Codebase Ventures Inc.

Management's Discussion and Analysis

For the three months ended March 31, 2019

DATE OF REPORT: May 15, 2019

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the condensed interim consolidated financial statements of Codebase Ventures Inc. (the "Company" or "Codebase") for the period ended March 31, 2019 and related notes attached thereto (the "financial statements"), which are prepared in accordance with International Financial Reporting Standards ("IFRS") and in according with International Accounting Standards 34 ("IAS 34") – Interim Financial Reporting. All amounts are expressed in Canadian dollars unless otherwise stated. References to notes are with reference to the condensed interim consolidated financial statements. Readers may also want to refer to December 31, 2018 audited financial statements.

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

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

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

DESCRIPTION OF BUSINESS

The Company was incorporated in British Columbia on February 19, 2009. On September 30, 2013 pursuant to a Plan of Arrangement and Amalgamation Agreement (the "Plan"), Global MGA Financial Inc. ("Global") amalgamated with Carnelian Strategic Capital Corp. which was a reporting issuer incorporated in British Columbia on May 3, 2013. Pursuant to the Plan, the amalgamated company was named 360 Capital Financial Services Group Inc. On September 29, 2017 the Company changed its name to 360 Blockchain Inc. In February 2019, the Company changed its name to Codebase Ventures Inc.

On November 27, 2013, shares of 360 Capital Financial Services Group Inc. were listed on the Canadian Securities Exchange ("CSE") for trading under the trading symbol TSZ. In September 2017, shares of the Company were listed on the Frankfurt Stock Exchange ("FWB") for trading under the trading symbol C5B. In October 2017, shares of 360 Blockchain listed on the CSE started trading under the trading symbol CODE. In February 2019 shares of the Company started trading on the OTCQB under the symbol BKLLF.

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

On February 25, 2019, the Company announced its name change to Codebase Ventures Inc. The renamed company broadens its mission to invest in emerging technologies that will deliver high returns to shareholders. The Company's new website is **codebase.ventures**

Codebase Ventures Inc. is a small, hands-on team of financial and technology experts who invest early in great ideas. The Company operates from the understanding that technology is always evolving, bringing early opportunities for strategic investments that can deliver the exponential returns to shareholders. The Company's mandate is to seek out and empower the innovators who are building tomorrow's standards with platforms and protocols, not just products. The Company invests early, supporting founders to take their ideas to market and realize their vision.

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

Legal Name	% ownership	Place of Incorporation	Principal Activity
Global MGA (Hong Kong) Limited	100%	Hong Kong	Holding company (non active)
360 Blockchain USA Inc.	100%	Delaware, United States	Investment company
SV CryptoLabs Inc.	80%	Wyoming, United States	Cryptocurrency mining
Blockchain Media Tech LLC	100%	Wyoming, United States	Media technology
Token Media Tech LLC	100%	Wyoming, United States	Digital media company

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

OUTLOOK

The Company is focused on identifying and investing in those fields where emerging, innovative technology has the potential to upend traditional institutions and deliver the greatest value to shareholders. The Company seeks out early-stage opportunities with outstanding talent and technology. Each of the Company's investments must also be dedicated to increasing trust in their given industry.

The Company's focus on emerging technologies and increasing trust is exemplified through the following core investments: Pressland - A media intelligence enterprise platform dedicated to trust and transparency in news production. By mapping the global news supply chain, Pressland brings much-needed transparency to the media-trust industry; ICO Ranker - The "ethically-run ICO review website," ICO Ranker is the industry's trusted source of token sale data intelligence and news; and Arcology - A radically new blockchain ecosystem that uses AI and machine learning to optimize its unique hierarchical network structure. Arcology's industrial-grade platform will scale at unprecedented speed by reducing costs and increasing enterprise capabilities.

PRESSLAND TECHNOLOGY

ASSET ACQUISITION - BLOCKCHAIN MEDIA TECH LLC

On March 19, 2018, the Company completed the acquisition of Blockchain Media Tech LLC, ("Pressland") which included the Pressland technology, by issuing 2,000,000 common shares to Chaotic Neutral LLC.

The transaction does not constitute a business combination as Blockchain Media Tech LLC does not meet the definition of a business under IFRS 3 – Business Combinations. As a result, the acquisition has been accounted for as an asset acquisition, whereby all of the assets acquired and liabilities assumed are recorded at fair value. Upon closing of the transaction, Blockchain Media Tech LLC became a wholly owned subsidiary of the Company. The net assets acquired pursuant to the acquisition are as follows:

Net assets acquired		
Blockchain technology to track the origin of news articles	$	170,000

Total Purchase Price:		
Issuance of 2,000,000 common shares	$	170,000

The fair value of the 2,000,000 common shares of the Company was determined to be $0.085 per common share, based on the market value at the date of issuance.

Pressland is building a data management platform that fights the spread of misinformation by using artificial intelligence (AI) and natural language processing (NLP) to analyze around-the-clock global news output. Founded by Jeff Koyen, also a working journalist, Pressland is designed to promote and protect the interests of media professionals as they work to reclaim the public's trust.

Pressland is led by Codebase's Koyen, a veteran media executive, serial entrepreneur and award-winning journalist. He has worked for The New York Times, The Guardian, Wired, Crain's New York, Adweek and many others. Pressland is based in Brooklyn; team members are distributed globally from Belgrade to Vancouver. Pressland also publishes News-to-Table (newstotable.com), a digital magazine dedicated to issues of media trust and transparency.

On April 15, 2019, the Company announced the extension of Pressland's partnership with Study Hall (studyhall.xyz), a global online community of more than 2,000 journalists offering resources, news, analysis and original reporting to its highly engaged members. The collaboration allows Pressland and Study Hall to leverage their respective expertise to strengthen their missions to support trust and transparency in the media.

The partnership will increase industry awareness of Pressland's mission to fight fake news and misinformation with its unique data management platform. As part of the arrangement, Pressland will continue to recruit Study Hall members to write for its News-to-Table publication. Plans to stage co-branded events for Study Hall members are underway.

Study Hall was founded in 2015 in Brooklyn by Kyle Chayka and Enav Moskowitz to promote community and collaboration in the media industry. Chayka and Moskowitz, both working journalists, recognized the need for greater communication, cooperation and transparency between freelance journalists, especially those just starting their careers. The organization provides paid access to email newsletters, networking tools, contact databases, private chat rooms and industry intelligence.

On April 10, 2019, the Company announced it has signed a non-binding letter of intent to form a commercial partnership with New York City-based iO Ventures LLC (io.today). The entities will work together to verify trustworthy news before it's distributed to iO's users.

iO Ventures is the developer of a hyper-personal consumer device that delivers customized news, user-centric learning and on-demand wellness information. The device is currently under development and targeted to reach market in 2020.

iO Ventures was founded in 2019 by Daniel Sieberg, an Emmy-nominated and award-winning journalist whose work across four continents has appeared on BBC News, CNN, Bloomberg, ABC News' Nightline, MSNBC, NPR and PBS, among others. During six years at Google, he helped build the Google News Lab and Google for Media, and also served as the global head of training and development overseeing projects related to news partnerships. Sieberg was previously announced as joining Pressland to oversee media partnerships in an advisory capacity.

On April 8, 2019, the Company announced it has signed a Letter of Intent to form a commercial partnership with San Francisco-based OutVoice. The entities will consult on products that reduce inefficiencies and drive client engagement in the media-tech space.

OutVoice is the first freelance payment option for publishers that integrates directly into Content Management Systems. The service reduces the invoicing process to a single click. Payments are handled by OutVoice's proprietary enterprise platform.

Pressland is using artificial intelligence (AI) and natural language processing (NLP) to analyze around-the-clock global news output and publish comprehensive, dynamic production data that can be used to identify misinformation before it spreads online.

This partnership will help accelerate Pressland's time-to-market for its SaaS offerings.

As part of this arrangement, Codebase will use OutVoice to pay contributors to its wholly owned ICO Ranker and Blockchain Ranker.

OutVoice was founded in 2018 by Matt Saincome, former freelance writer and editor-turned-publisher of The Hard Times. His work has been featured in Forbes, Billboard, LA Times and other major news outlets.

On April 3, 2019, the Company announced the official launch of News-to-Table (newstotable.com), a digital publication covering media trust and transparency.

News-to-Table has been operating in public beta since January 2019. The public launch is an affirmation that there is a clear appetite for quality reporting on the subject of media trust. Pressland's Editorial Director, Alexander Zaitchik, is the Editor-in-Chief of News-to-Table; he reports to Jeff Koyen, Codebase's Chief Strategy Officer.

"News-to-Table serves two functions," said Koyen. "First and foremost, it's a unique platform where the media's top thinkers share their thoughts on the problems facing their industry. Second, it's a powerful commercial calling card for Pressland, one that puts us in front of thought leaders, decision-makers, and potential clients and partners."

To date, News-to-Table has published work by several important media figures, including Dr. Stephen J. A. Ward (recently named Pressland's public editor), former New Republic editor Theodore Ross and one-time BBC news editor Nic Newman.

News-to-Table will publish up to five original articles every week.

Zaitchik is a journalist, editor and author with more than 20 years' experience working around the world. He is also the author of two books on politics and the media.

On March 28, 2019, the Company announced key additions to its leadership team with the appointments of renowned media ethicist Dr. Stephen J. A. Ward to Public Editor and news veteran Daniel Sieberg to Director of Media Partnerships.

Both Ward and Sieberg are respected industry veterans who will help develop Pressland's enterprise service for global media companies, social media networks and other third parties combating the spread of fake news and misinformation online.

In his role as Public Editor, Ward will be responsible for ensuring that Pressland's technology protects the privacy of media professionals as it fights fake news with disruptive data analysis. Sieberg joins as Director of Media Partnerships, a pivotal role that will connect Pressland with enterprise and commercial clients.

Ward is an award-winning media ethicist, educator, consultant, lecturer and author, and the founding chair of the Ethics Committee of the Canadian Association of Journalists. He is honorary fellow at the School of Journalism and Mass Communication at the University of Wisconsin-Madison; a distinguished lecturer of ethics at the University of British Columbia; and the founding director of the Center for Journalism Ethics at University of Wisconsin-Madison. In 2014, he served as interim director of the international Organization of News Ombudsmen.

On March 27, 2019, the Company announced plans to build a first-of-its-kind data management platform (DMP) to help fight fake news.

Pressland's commercial licenses will serve everyone fighting fake news — from international tech companies to local news outlets.

Planned revenue streams include enterprise-grade data licensing, paid tools for media professionals, subscription fees and trade intelligence services. An additional application layer will provide commercial resources for third-party developers building their own products to fight fake news.

The Company estimates it will cost up to USD $1 million for engineering and development costs for the platform over the next two years.

ARCOLOGY TECHNOLOGY

INVESTMENT IN ASSOCIATES

The following entity, related by directors of the Company, has been included in the consolidated financial statements using the equity method:

		Proportion of ownership interest held as at March 31,	
Legal Name	Place of Incorporation	2019	2018
Capital Blocktech Inc.	Alberta, Canada	30%	-

Capital Blocktech Inc.

During the year ended December 31, 2017, the Company entered into an agreement with Capital Blocktech Inc. ("Capital Blocktech"), a private Canadian blockchain technology company. During the year ended December 31, 2018, the Company advanced $1,000,000 to earn a 30% interest in Capital Blocktech. The Company also has the right to earn an additional 21% interest in Capital Blocktech for an additional $1,000,000 to be paid on or before January 1, 2021.

Summarized aggregated financial information of the Company's share in the associate is as follows:

		For the period ended March 31, 2019		**For the year ended December 31, 2018**
Balance, beginning of period	$	606,155		1,009,337
Net comprehensive loss - 30% of loss		(615)		(403,182)
Balance, end of period	$	605,540	$	606,155

Capital Blocktech Inc. ("Capital Blocktech"), owns the Arcology technology (https://arcology.network). Arcology is a self-organizing, self-correcting hierarchical blockchain that uses proprietary algorithms, machine learning and artificial intelligence to eliminate inefficiencies that hold back current platforms. It is designed to outperform current market leaders, such as Ethereum and EOS, on key variables including speed, scale and price.

In tests conducted in March, Zhang and his team demonstrated that a single node on the Arcology network can process high volumes of transactions at speeds up to 8 ½ faster than those on the Ethereum Virtual Machine. Utilizing Zhang's unique self-organizing technology, the network was able to process multiple millions of transactions per second.

Zhang received his M.Sc. in Intelligent Systems from the University of Sunderland in the U.K. and his B.Sc. Honours in Computing from Oxford Brookes University. He is the former Chief Technology Officer at HPIS Technologies; Vice President of Engineering at Quikflo Health; and Research Scientist at Baker Hughes, a GE company. He is supported by senior developers Dr. Dave Xiang, Cody Yang and Grant Zhang.

BUSINESS COMBINATION – TOKEN MEDIA TECH LLC

On July 23, 2018, the Company acquired all of the assets of Token Media Tech LLC ("Token Media Tech") (formerly known as ICO Ranker), a platform that houses trusted resources for token sale data and insight, in consideration for USD$1,500,000 and USD$250,000 payable in common shares of the Company.

Fair value of consideration paid:		
Cash consideration (USD $1,500,000)	$	1,979,737
Issuance of 4,888,060 common shares		268,843
	$	2,248,580

The acquisition has been accounted for as a business combination. The purchase price has been allocated to the assets acquired based on their estimated fair values as follows:

Purchase price allocation:		
ICO Ranker Trademark	$	718,000
Editorial mailing list		262,500
Instagram account		200,000
Accredited investor list		500,000
Goodwill		1,005,080
Deferred income tax liability		(437,000)
	$	2,248,580

The fair value of the 4,888,060 common shares of the Company was determined to be $0.055 per common share, based on the market value at the date of issuance.

The acquisition of Token Media Tech LLC meets the definition of a business combination. Consequently, the transaction was accounted for as a business combination in which the Company is the acquirer.

The Company calculates amortization on the intangible asset using the straight line method and based on a three year useful life. Details are as follows:

		Intangible assets – Token Media Tech LLC
Balance, December 31, 2017	$	-
Acquisition of intangible assets		1,680,500
Amortization		(244,018)
Balance, December 31, 2018	$	1,436,482
Amortization		(138,123)
Balance, March 31, 2019	$	1,298,359

LONG-TERM INVESTMENTS

(a) Investment in 1933 Industries Inc. (“1933”) (formerly Friday Night Inc. and formerly Quickflo Health Inc.)

During the year ended December 31, 2017, the Company purchased 66,667 (post 2:1 consolidation) units of 1933 Industries Inc. at $0.15 per unit for a total of $10,000. Each unit consisted of one common share and ½ share purchase warrant (“warrant”). During the year ended December 31, 2017, the Company sold 66,667 shares of 1933 Industries Inc. at $0.11 for gross proceeds of $14,436, and a realized gain of $4,436 was recorded in net loss for the year. The Company still holds 33,334 warrants as at December 31, 2018. The fair value of the warrants at December 31, 2018 was $9,400 using the Black-Scholes option pricing model (inputs below) resulting in an unrealized loss of $19,267.

Stock price	$0.388
Exercise price	$0.30
Risk free interest rate	1.90%
Expected life of options	0.22 years
Expected dividend yield	0.00%
Expected annual stock price volatility	142.94%

Expected forfeiture rate	0.00%

During the three months ended March 31, 2019, 33,334 warrants were exercised into shares at a cost of $10,000, which resulted in an unrealized loss of $9,400. As of March 31, 2019, the market value of the shares were $18,333, which resulted in unrealized gain $8,333 during the three month period ended March 31, 2019.

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

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

Subsequent to March 31, 2019, the Company sold 100,000 shares of ePic at a price of $1.15 per share for total proceeds of $115,000. In light of the recent information, the shares were revalued to $115,000 and resulted in a gain on long-term investment of $15,000.

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

During the year ended December 31, 2017, the Company invested $100,000 by way of a convertible debenture with an interest rate of 10% per annum. As at December 31, 2017, the convertible debenture had a fair value of $97,781. During the year ended December 31, 2018, the Company earned interest of $10,931. The interest and principal were converted into 443,726 units of Nerds at $0.25 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable at $0.30 per share for a period of 2 years. At March 31, 2019, the market value of the 443,726 shares was $115,369 (December 31, 2018 - $84,308) and the fair value of the 443,726 warrants was $51,100 (December 31, 2018 – 443,726 warrants - $33,600) resulting in an unrealized gain of $48,561.

The fair value of the warrants was estimated at $51,100 (December 31, 2018 - $33,600) using the Black-Scholes option pricing model. The assumptions used in calculating the fair value are as follows:

	March 31, 2019	**December 31, 2018**
Stock price	$0.26	$0.19
Exercise price	$0.30	$0.30
Risk free interest rate	1.76%	2.25%
Expected life of warrants	1.67 years	1.91 years
Expected dividend rate	-	-

(d) Investment in DreamBlock Holding Inc. ("DreamBlock")

During the year ended December 31, 2018, the Company purchased 500,000 common shares of DreamBlock at $0.10 per share for a total of $50,000. As the shares were acquired in a private placement, the management believes the unit price is a reasonable estimate of fair value. Due to uncertainty around the fair value of the investment it has been written down to $1,000.

The summary of the carrying value of investments throughout the year is as follows:

	1933	Nerds	ePic	DreamBlock	Total
Balance, December 31, 2018	$ 9,400	$ 117,908	$100,000	$ 1,000	$228,308
Exercise of warrants	10,000	-	-	-	10,000
Unrealized gain (loss) from change in fair value	(1,067)	48,561	15,000	-	62,494
Balance, March 31, 2019	$18,333	$166,469	$115,000	$ 1,000	$300,802

LIQUIDITY AND CAPITAL RESOURCES

	March 31, 2019 $	March 31, 2018 $
Cash used in operating activities – continuing operations	(957,629)	(980,901)
Cash used in investing activities	(10,000)	(166,410)
Cash provided by financing activities	888,140	4,210,537
Increase (decrease) in cash	(90,472)	3,084,383
Cash, beginning	1,020,719	2,732,161
Cash, ending	930,247	5,816,544

FINANCIAL SUMMARY

The following table presents the Company's condensed interim consolidated statement of comprehensive loss for the three months ended March 31, 2019 and 2018. The financial information is presented in Canadian dollars and was prepared in accordance with IFRS.

	Three months ended March 31, 2019 $	Three months ended March 31, 2018 $
Operating expenses	1,043,402	1,667,586
Share-based compensation	-	783,248
Loss from continuing operations	(1,047,473)	(2,910,220)
Interest and other income	(3,456)	6,219
Share of loss from investment in associate	(615)	-
Net loss from discontinued operations	-	806
Translation of foreign subsidiaries	(10,983)	8,988
Unrealized gain on investments	64,494	-
Comprehensive loss for the period	(995,962)	(2,900,426)

Three months ended March 31, 2019

The Company's comprehensive loss totaled $995,962 for the period ended March 31, 2019 (2018: $2,900,426), with basic and diluted loss per share of $0.00 (2018: $0.02). Significant fluctuations during the period included:

i) Amortization increased to $138,123 (2018: $5,196) primarily as a result of an increase in additions to intangible assets acquired during the current year.

ii) Advertising and promotion increased to $163,121 (2018: $34,062) primarily as a result of increased activities in the current period to raise awareness.

iii) Professional fees increased to $104,949 (2018: $72,141) due to increased service requirements required to run the Company subsequent to the acquisition made in the prior year.

iv) Salaries and benefits, management, and consulting fees decreased to $480,792 (2018: $540,972) due to decrease in consulting services incurred subsequent to the acquisition during the current period.

v) Share-based compensation decreased to $Nil (2018: $783,248) due to the Company not issuing options during the current period..

vi) Travel decreased to $65,753 (2018: $132,650) due to decreased number of trips taken for conference and meeting in the current period.

vii) Loss on acquisition of SV CryptoLab Inc. of $Nil (2018: $1,248,853) related to the purchase of an 80% interest in SV CryptoLab Inc. during the comparative period.

viii) Unrealized gain on long-term investments of $62,494 (2018: $Nil) as a result of the increased in fair value of the investments held by the Company during the current period.

SELECTED QUARTERLY RESULTS

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

Three Months Ended	Revenues	Comprehensive Loss	Basic and Diluted Loss Per Share
	$	$	$
March 31, 2019	-	(995,952)	(0.00)
December 31, 2018	-	(1,261,993)	(0.01)
September 30, 2018	-	(893,092)	(0.01)
June 30, 2018	-	(1,473,345)	(0.01)
March 31, 2018	-	(2,910,426)	(0.02)
December 31, 2017	(3,582)	(1,776,987)	(0.03)
September 30, 2017	4,903	(392,799)	(0.00)
June 30, 2017	14,000	(200,886)	(0.00)

The Company's comprehensive totaled $995,952 for the three months ended March 31, 2019, with basic and diluted loss per share of $(0.00) (2018: $2,900,426 with basic and diluted loss per share of $0.00). The significant loss during the quarter ended March 31, 2019 is primarily due to consulting, advertising and promotion, and amortization.

The Company's comprehensive totaled $1,261,993 for the three months ended December 31, 2018, with basic and diluted loss per share of $(0.01) (2017: $1,776,987 with basic and diluted loss per share of $0.03). The significant loss during the quarter ended December 31, 2018 is due to recognizing the Company's share of loss of associate, write-off of equipment, and amortization of the intangible assets.

The Company's comprehensive loss totaled $893,092 for the three months ended September 30, 2018, with basic and diluted loss per share of $(0.01) (2017: 392,799 with basic and diluted loss per share of $0.00). The Company's comprehensive loss increased due to the increase in Company activities, primarily consulting and advertising and promotion.

The Company's comprehensive totaled $1,473,345 for the three months ended June 30, 2018, with basic and diluted loss per share of $(0.01) (2017: net loss $200,866 with basic and diluted income per share of $0.00). The Company's comprehensive loss increased primarily due to the additional consulting services incurred and the stock options being granted during the three month period ended June 30, 2018.

The Company's comprehensive totaled $2,910,426 for the three months ended March 31, 2018, with basic and diluted loss per share of $(0.02) (2017: net loss $242,802 with basic and diluted income per share of $0.00). The Company's comprehensive loss increased due to the increase in Company activities and the loss recorded on the acquisition of 60% interest in SV CryptoLab Inc.

Cash and Working Capital

As at March 31, 2019, the Company had cash of $930,247 (December 31, 2018 - $1,020,719) and working capital of $1,017,893 (December 31, 2018 - $1,059,471).

OUTSTANDING SHARE DATA

Authorized Share Capital

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

During the period from January 1, 2019 to May 15, 2019, the Company issued the following shares:

i) Company completed a non-brokered private placement for 32,336,664 units at a price of $0.03 per unit for gross proceeds of $970,100. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at $0.05 for a period of two years from the date of closing. The Company paid finders fees of $76,088, issued 2,536,267 brokers warrants with the same terms as the units valued at $52,300 and incurred other share issuance costs of $5,872.

Total shares outstanding as at May 15, 2019 is 260,605,498.

Share Purchase Option Compensation Plan

The following table summarizes stock options outstanding at May 15, 2019:

Expiry Date	Exercise Price $	Number of options outstanding and exercisable
February 16, 2022	0.05	1,000,000
September 25, 2022	0.08	3,100,000
February 3, 2025	0.12	6,600,000
June 10, 2025	0.075	9,200,000
		19,900,000

Warrants

The following table summarizes warrants outstanding at May 15 2019:

Expiry Date	Exercise Price $	Number of warrants outstanding and exercisable
December 12, 2019	0.05	1,400,000
February 28, 2020	0.15	43,978,336
May 2, 2020	0.05	15,056,834
August 17, 2020	0.05	14,825,000
October 16, 2020	0.10	24,130,358
February 12, 2021	0.05	34,872,931
		134,263,459

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off balance sheet arrangements.

RELATED PARTIES TRANSACTIONS AND BALANCES

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

		March 31, 2019		December 31, 2018
Amounts due to directors and officers included in accounts payable and accrued liabilities	$	3,375	$	8,287

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

On November 18, 2016, the Company entered into subordinated debt in the form of a promissory note with a director to borrow $60,000 at 5% per annum, due January 31, 2018. On November 18, 2016, the promissory note was extended to June 30, 2018 with interest payable upon maturity. During the year ended December 31, 2018, interest in the amount of $Nil was accrued on this note. As at December 31, 2017, the subordinated debt of $66,672 was included in liabilities held for sale. As at December 31, 2018, the subordinated debt was disposed of as described in Note 4.

During the period ended March 31, 2019, the Company paid $10,500 (2018 - $13,500) in rent to a corporation owned by the interim CEO who is also a director of the Company.

Compensation of the executive management team and directors

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

Total compensation to key management personnel for the three months ended March 31, 2019 and 2018 was as follows:

For the three months ended March 31,		2019		2018
Salaries and benefits, management and consulting fees	$	181,960	$	126,580
Share-based compensation		-		367,891
Total	$	181,960	$	494,471

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Please refer to the Notes to the condensed interim consolidated financial statements for the period ended March 31, 2019 and 2018.

CHANGES IN ACCOUNTING POLICIES AND FUTURE ACCOUNTING PRONOUNCEMENTS

Please refer to the Notes to the condensed interim consolidated financial statements for the period ended March 31, 2019 and 2018.

FINANCIAL INSTRUMENTS AND RISK FACTORS

Fair values

The Company’s financial instruments consist of cash, temporary investment, amount receivable, long-term investments and accounts payable and accrued liabilities. Cash, temporary investment and long-term investments are carried at fair value. The fair values of amount receivable and accounts payable and accrued liabilities approximate their carrying amounts due to their current nature.

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

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

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

	Balance	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As at March 31, 2019				
Cash	$ 930,247	$ 930,247	$ -	$ -
Temporary investment	3,540	-	3,540	-
Long-term investments	300,802	115,369	69,433	116,000
As at December 31, 2018				
Cash	$ 1,020,719	$ 1,020,719	$ -	$ -
Temporary investment	7,204	-	7,204	-
Long-term investments	228,308	84,308	43,000	101,000

Credit Risk

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

Liquidity Risk

All of the Company's financial liabilities have maturities of one year or less as at March 31, 2019.

	Carrying Amount	Contractual Cash Flows	Within 1 year	Within 2 years	Within 3 years
As at March 31, 2019					
Accounts payable and accrued liabilities	$ 80,346	$ (80,346)	$ (80,346)	$ -	$ -
Total	$ 80,346	$ (80,346)	$ (80,346)	$ -	$ -
As at December 31, 2018					
Accounts payable and accrued liabilities	$ 82,812	$ (82,812)	$ (82,812)	$ -	$ -
Total	$ 82,812	$ (82,812)	$ (82,812)	$ -	$ -

Market Risk

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

a) Interest Rate Risk

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

b) Price Risk

The Company is not exposed to any significant price risk associated with its long-term investments. Certain long-term investments are classified in levels 1 and 2 of the fair value hierarchy and therefore a change in market prices would have an effect on fair value.

c) Currency Risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. At March 31, 2019, the Company held approximately $196,000 (USD$148,000) of US dollar assets. A 10% change in the foreign exchange rate at year end would impact profit or loss by approximately $19,600.

RISKS AND UNCERTAINTIES

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

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

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

No Profits to Date

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

Additional Requirements for Capital

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

Development of Cryptocurrencies

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

Regulatory Risks

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

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

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

Dependence on Management Team

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