BTL GROUP LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2018

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed interim consolidated financial statements of BTL Group Ltd.(the "Company") are the responsibility of management and the Board of Directors.

The unaudited condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 - Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it with sufficient knowledge to support management representations that it has exercised reasonable diligence in that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed interim consolidated financial statements and (ii) the unaudited condensed interim consolidated financial 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 by the unaudited condensed interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

BTL GROUP LTD.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

As at	March 31, 2018	December 31, 2017
ASSETS		
Current assets		
Cash	$ **16,693,886**	$ 17,998,870
Investment	**50,000**	50,000
Accounts receivable	**92,120**	86,485
Prepaid and sundry receivable	**253,123**	221,358
Total assets	$ **17,089,129**	$ 18,356,713
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	$ **1,424,857**	$ 996,690
Shareholders' equity		
Share capital (note 3)	**21,820,993**	21,095,384
Shares to be issued	**-**	118,625
Contributed surplus (notes 5 and 6)	**7,622,503**	7,397,108
Deficit	**(13,779,224)**	(11,251,094)
Total shareholders' equity	**15,664,272**	17,360,023
Total liabilities and shareholders' equity	$ **17,089,129**	$ 18,356,713

Commitments (note 9)
Subsequent Events (note 10)

Approved on behalf of the Board of Directors:

/s/ "Brian Hinchcliffe"

Brian Hinchcliffe
Director

/s/ "John Thomson"

John Thomson
Director

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

BTL GROUP LTD.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

For the Year Ended December 31,	2018	2017
Revenue		
Consulting fees - Pilot projects	-	329,683
	$ -	$ 329,683
Expenses		
Salaries and benefits	$ 805,391	$ 348,937
Consulting fees (note 8)	292,090	35,672
Travel	154,153	44,993
Office and general	269,817	118,818
Professional fees	145,897	52,777
Marketing	202,303	45,083
Interest income	(53,556)	-
Stock-based compensation (note 5)	712,036	35,799
	2,528,130	682,079
Net loss and comprehensive loss for the period	$(2,528,130)	$ (352,396)
Basic and diluted net loss per share (note 7)	$ (0.12)	$ (0.02)
Weighted average number of common shares outstanding, basic and diluted (note 7)	21,351,837	17,177,228

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

BTL GROUP LTD.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Share Capital Number	Share Capital Amount	Shares to be Issued	Contributed Surplus	Deficit	Total
Balance, December 31, 2016	**17,177,228**	**$ 5,952,122**	**$ -**	**$ 1,034,528**	**$ (5,377,524)**	**$ 1,609,126**
Stock-based compensation	-	-	-	35,799	-	35,799
Net loss for the period	-	-	-	-	(352,396)	(352,396)
Balance, March 31, 2017	**17,177,228**	**$ 5,952,122**	**$ -**	**$ 1,070,327**	**$ (5,729,920)**	**$ 1,292,529**
Balance, December 31, 2017	23,395,766	21,095,384	118,625	7,397,108	(11,251,094)	17,360,023
Exercise of warrants	83,000	575,813	(118,625)	(414,745)	-	42,443
Exercise of options	145,000	149,796	-	(71,896)	-	77,900
Stock-based compensation	-	-	-	712,036	-	712,036
Net loss for the period	-	-	-	-	(2,528,130)	(2,528,130)
Balance, March 31, 2018	**23,623,766**	**$ 21,820,993**	**$ -**	**$ 7,622,503**	**$ (13,779,224)**	**$ 15,664,272**

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

BTL GROUP LTD.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

For the Three Months Ended March 31,	2018	2017
Operating activities		
Net loss for the period	**$ (2,528,130)**	$ (352,396)
Stock-based compensation	**712,036**	35,799
Non-cash working capital items:		
Accounts receivable	**(5,635)**	(191,873)
Prepaid and sundry receivable	**(31,765)**	(129,543)
Accounts payable and accrued liabilities	**428,167**	(284,085)
	(1,425,327)	(922,098)
Financing activities		
Proceeds on exercise of options	**77,900**	-
Proceeds on exercise of warrants	**42,443**	-
	120,343	-
Net change in cash	**(1,304,984)**	(922,098)
Cash, beginning of the period	**17,998,870**	1,884,568
Cash, end of the period	**$ 16,693,886**	$ 962,470

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

1. Nature of Operations and Going Concern

BTL Group Ltd. ("BTL or "the Company") was incorporated on March 28, 2011 and organized under the laws of Alberta, Canada. BTL is the creator of Interbit™, a next generation blockchain platform. Its unique chain joining capability between thousands of Interbit™ blockchains enables scalable security, data integrity and privacy.

The registered office of the Company is located at 1600, 421 - 7 Avenue SW, Calgary, Alberta T2P 4K9.

On November 4, 2015, the Company closed its qualifying transaction (the "Transaction") with Blockchain Tech Ltd. ("BTL" or "Blockchain"). As part of the Transaction, the Company changed its name from Northern Aspect Resources Ltd. to BTL Group Ltd. Following completion of the Transaction, Blockchain is now a wholly-owned subsidiary of the Company, and the Company continued the business of Blockchain. Trading in the common shares of BTL began on the TSX Venture Exchange on November 6, 2015 under the symbol "BTL". The Transaction was accounted for as a reverse take-over. Blockchain Tech Ltd. was incorporated June 3, 2015.

2. Accounting Policies

Statement of Compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated finanancial statements for the year ended December 31, 2017.

These unaudited condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on May 30, 2018.

Basis of Consolidation

These condensed interim consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiaries Blockchain Tech Ltd. and BTL Dev Ltd. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

Accounting Pronouncements

In July 2014, the IASB issued IFRS 9 to replace IAS 39. IFRS 9, which is to be applied retrospectively, will be effective for annual periods beginning on or after January 1, 2018.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The Company adopted this standard on January 31, 2018, with no impact on its condensed interim consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers – The IASB issued IFRS 15 to establish principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The core principle of IFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. IFRS 15 also includes a cohesive set of disclosure requirements that would result in an entity providing comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The Company adopted this standard on January 31, 2018, with no impact on its condensed interim consolidated financial statements.

(Expressed in Canadian Dollars)

2. Accounting Policies (Continued)

Accounting Pronouncements (Continued)

In January 2016, the IASB issued IFRS 16, Leases (IFRS 16). IFRS 16 is effective for periods beginning on or after January 1, 2019, with early adoption permitted. IFRS 16 eliminates the current dual model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. The extent of the impact of adoption of IFRS 16 has not yet been determined.

There are no other relevant IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

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 - the holders of common shares are entitled to receive notice of and attend all meetings of the shareholders of the Company and are entitled to one vote in respect of each common share held at such meetings. In the event of liquidation, dissolution or winding-up of the Company, the holders of common shares are entitled to share rateably the remaining assets of the Company.

The change in issued share capital for the periods presented are as follows:

	Number of common shares	Amount
Balance, December 31, 2016 and March 31, 2017	**17,177,228**	**$ 5,952,122**
Balance, December 31, 2017	**23,395,766**	**$ 21,095,384**
Exercise of warrants - cash	145,000	77,900
Exercise of warrants - valuation	-	71,896
Exercise of options - cash	83,000	161,068
Exercise of options - valuation	-	414,745
Balance, March 31, 2018	**23,623,766**	**$ 21,820,993**

4. Escrowed Shares

As of the date of the Transaction, 8,055,000 common shares of the Company were escrowed. Under the CPC Escrow and Transaction Escrow Agreements, 10% of the escrowed common shares were released from escrow upon completion of the Qualifying Transaction by the Company and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the initial release. However, the release of the escrowed shares will be accelerated if the Company meets the Exchange Tier 1 initial listing requirements. As at March 31, 2018, 2,416,500 (December 31, 2017 - 2,416,500) shares remained in escrow.

(Expressed in Canadian Dollars)

5. Stock Options

The Company has adopted an incentive stock option plan (the "Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares.

The following table reflects the continuity of stock options for the three months ended March 31, 2018 and 2017:

	Number of Stock Options	Weighted Average Exercise Price (CDN)
Balance, December 31, 2016	1,050,000	$0.50
Granted	75,000	$0.51
Balance, March 31, 2017	1,125,000	$0.50
Balance, December 31, 2017	1,592,500	$1.81
Exercised	(145,000)	$0.54
Granted	160,000	$7.75
Balance, March 31, 2018	**1,607,500**	**$2.58**

On January 29, 2018, the Company granted 160,000 compensation options to employees and consultants of the Company, exercisable for a period of 5 years at $7.75. The options were assigned a fair value of $1,379,072 using the Black-Scholes valuation model with the following assumptions: 5 year expected life, volatility of 203,17%, risk-free interest rate of 2.07%, and a dividend yield and forfeiture rate of 0%. The options vest at a rate of 50% after one year, and 50% on the second anniversary of the grant.

The following table reflects the stock options outstanding as at March 31, 2018:

Expiry Date	Exercise Price(CDN)	Weighted Average Life Remaining	Options Outstanding	Black-Scholes Value
October 12, 2022	$ 3.25	4.53 years	200,000	$ 834,240
June 22, 2022	4.30	4.23 years	150,000	432,549
June 6, 2022	5.55	4.18 years	140,000	910,658
May 18, 2022	2.79	4.13 years	40,000	122,908
March 1, 2022	1.97	3.92 years	45,000	60,669
February 1, 2022	1.56	3.84 years	60,000	114,324
January 18, 2022	1.04	3.80 years	10,000	13,602
January 11, 2022	0.92	3.78 years	40,000	48,156
July 4, 2021	0.53	3.26 years	130,000	79,313
May 9, 2021	0.50	3.11 years	205,000	106,825
March 11, 2021	0.51	2.94 years	37,500	21,082
December 14, 2020	0.50	2.71 years	390,000	162,634
Janaury 29, 2023	0.50	4.97 years	160,000	1,379,072
	$ 2.58	3.92 years	1,607,500	$ 4,286,032

Of the 1,607,500 options outstanding at March 31, 2018, 550,000 were exercisable.

(Expressed in Canadian Dollars)

6. Warrants

The following table reflects the continuity of warrants for the three months ended March 31, 2018 and 2017:

	Number of Warrants Outstanding	Weighted Average Exercise Price
Balance - December 31, 2016 and March 31, 2017	**1,281,164**	**$ 1.46**
Balance, December 31, 2017	1,901,787	$ 6.32
Exercised	(83,000)	3.25
Balance - March 31, 2018	**1,818,787**	**$ 6.47**

As at March 31, 2018, the following warrants were issued and outstanding:

Expiry Date	Exercise Price	Number of Warrants and Broker Warrants
November 23, 2018	$ 7.00	1,561,787
April 6, 2019	$ 3.25	257,000
		1,818,787

7. Net Loss Per Share

The calculation of basic and diluted loss per share for the three months ended March 31, 2018 was based on the loss attributable to common shareholders of $2,528,130 and the weighted average number of common shares outstanding of 21,351,837.

(Expressed in Canadian Dollars)

8. Related Party Balances and Transactions

For the three months ended March 31,		2018		2017
Remuneration paid for current CEO[1]	$	**79,526**	$	-
Remuneration paid for prior CEO[1]		**-**		35,000
Remuneration paid for CFO		**4,500**		4,650
Stock-based compensation expense - directors and officers		**261,985**		-

Mr. Dominic McCann, transitioned from the position of Executive Vice-President, Sales and Marketing, a position he held since July 3, 2017 to the role of Chief Executive Officer on October 2, 2017. Mr. Guy Halford-Thompson, the former Chief Executive Officer, remained with the Company as a director.

As at March 31, 2018, amounts due to related parties totaled $49,760 (December 31, 2017 - $31,930) pertaining to amounts payable for key management remuneration, and reimbursement of expenses paid on behalf of the Company included in accounts payable.

During the three months ended March 31, 2018, the Company expensed $11,087 (three months ended March 31, 2017 - $11,558) to Marrelli Support Services Inc. ("Marrelli Support") and DSA Corporate Services Inc. (the "DSA"), together known as the "Marrelli Group" for:

(i) Robert D.B. Suttie, Vice President of Marrelli Support, to act as Chief Financial Officer ("CFO") of the Company (effective March 11, 2016);
(ii) Bookkeeping and office support services;
(iii) Regulatory filing services; and

The Marrelli Group is also reimbursed for out of pocket expenses.

As of March 31, 2018, the Marrelli Group was owed $8,895 (December 31, 2017 - $18,202). These amounts are included in accounts payable.

The above noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

9. Operating Lease Commitment

The Company is party to lease agreements for the four premises that it currently operates from, for a 1 to 3 year term with no renewal option. Future minimum lease payments under leases with terms of one year or more are as follows as at March 31, 2018:

2018	$201,047
2019	$160,800
2020	$134,000

10. Subsequent Events

On May 11, 2018, the Company granted options to acquire a total of 75,000 common shares of the Company at an exercise price of $5.83 per share to a director of the company, such options to vest as to one-half on May 11, 2019 and one-half on May 11, 2020. The options expire five years from the date of grant.

On April 23, 2018, the Company announced the test launch of Interbit™ and committed itself to successive product upgrades focused on stability and additional functionality.