FOCUSED CAPITAL II CORP.

(A CAPITAL POOL COMPANY)

CONDENSED INTERIM FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED
MARCH 31, 2018

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Focused Capital II Corp.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at March 31, 2018	As at June 30, 2017
ASSETS		
Current assets		
Cash	**$ 470,138**	$ 423,122
Funds in trust	**81,463**	-
Prepaids and other assets	**1,413**	1,413
Subscription receivable (note 3)	**25,000**	-
Total assets	**$ 578,014**	$ 424,535
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**$ 30,567**	$ 9,658
Total liabilities	**30,567**	9,658
Equity		
Share capital (note 3)	**837,629**	643,779
Contributed surplus	**125,001**	125,001
Deficit	**(415,183)**	(353,903)
Total equity	**547,447**	414,877
Total liabilities and equity	**$ 578,014**	$ 424,535

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

Focused Capital II Corp.

Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2018	**2017**	**2018**	**2017**
Expenses				
Investigation costs	**$ -**	$ 28,430	**$ -**	$ 28,430
General and administrative (note 6)	**42,573**	5,748	**61,280**	20,020
Net loss and comprehensive loss for the period	**$ (42,573)**	$ (34,178)	**$ (61,280)**	$ (48,450)
Basic and diluted net loss for the period (note 5)	**$ (0.02)**	$ (0.03)	**$ (0.04)**	$ (0.04)
Weighted average number of common shares outstanding - basic and diluted	**1,812,091**	1,250,000	**1,434,629**	1,250,000

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

Focused Capital II Corp.
Condensed Interim Statements of Changes in Equity
Nine Months Ended March 31, 2018 and 2017
(Expressed in Canadian Dollars)
(Unaudited)

	Share Capital								
	Number of shares		Amount		Contributed surplus		Deficit		Total
Balance, June 30, 2016	**5,000,000**	**$**	**643,779**	**$**	**125,001**	**$**	**(298,634)**	**$**	**470,146**
Net loss and comprehensive loss for the period	-		-		-		(48,450)		(48,450)
Balance, March 31, 2017	**5,200,000**	**$**	**643,779**	**$**	**125,001**	**$**	**(347,084)**	**$**	**421,696**

	Share Capital								
	Number of shares		Amount		Contributed surplus		Deficit		Total
Balance, June 30, 2017	**5,000,000**	**$**	**643,779**	**$**	**125,001**	**$**	**(353,903)**	**$**	**414,877**
Private placement (note 3)	1,176,470		200,000		-		-		200,000
Share issue costs	-		(6,150)		-		-		(6,150)
Net loss and comprehensive loss for the period	-		-		-		(61,280)		(61,280)
Balance, March 31, 2018	**6,176,470**	**$**	**837,629**	**$**	**125,001**	**$**	**(415,183)**	**$**	**547,447**

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

Focused Capital II Corp.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Nine Months Ended March 31, 2018	2017
Operating activities		
Net loss for the period	**$ (61,280)**	$ (48,450)
Non-cash working capital items:		
Subscription receivable	**(25,000)**	-
Accounts payable and accrued liabilities	**20,909**	(1,009)
Net cash used in operating activities	**(65,371)**	(49,459)
Financing activities		
Private placement (note 3)	**200,000**	-
Share issue costs	**(6,150)**	-
Net cash provided by financing activities	**193,850**	-
Net change in cash	**128,479**	(49,459)
Cash, beginning of period	**423,122**	478,466
Cash, end of period (including funds in trust)	**$ 551,601**	$ 429,007

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

1. Business of the Company

Focused Capital II Corp. (the "Company") was incorporated pursuant to the provisions of the *Business Corporations Act* (Ontario) on July 13, 2011.

The Company is classified as a Capital Pool Company as defined pursuant to Policy 2.4 ("Policy 2.4") of the TSX Venture Exchange (the "Exchange"). The Company's principal purpose is the identification and evaluation of assets or businesses with a view to acquisition or participation therein subject to acceptance by the Exchange and in certain cases shareholders' approval.

On December 31, 2013, the common shares of the Company were suspended from trading on the Exchange for failure to complete a Qualifying Transaction within 24 months from the date of its listing on the Exchange pursuant to Policy 2.4. The Exchange gave the Company until April 2, 2014 (90 days) to complete a Qualifying Transaction or receive the necessary shareholder approvals to transfer to the NEX trading board of the Exchange. On March 26, 2014, the Company received shareholder approval to (i) cancel one-half of its seed shares (being 1,250,000 common shares) purchased by Non-Arm's Length Parties (as such term is defined by the Exchange), and (ii) apply to transfer the listing of the Company's common shares from the Exchange to the NEX trading board of the Exchange. On March 31, 2014, 1,250,000 seed shares held by Non-Arm's Length Parties were cancelled and on April 9, 2014, the Company's listing was transferred to the NEX trading board, and the Company's stock symbol changed from FAV.P to FAV.H.

These unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The unaudited condensed interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

These unaudited condensed interim financial statements were authorized for issue by the Board of Directors on May 28, 2018.

The Company's head office and registered and records office address is 1 Adelaide Street East, 21st Floor, Toronto, Ontario, Canada M5C 2V9.

2. Significant accounting policies

Statement of compliance

The Company applies IFRS as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, these unaudited condensed interim financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year end reporting purposes and should be read in conjunction with the Company's 2017 audited financial statements and accompanying notes.

Basis of presentation

The accounting policies and methods applied by the Company in these unaudited condensed interim financial statements are the same as those applied by the Company in its most recent annual financial statements as at and for the year ended June 30, 2017.

The Company has reviewed new and revised accounting pronouncements that have been issued and these are not yet effective. In the current circumstances, these did not and are not expected to have a material impact on the unaudited condensed interim financial statements.

The functional and presentation currency of the Company is Canadian Dollars.

(Expressed in Canadian Dollars)

3. Share capital

a) Authorized share capital

At March 31, 2018, the authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

At March 31, 2018, the issued share capital amounted to $837,629. The change in issued share capital for the periods were as follows:

	Number of Common Shares		Amount
Balance, June 30, 2016 and March 31, 2017	5,000,000	$	643,779
Balance, June 30, 2017	5,000,000	$	643,779
Private placement (1)	1,176,470		200,000
Share issue costs	-		(6,150)
Balance, March 31, 2018	6,176,470	$	837,629

(1) On February 16, 2018, the Company closed a non-brokered private placement raising gross proceeds of $200,000 through the issuance of 1,176,470 common shares at a price of $0.17 per share. All securities issued pursuant to the financing are subject to a four-month hold period. The Company received a subscription from Robert Leckie, a director of the Company, for $25,000.

4. Stock options

The Company issued stock options to acquire common shares as follows:

	Number of Stock Options	Weighted Average Exercise Price ($)
Balance, June 30, 2016	625,000	0.20
Expired	(175,000)	0.20
Balance, March 31, 2017	450,000	0.20

	Number of Stock Options	Weighted Average Exercise Price ($)
Balance, June 30, 2017 and March 31, 2018	450,000	0.20

The following table reflects the actual stock options issued and outstanding as of March 31, 2018:

Expiry Date	Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)	Number of Options Unvested
December 20, 2021	0.20	3.73	450,000	450,000	-

(Expressed in Canadian Dollars)

5. Net loss per share

The calculation of basic and diluted loss per share for the three and nine months ended March 31, 2018 was based on the loss attributable to common shareholders of $42,573 and $61,280, respectively (three and nine months ended March 31, 2017 - loss of $34,178 and $48,450, respectively) and the weighted average number of common shares outstanding of 1,812,091 and 1,434,629, respectively (three and nine months ended March 31, 2017 - 1,250,000).

Diluted loss per share did not include the effect of 450,000 stock options (March 31, 2017 - 450,000) as they are anti-dilutive.

The seed common shares are considered contingently returnable until the Company completes a Qualifying Transaction and accordingly, they are not considered to be outstanding shares for purposes of loss per share calculations.

6. General and administrative

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2018	**2017**	**2018**	**2017**
Administrative	**$ 475**	$ 471	**$ 1,422**	$ 1,614
Professional fees and disbursements	**26,710**	2,190	**39,182**	10,901
Transfer agent, listing and filing fees	**15,388**	3,087	**20,676**	7,505
	$ 42,573	$ 5,748	**$ 61,280**	$ 20,020

7. Qualifying Transaction

On March 22, 2018, the Company announced that it has entered into a definitive business combination agreement with Fortress Blockchain Corp. ("Fortress Blockchain") effective as of March 21, 2018 (the "Definitive Agreement"), which outlines the terms and conditions pursuant to which the Company and Fortress Blockchain will complete the transaction that will result in a reverse-takeover of the Company by the shareholders of Fortress Blockchain (the "Transaction"). Fortress Blockchain is a privately held arm's length company incorporated under the laws of the Business Corporations Act (British Columbia) on November 14, 2017 and is the parent company of Fortress Blockchain (US) Holdings Corp., a private company incorporated under the laws of Washington State. The significant assets of Fortress Blockchain are held by Fortress Blockchain (US) Holdings Corp. and are located in Washington State, U.S.A. Subject to regulatory approval, shareholder approval and other conditions set out in the Definitive Agreement, Fortress Blockchain will amalgamate with a wholly-owned subsidiary of the Company in order to facilitate the completion of the Transaction. Upon completion of the Transaction, it is the intention of the parties that the Company (the Company after the Transaction being referred to herein as the "Resulting Issuer") will continue to carry on the business of Fortress, which consists of crypto-currency mining, and will be listed as a Tier 2 technology issuer on the TSX-V.

On or immediately prior to the completion of the Transaction, it is anticipated that the Company will effect: (i) the continuation of the Company under the laws of the Business Corporations Act (British Columbia) (the "Continuation"); (ii) the consolidation of all outstanding common shares of the Company (the "Company Shares") on 1 for 3.25077 basis resulting in an aggregate of 1,900,000 (subject to rounding) Company Shares outstanding post-consolidation (the "Consolidation"); and (iii) a name change of the Company to "Fortress Blockchain Corp." or such other name as determined by Fortress Blockchain (the "Name Change").

The Definitive Agreement provides that, if determined by Fortress, the Parties shall use their commercially reasonable efforts to cause Fortress to complete a private placement for the issuance of Fortress common shares ("Fortress Shares") or units comprised of Fortress Shares and warrants exercisable to purchase Fortress Shares immediately prior to the closing of the Transaction at an offering price per security of not less than $0.60 (the “Potential Financing”). The terms of any Potential Financing will be announced if entered into by Fortress Blockchain, though there is no certainty that any Potential Financing will be sought or completed.