technology. For example, an unforeseen software or hardware malfunction could occur as a result of a virus or other outside force, or as result of a design flaw in the design and operation of the network or platform. In addition, the technology of the Service Providers, or the tokens themselves, may be inactive for periods of time, known as "downtime". Under the existing service agreements, the Service Providers are obligated to pay a penalty to Tokens whenever there is downtime. While Tokens has no obligation to pay any penalties to any third party in connection with any such downtime, Tokens' business could be temporarily interrupted. Further, if Tokens' software, hardware, data or other intellectual property is found to infringe on the rights of any third party, the underlying value of the assets of Tokens could be materially and adversely affected. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in a digital asset network's long-term viability or the ability of end-users to hold and transfer digital assets may adversely affect the value of these assets. Additionally, a meritorious intellectual property claim could prevent Tokens and other end-users from accessing various networks or holding or transferring their digital assets.

Tokens' business is exposed to the potential misuse of digital assets and malicious actors.

Since the existence of digital assets, there have been attempts to use them for speculation or malicious purposes. Although lawmakers increasingly regulate the use and applications of digital assets, and software is being developed to curtail speculative and malicious activities, there can be no assurances that those measures will sufficiently deter those and other illicit activities in the future. Advances in technology, such as quantum computing, could lead to a malicious actor or botnet (a voluntary or hacked collection of computers controlled by networked software coordinating the actions of the computers) being able to alter the blockchain on which digital asset transactions rely. In such circumstances, the malicious actor or botnet could control, exclude or modify the ordering of transactions, or generate new digital assets or transactions using such control. The malicious actor or botnet could double spend its own digital assets and prevent the confirmation of other users' transactions for so long as it maintains control. Such changes could adversely affect an investment in the Resulting Issuer Shares.

The security procedures and operational infrastructure of Tokens and Coinbase may be breached due to the actions of outside parties, error or malfeasance of an employee of the Resulting Issuer or Coinbase, or otherwise, and, as a result, an unauthorized party may obtain access to Tokens' digital asset accounts, private keys, data or tokens. Additionally, outside parties may attempt to fraudulently induce employees of Tokens, the Resulting Issuer or Coinbase to disclose sensitive information in order to gain access to the the infrastructure of Tokens or Coinbase. As the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently, or may be designed to remain dormant until a predetermined event, and often are not recognized until launched against a target, Tokens may be unable to anticipate these techniques or implement adequate preventative measures. If an actual or perceived breach of Tokens' digital assets account occurs, the market perception of the effectiveness of its security protocols could be harmed and the value of the Resulting Issuer Shares could be materially adversely affected.

A decline in the adoption and use of digital assets could materially and adversely affect the performance of the Resulting Issuer.

Because digital assets are a relatively new asset class and a technological innovation, they are subject to a high degree of uncertainty. As a related but separate issue from that of the regulatory environment, the adoption, growth and longevity of any digital asset will require growth in its usage and in the blockchain for various applications. A lack of expansion in use of digital assets and blockchain technologies would adversely affect the financial performance of the Resulting Issuer. In addition, there is no assurance that any digital assets will maintain their value over the long term. Even if growth in the use of any digital assets occurs in the near or medium term, there is no assurance that such use will continue to grow over the long term. A lack of expansion of digital assets into the retail and commercial markets, may result in increased volatility or a reduction in the market price of these assets. Further, if fees increase for recording transactions on these blockchains, demand for digital assets may be reduced and prevent the expansion of the networks to retail merchants and commercial businesses, resulting in a reduction in the price of these assets. A contraction in use of any digital asset may result in increased volatility or a reduction in prices, which could materially and adversely affect Tokens' investment and trading strategies, the value of its assets and the value of any investment in the Resulting Issuer Shares.

The value of digital assets may be subject to momentum pricing risk.

Momentum pricing typically is associated with growth stocks and other assets whose valuation, as determined by the investing public, accounts for anticipated future appreciation in value. Market prices of digital assets are determined primarily using data from various exchanges, over-the-counter markets, and derivative platforms. Momentum pricing may have resulted, and may continue to result, in speculation regarding future appreciation in the value of digital assets, inflating and making their market prices more volatile. As a result, they may be more likely to fluctuate in value due to changing investor confidence in future appreciation (or depreciation) in their market prices, which could adversely affect the value of Tokens' digital asset inventory and the value of the Resulting Issuer Shares.

Banks may not provide banking services, or may cut off banking services, to businesses that provide digital asset-related services.

A number of companies that provide digital asset-related services have been unable to find banks that are willing to provide them with bank accounts and banking services. Similarly, a number of such companies have had their existing bank accounts closed by their banks. Banks may refuse to provide bank accounts and other banking services to digital asset-related companies, or companies that accept digital assets, for a number of reasons, such as perceived compliance risks or costs. The difficulty that many businesses that provide digital asset-related services have and may continue to have in finding banks willing to provide them with bank accounts and other banking services may decrease the usefulness of digital assets as a payment system and harm public perception of digital assets. Similarly, the usefulness of digital assets as a payment system and the public perception of digital assets could be damaged if banks were to close the accounts of many or of a few key businesses providing digital asset-related services. This could decrease the market prices of digital assets, and adversely affect the value of Tokens' digital asset inventory and the Resulting Issuer Shares.

Market adoption of cryptoassets has been limited to date and further adoption is uncertain.

Currently, there is relatively small use of cryptoassets in the retail and commercial marketplace in comparison to relatively large use by speculators, thus contributing to price volatility that could adversely affect an investment in the securities or Resulting Issuer Shares. Cryptoassets have only recently become accepted as a means of payment for goods and services by certain major retail and commercial outlets, and use of cryptoassets by consumers to pay such retail and commercial outlets remains limited. Conversely, a significant portion of cryptoasset demand is generated by speculators and investors seeking to profit from the short- or long-term holding of tokens. A lack of expansion by cryptoassets into the retail and commercial markets, or a contraction of such use, may result in increased volatility or a reduction in the market price of these assets. Further, if fees increase for recording transactions on these blockchains, demand for cryptoassets may be reduced and prevent the expansion of the networks to retail merchants and commercial businesses, resulting in a reduction in the price of these assets.

Digital assets may be subject to hold periods.

Staking tokens are intended to be able to be withdrawn from their respective wallet at the request of Tokens, however this process may take up to 30 days depending on the time of withdrawal and staking provider. In addition, several digital assets require validators to commit to securing the network, and locking up their tokens, for an extended period of time. In particular, Ethereum 2.0 requires that validators commit to securing the network for a period of 12 to 18 months. The validator still controls the tokens during this period, but is not able to liquidate the tokens being staked. An inability to withdraw digital assets in the time desired or at all may adversely affect Tokens' business and liquidity, and the value of the Resulting Issuer Shares.

Migration of Ethereum to the Ethereum 2.0 platform may be delayed or may not occur at all.

Tokens expects to allocate a significant amount of its resources to Ethereum 2.0. Ethereum 2.0 is currently in Phase 0, which describes the launch of the Beacon Chain (Ethereum's initial PoS blockchain). The currently defined future phases are Phase 1, which is the migration to shard chains (breaking up the processing of the Ethereum blockchain into multiple parts), and Phase 1.5, which is the migration of the Ethereum Mainnet into Ethereum 2.0. Ethereum 2.0 tokens that are staked at this time will be locked up until the launch of Phase 1.5. This lock-up may extend for at least 12 to 18 months, as described above. Any delays to the Ethereum 2.0 roadmap (and in particular the launch of Phase 1.5) may reduce Tokens' ability to unwind its Ethereum 2.0 holdings.

Tokens and the Resulting Issuer will have to adapt to respond to evolving security risks.

As technological change occurs, the security threats to Tokens' digital assets will likely adapt, and previously unknown threats may emerge. The ability of Tokens and Coinbase to adopt technology in response to changing security needs or trends may pose a challenge to the safekeeping of their assets. To the extent that Tokens or Coinbase is unable to identify and mitigate or stop new security threats, the Resulting Issuer's assets may be subject to theft, loss, destruction or other attack.

The Resulting Issuer may be unable to obtain adequate insurance to insure its operations.

The Resulting Issuer intends to insure its operations in accordance with technology industry practice. However, given the novelty of digital asset and associated businesses, such insurance may not be available, may be uneconomical for the Resulting Issuer, or the nature or level may be insufficient to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the Resulting Issuer.

The business of the Resulting Issuer will be exposed to cybersecurity risks.

Cyber incidents can result from deliberate attacks or unintentional events, and may arise from internal sources (e.g., employees, contractors, service providers, suppliers and operational risks) or external sources (e.g., nation states, terrorists, hacktivists, competitors and acts of nature). Cyber incidents include unauthorized access to information systems and data (e.g., through hacking or malicious software) for purposes of misappropriating or corrupting data or causing operational disruption. Cyber incidents also may be caused in a manner that does not require unauthorized access, such as causing denial-of-service attacks on websites (e.g., efforts to make network services unavailable to intended users). A cyber incident that affects Tokens or its service providers (including Coinbase, Polychain Labs, or Bison Trails) might cause disruptions and adversely affect their respective business operations, and might also result in violations of applicable law (e.g., personal information protection laws), each of which might result in potentially significant financial losses and liabilities, regulatory fines and penalties, reputational harm, and reimbursement and other compensation costs. In addition, substantial costs might be incurred to investigate, remediate and prevent cyber incidents.

The Resulting Issuer may be subject to litigation.

The Resulting Issuer may be subject to litigation arising out of its operations. Damages claimed under such litigation may be material, and the outcome of such litigation may materially impact the Resulting Issuer's operations, and the value of the Resulting Issuer Shares. While the Resulting Issuer will assess the merits of any lawsuits and defend such lawsuits accordingly, they may be required to incur significant expense or devote significant financial resources to such defenses. In addition, the adverse publicity surrounding such claims may have a material adverse effect on the Resulting Issuer's operations.

The unregulated nature and lack of transparency surrounding the operations of digital asset exchanges may cause the marketplace to lose confidence in such exchanges.

Cryptocurrency and digital asset exchanges on which cryptocurrencies and other digital assets trade are relatively new and, in some cases, unregulated. While some exchanges provide information regarding their ownership structure, management teams, corporate practices and regulatory compliance, many other exchanges do not. As a result, the marketplace may lose confidence in these exchanges, including prominent exchanges that handle a significant volume of trading in these assets. In recent years, there have been a number of cryptocurrency and digital asset exchanges that have closed because of fraud, business failure or security breaches. Additionally, larger cryptocurrency and digital asset exchanges have been targets for hackers and malware and may be targets of regulatory enforcement actions. A lack of stability in these exchanges, and their temporary or permanent closure, may reduce confidence in the digital asset marketplace in general and result in greater volatility in the price of digital assets. These potential consequences could materially and adversely affect the value of the Resulting Shares.

The majority of Tokens' digital assets are held in Coinbase.

Tokens holds the majority of its digital assets in Coinbase, a SOC 1/ SOC 2 certified digital asset custodian. If Coinbase were to be subject to a malicious attack or otherwise cease its operations, Tokens will be at risk of losing the majority of its digital assets. There is no assurance that Coinbase will not be subject to any such attack and there is no guarantee that Coinbase won't cease its operations.

Slashing penalties could result in the loss of all tokens.

A network's slashing penalties can range between 0.1% of tokens held for a single act of unresponsiveness to 100% of tokens held for a gross act of misconduct, being an act that intentionally threatens the entire network. Tokens relies on the services of third party service providers such as Bison Trails and Staked for certain staking activities and there is no assurance that Tokens or such other third party service providers will not be subject to slashing penalties or that Tokens will be able to recover any percentages of tokens that have been subject to slashing penalties.

Other Risks

Tokens has a limited operating history.

Tokens has a limited history of operations and is in the early stage of development. As such, the Resulting Issuer will be subject to many risks common to such enterprises, including undercapitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Resulting Issuer will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. There can be no assurance that the Resulting Issuer will be able to develop any of its projects profitably or that any of its activities will generate positive cash flow.

The Resulting Issuer may require additional funds to finance its operations.

Additional funds, raised through debt or equity offerings, may be needed to finance the Resulting Issuer's future activities. There can be no assurance that the Resulting Issuer will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could cause the Resulting Issuer to reduce or terminate its operations.

If additional funds are raised through further issuances of equity or securities convertible into equity, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Resulting Issuer Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Issuer to obtain additional capital and to pursue business opportunities.

The business of Tokens is subject to competition from other staking companies.

The Resulting Issuer will compete with other cryptocurrency and distributed ledger technology businesses, including other businesses focused on developing substantial digital asset staking operations. Although any market participant with sufficient capital and know-how has the ability to acquire tokens on the open market and start staking, there are a wide range of tokens being staked across the networks Tokens participates in. Accordingly, Tokens' Management is not focused on competition in the industry.

The Resulting Issuer's compliance and risk management programs may not be effective.

The Resulting Issuer's ability to comply with applicable laws and rules will be largely dependent on the establishment and maintenance of compliance, review and reporting systems, as well as the ability to attract and retain qualified compliance and other risk management personnel. The Resulting Issuer cannot provide any assurance that its compliance policies and procedures will always be effective or that the Resulting Issuer will be successful in monitoring or evaluating its risks. In the case of alleged non-compliance with applicable laws or regulations, the Resulting Issuer could be subject to investigations and judicial or administrative proceedings that may result in substantial penalties or civil lawsuits, including by customers, for damages, restitution or other remedies, which could be significant. Any of these outcomes, individually or together, may among other things, materially and adversely affect the Resulting Issuer's reputation, financial condition, investment and trading strategies, and asset value and the value of any investment in the Resulting Issuer Shares.

Unexpected market disruptions may cause major losses for the Resulting Issuer.

The Resulting Issuer may incur major losses in the event of disrupted markets and other extraordinary events in which market behavior diverges significantly from historically recognized patterns. The risk of loss in such events may be compounded by the fact that in disrupted markets, many positions become illiquid, making it difficult or impossible to close out positions against which markets are moving. Market disruptions caused by unexpected political, military and terrorist events may from time to time cause dramatic losses for the Resulting Issuer. Any such disruptions and events may have a material and adverse effect on the Resulting Issuer's investment and trading strategies and on any investment in the Resulting Issuer.

COVID-19 Outbreak.

The ongoing global pandemic involving the novel coronavirus, COVID-19, has caused companies and various governments to take measures and impose restrictions to combat the pandemic, such as quarantines, closures, cancellations and travel restrictions. The effects of COVID-19 and such measures and restrictions have negatively affected asset values and increased volatility in the financial markets, including the market price and volatility of digital assets. Although the market price of some digital assets has risen since the pandemic began, the extent to which any worsening or continuation of the pandemic may negatively impact the market price of digital assets and, in turn, the market price of the Resulting Issuer Shares, is uncertain and cannot be predicted. The realizable values of assets, liquidity and financial condition may be materially affected as a result, and Tokens will continue to monitor the impact of the pandemic on its business. The extent of the impact, if any, will depend on future developments, including actions taken to contain COVID-19 and re-open the economy, and any successive waves of coronavirus outbreaks.

SCHEDULE E

Pro forma financial statements of the Resulting Issuer as at December 31, 2020

[see attached]

Unaudited Pro Forma Consolidated Statement of Financial Position of Resulting Issuer

As at December 31, 2020

TOKENS.COM CORP.

Unaudited Pro Forma Consolidated Statement of Financial Position
As at December 31, 2020

(In United States dollars)

TOKENS.COM INC.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2020

(Expressed in United States dollars)

Tokens.com Inc.	31-Dec-20	Sub receipt financing	Accrued charges	Adjusted **Tokens.com Inc.** 31-Dec-20	**COIN HODL** 31-Dec-20	Payment of accounts payable	Tax free dividend	Exercise of stock options	Elimination of equity	Issue of shares	Adjusted **COIN HODL** 31-Dec-20	**Pro Forma Consolidated** 31-Dec-20
Assets												
Cash and cash equivalents	$ 1,952,977	$ 20,585,343	$ (300,000)	$ 22,238,320	$ 1,741,427	$ (94,248)	$ (1,355,932)	$ 312,000	-	-	$ 603,246	$22,841,566
Accounts receivable	5,932	-	-	5,932	-	-	-	-	-	-	-	5,932
Investment tax credit recievab	6,427	-		6,427	-	-	-	-	-	-	-	6,427
Prepaid expenses	-	-	-	-	11,363	-	-	-	-	-	11,363	11,363
Investments	-	-	-	-	3,207,559	-	(3,207,559)	-	-	-	-	-
	1,965,336	20,585,343	(300,000)	22,250,679	4,960,348	(94,248)	(4,563,491)	312,000	-	-	614,609	22,865,288
Digital assets	366,667	-	-	366,667	-	-	-	-	-	-	-	366,667
	$ 2,332,003	$ 20,585,343	$ (300,000)	$ 22,617,346	$ 4,960,348	$ (94,248)	$ (4,563,491)	$ 312,000	$ -	$ -	$ 614,609	$23,231,955
Liabilities and Shareholders' Equity												
Liabilities:												
Accounts payable and accruec	$ 43,872	$ -	$ -	$ 43,872	$ 94,248	$ (94,248)	$ -	$ -	$ -	$ -	$ -	$ 43,872
Total	43,872	-	-	$ 43,872	$ 94,248	$ (94,248)			$ -	$ -	$ -	$ 43,872
Shareholders' equity:												
Share capital	2,223,243	20,411,377	-	22,634,620	26,843,947	-	-	312,000	(27,155,947)	3,289,650	3,289,650	25,924,269
Contributed surplus	76,578	-	-	76,578	9,711,882	-	-	-	(9,711,882)	-	-	76,578
Warrants	-	173,966	-	173,966	-	-	-	-	-	-	-	173,966
Accumulated other compreh	116,667	-	-	116,667	-	-	-	-	-	-	-	116,667
Deficit	(128,357)	-	(300,000)	(428,357)	(31,689,729)	-	(4,563,491)	-	36,253,220	(2,675,041)	(2,675,041)	(3,103,398)
	2,288,131	20,585,343	(300,000)	22,573,474	4,866,100	-	(4,563,491)	312,000	(614,609)	614,609	614,609	23,188,083
	$ 2,332,003	$ 20,585,343	$ (300,000)	$ 22,617,346	$ 4,960,348	$ (94,248)	$ (4,563,491)	$ 312,000	$ (614,609)	$ 614,609	$ 614,609	$23,231,955

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

1. BASIS OF PRESENTATION

The accompanying unaudited pro forma consolidated statement of financial position of Coin Hodl Inc. ("COIN") and Tokens.com Inc. ("Tokens.com") has been prepared by management to reflect the proposed transactions as described in Note 2.

The unaudited pro forma consolidated statement of financial position has been prepared from information derived from and should be read in conjunction with:

1. the audited financial statements of Tokens.com for the period from incorporation on November 9, 2020 to December 31, 2020; and

2. the audited consolidated financial statements of COIN for the year ended December 31, 2020.

This unaudited pro forma consolidated statement of financial position has been presented assuming the Transaction (as defined in Note 2) had been completed on December 31, 2020.

The Transaction has been accounted for in accordance with IFRS 2 *Share-Based Payment*. The Transaction is considered to be a reverse takeover of COIN by Tokens.com. A reverse takeover transaction involving a non-public operating entity and a non-operating company is in substance a share-based payment transaction, rather than a business combination. The Transaction is equivalent to the issuance of shares by Tokens.com for the net assets and the public listing status of the non-operating company, COIN. The fair value of the shares issued was determined based on the fair value of the common shares issued by Tokens.com.

The unaudited pro forma consolidated statement of financial position has been prepared by management, and, in the opinion of management, includes all adjustments necessary for fair presentation. No adjustments have been made to reflect additional costs or cost savings that could result from the combination of the operations of Tokens.com and COIN, as management does not anticipate any material costs or cost savings as a result of the Transaction.

The unaudited pro forma consolidated statement of financial position has been prepared for illustration purposes only and may not be indicative of the combined results or financial position had the Transaction been in effect at the date indicated. The unaudited pro forma consolidated statement of financial position should be read in conjunction with other information contained in the filing statement of COIN to which these pro forma financial statements are attached (the "Filing Statement").

2. ASSUMPTIONS AND PRO FORMA ADJUSTMENTS

The pro forma adjustments contained in the unaudited pro forma consolidated statement of financial position are based on estimates and assumptions by management of Tokens.com based on available information, and the receipt and closing of the Transaction, private placements and equipment acquisitions, as if they had occurred on December 31, 2020.

On January 21, 2021, Tokens.com and COIN entered into a letter of intent pursuant to which COIN agreed to acquire all of the issued and outstanding securities of Tokens in exchange for securities of COIN (the "Transaction"), resulting in the reverse takeover of COIN by Tokens. On March 9, 2021, the parties signed a definitive transaction agreement (the "Definitive Agreement"), setting out the definitive terms of the Transaction. Pursuant to the terms of the Definitive Agreement, the Transaction will be structured as a "three-cornered amalgamation" involving COIN, a wholly-owned subsidiary of COIN ("COIN Subco") and Tokens.com. On closing of the Transaction (the "Closing"), it is expected that COIN (following the Closing, the "Resulting Issuer") will be listed on the NEO Exchange Inc. and its business will be that of Tokens.com.

Pursuant to the terms of the Transaction, the unaudited pro forma consolidated statement of financial position gives effect to the following assumptions and adjustments:

(a) The Transaction is expected to proceed by way of a three-cornered amalgamation, pursuant to which Tokens.com will merge with a wholly-owned Ontario subsidiary of COIN formed for the purposes of completing the Transaction, following which the Resulting Issuer will change its name to "Tokens.com Corp.", or such other name as may be determined by Tokens, and continue the business of Tokens.com.

(b) Prior to the Closing, the issued and outstanding common shares in the capital of COIN will be consolidated at a ratio of 11.326 to 1.

(c) The issued and outstanding common shares in the capital of Tokens.com will be split at a ratio of 3.133 for 1.

(d) Shareholders of Tokens.com will receive one post-consolidation share of the Resulting Issuer for each post-split Tokens.com share held.

(e) All liabilities of COIN will be settled prior to the Closing.

(f) Prior to the Closing, COIN will distribute, as a tax-free return of capital to its shareholders, on a pro rata basis, approximately $1,600,000 in cash (or such other amount as may be determined by the COIN board), and 1,011,250 shares of Abaxx Technologies Inc. ("Abaxx"), which represent all of the common shares in the capital of Abaxx held by COIN.

(expressed in United States dollars)

2. ASSUMPTIONS AND PRO FORMA ADJUSTMENTS (continued)

(g) Tokens.com closed a private placement for gross proceeds of CAD$25.0 million from the sale of subscription receipts of Tokens.com at a pre-split price of CAD$2.35 per subscription receipt (the "Offering"). In connection with the Offering, Tokens.com: (i) paid cash commissions or advisory fees equal to up to 6% of the gross proceeds raised under the Offering, and (ii) granted such number of agent options as is equal to up to 6% of the subscription receipts sold under the Offering. The agent options have been valued at $173,966, using the Black-Scholes option pricing model.

Other assumptions:

(h) Tokens.com is the deemed acquirer, and issued 1,399,851 common shares to acquire 100% of the issued and outstanding common shares of COIN.

(i) Share capital, contributed surplus and the deficit of COIN are eliminated.

(j) The fair value of the consideration is as follows:

The fair value of the consideration is as follows:

Deemed issuance 1,399,851 common shares to the former shareholders of COIN	$ 3,289,650
	$ 3,289,650

The allocation of the consideration is as follows:

Cash	$ 603,246
Prepaid expenses	11,363
Listing costs expensed	2,675,041
Value attributed to shares issued	$ 3,289,650

(k) 1,200,000 COIN options will be exercised with the remaining 1,400,000 cancelled. COIN has no other convertible securities outstanding.

(l) Tokens.com has 1,524,204 post-split options and no warrants or other convertible securities outstanding, other than the agents' options granted in connection with the Offering, each of which will be exchanged for Resulting Issuer options, or become exercisable into Resulting Issuer shares, on substantially the same terms.

(m) Additional costs associated with the Transaction which have not been incurred as at December 31, 2020 are estimated to be approximately $300,000.

(n) All COIN amounts have been converted to United States dollars at an exchange rate of 1.28.

(o) The pro forma effective income tax rate applicable will be approximately 28%.

(expressed in United States dollars)

3. PRO FORMA SHARE CAPITAL

	Number of shares	Amount
Balance of COIN at December 31, 2020 - post consolidation	1,399,851	$ 27,155,947
Elimination of COIN capital on RTO	(1,399,851)	(27,155,947)
Deemed issuance of Tokens.com shares for acquisition of COIN	1,399,851	3,289,650
Balance of Tokens.com at December 31, 2020 - post split	40,315,854	2,223,243
Private placement - post split	33,329,982	19,531,364
Agent advisory fee	-	(1,053,979)
Agent options	-	(173,966)
	75,045,687	$ 25,924,269