Amended and Re-stated

BLOK TECHNOLOGIES

(formerly Aida Minerals Corp.)

Consolidated Condensed Interim Financial Statements

For the Six Months Ended June 30, 2019 and 2018

(Expressed in Canadian dollars)

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 interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements. These interim financial statements have not been reviewed by the Company's auditors.

The accompanying consolidated condensed interim financial statements for Blok Technologies (the "Company") have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). The accompanying consolidated condensed interim unaudited financial statements of the Company have been prepared by and are the responsibility of the Company's management.

BLOK Technologies Inc. (formerly Aida Minerals Corp.)
Consolidated Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)

	Note	June 30, 2019 (Unaudited) $	December 31, 2018 (Audited) $
ASSETS			
Current assets			
Cash		13,226	12,566
Amounts receivable		9,995	13,154
Prepaid expenses		-	13,813
		23,221	39,533
Non-current assets			
Intangible assets	6	1	1
Investments	7	-	18,519
		23,222	58,053
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	5	481,084	340,914
Loans payable	4	155,382	155,382
		636,466	496,296
SHAREHOLDERS' DEFICIENCY			
Share capital	8	3,741,534	3,741,534
Contributed surplus	8	104,273	104,273
Share-based payment reserve	8	817,265	817,265
Warrant reserve	8	453,705	453,705
Deficit		(5,730,021)	(5,555,020)
		(613,244)	(438,243)
		23,222	58,053

Nature of operations and going concern (Note 1)
Subsequent events (Note 12)

Approved and authorized for issuance by the Board of Directors on October 4, 2019:

/s/ "Yari Nieken"
Yari Nieken, Director

/s/ "James Hyland"
James Hyland, Director

BLOK Technologies Inc. (formerly Aida Minerals Corp.)
Consolidated Condensed Interim Statements of Comprehensive Loss
Unaudited
(Expressed in Canadian dollars)

	Note	Three months ended June 30, 2019	Three months ended June 30, 2018 (Amended and restated – Note 11)	Six months ended June 30, 2019	Six months ended June 30, 2018 (Amended and restated – Note 11)
Expenses					
Advertising and communications		$ 7,894	$ 258,231	$ 14,193	$ 462,375
Bank and interests		555	5,583	1,032	5,583
Consulting fees		20,798	225,762	20,798	390,643
Financing fees		-	-	-	20,000
General and administrative expenses		(60)	7,214	9,385	71,215
Management fees	5	20,000	148,500	40,000	186,000
Professional fees		7,074	69,979	19,074	118,179
Rent		10,000	16,794	30,000	40,008
Share-based compensation		-	106,818	-	106,818
Software development fees (recovery)		(1,558)	240,419	(1,558)	388,361
Transfer agent and filing fees		3,184	32,459	7,998	37,692
Travel expenses		15,382	43,004	15,573	76,433
Loss before other items below		(83,269)	(1,154,763)	(156,495)	(1,903,307)
Other items:					
Foreign exchange gain (loss)		13	-	13	(518)
Loss on acquisition of assets	6,11	-	-	-	-
Write-off of investment	7	(18,519)	-	(18,519)	-
		(18,506)	-	(18,506)	(518)
Net loss and comprehensive loss for the period		**$ (101,775)**	**$ (1,154,763)**	**$ (175,001)**	**$ 1,903,825**
Basic and diluted loss per common share		**$ (0.00)**	**$ (0.03)**	**$ (0.00)**	**$ (0.05)**
Weighted average number of common shares outstanding		**62,384,302**	**42,497,135**	**62,384,302**	**37,563,831**

Amended and Re-stated

BLOK Technologies Inc. (formerly Aida Minerals Corp.)
Consolidated Condensed Interim Statement of Changes in Shareholders' Equity (Deficiency)
Unaudited
(Expressed in Canadian dollars)

	Number of common shares	Share capital	Subscriptions received	Shares issued but not paid	Contributed surplus	Stock-based compensation reserve	Warrant reserve	Deficit	Total
		$	$	$	$	$	$	$	$
Balance, December 31, 2017	28,117,378	1,763,621	3,000	(13,000)	104,273	565,723	441,665	(2,032,326)	832,956
Shares issued pursuant to acquisition (Amended and restated – Note 11)	7,000,000	626,753	-	-	-	-	-	-	626,753
Shares issued pursuant to private placement (Amended and restated – Note 11)	27,016,924	1,245,099	-	-	-	-	15,936	-	1,261,035
Shares issued pursuant to exercise of options	250,000	97,369	-	-	-	(40,369)	-	-	57,000
Share-based compensation	-	-	-	-	-	106,818	-	-	106,818
Comprehensive loss (Amended and restated – Note 11)	-	-	-	-	-	-	-	(1,903,825)	(1,903,825)
Balance, June 30, 2018	**62,384,302**	**3,732,842**	**3,000**	**(13,000)**	**104,273**	**632,172**	**457,601**	**(3,936,151)**	**980,737**
Balance, December 31, 2018	62,384,302	3,741,534	-	-	104,273	817,265	453,705	(5,555,020)	(438,243)
Comprehensive loss	-	-	-	-	-	-	-	(175,001)	(175,001)
Balance, June 30, 2019	**62,384,302**	**3,741,534**	**-**	**-**	**104,273**	**817,265**	**453,705**	**(5,730,021)**	**(613,244)**

BLOK Technologies Inc. (formerly Aida Minerals Corp.)
Consolidated Condensed Interim Statements of Cash Flows
Unaudited
(Expressed in Canadian dollars)

	Six months ended June 30, 2019	2018 (Amended and restated – Note 11)
	$	**$**
Cash flow from operating activities		
Net loss and comprehensive loss	(175,001)	(1,903,825)
Adjustment for item not involving cash:		
Share-based compensation	-	106,818
Write-off of investment	18,519	
	(156,482)	(1,797,007)
Changes in non-cash working capital components:		
Amounts receivable	3,159	(22,435)
Prepaid expenses	13,813	160,288
Accounts payable and accrued liabilities	140,170	32,361
Due from related parties	-	47,444
Net cash provided by (used in) operating activities	**660**	**(1,579,349)**
Cash flow from investing activities		
Purchase of Greenstream	-	39,127
Investment	-	(119,260)
Net cash used in investing activities	**-**	**(80,133)**
Cash flow from financing activities		
Issuance of shares pursuant to exercise of options	-	57,000
Proceeds from share issuance, net of issuance costs	-	1,261,035
Net cash provided by financing activities	**-**	**1,318,035**
Increase (decrease) in cash	660	(341,447)
Cash, beginning of the period	12,566	568,990
Cash, ending of the period	**13,226**	**227,543**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

BLOK Technologies Inc. (formerly Aida Minerals Corp.) ("BLOK" or the "Company") was incorporated on September 19, 2013 as a wholly-owned subsidiary of Web Watcher Systems Ltd. (Web Watcher) under the name of Mianach Resources Acquisition Corp. The Company remained dormant since incorporation until entering into to a Plan of Arrangement (the "Arrangement Agreement") between the Company and Web Watcher Systems Ltd. ("Web Watcher") dated October 23, 2013. The Plan of Arrangement was approved by the Supreme Court of British Columbia on January 7, 2014. Under the Arrangement Agreement, Web Watcher assigned its interest in a Letter of Intent with Fable Gold Exploration Inc. ("Fable Gold") dated as of November 1, 2013, to the Company. On October 9, 2014, the Company changed its name to Aida Minerals Corp. On January 16, 2018, the Company changed its name to BLOK Technologies Inc. and subsequently traded on the CSE under the symbol "BLK". On July 31, 2018, the Company commenced trading on the OTC Markets Group Inc.'s OTC over-the-counter market in the United States and are now "DTC eligible" with The Depository Trust Company ("DTC"), as a CSE traded company, under the symbol "BLPFF".

The intended principal business of the Company is the investment in blockchain and emerging enterprise application technology. BLOK invests in and develops emerging companies in the blockchain technology sector. BLOK provides capital, technology and management expertise to produce blockchain-enabled business applications. The address of the Company's corporate office and principal place of business is Suite 310 - 221 West Esplanade, North Vancouver, British Columbia, Canada.

These consolidated condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes 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 Company's continuing operations, as intended, and its financial success is dependent upon the extent to which it can successfully raise the capital to implement its future plans. During the six months ended June 30, 2019, the Company incurred a net loss of $175,001. As at June 30, 2019, the Company had a deficit of $5,730,021 which was funded primarily by the issuance of equity. The Company has never generated revenues or profits.

In addition, the BC Securities Commission ("BCSC") has issued a temporary order on November 26, 2018 and two further orders on January 15, 2019 and April 12, 2019 indicating that certain exemptions described in Note 8 (b)(v) do not apply to certain transactions entered into by the Company. The BCSC issued an order dated January 4, 2019 for the production of information and records.

These facts indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These consolidated condensed interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PRESENTATION

Statement of Compliance

These consolidated condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated condensed interim financial statements prepared in conjunction of with the Company annual audited financial statements for the year ended December 31, 2018. As such, these consolidated condensed interim financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

2. BASIS OF PRESENTATION (continued)

These consolidated condensed interim financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency. These consolidated financial statements are prepared on a historical cost basis except for financial instruments classified as at fair value through profit or loss ("FVTPL") as described at Note 3, which are stated at their fair value. In addition, these consolidated condensed interim financial have been prepared using the accrual basis of accounting, except for cash flow information.

These consolidated condensed interim financial statements include the accounts of the Company and its wholly-owned subsidiary Greenstream Networks Inc. All significant inter-company balances and transactions have been eliminated on consolidation.

These consolidated financial statements were authorized for issue by the board of directors on October 4, 2019.

3. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgements and estimates. The consolidated financial statements include judgements and estimates which, by their nature, are uncertain. The impacts of such judgements and estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of judgements and estimates that management has made at the statement of financial position date, 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:

i) Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit of loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting judgments and estimates (continued)

ii) Fair value of financial instruments
Management uses valuation techniques in measuring the fair value of financial instruments, where active market quotes are not available. Details of the assumptions used are provided in the notes regarding financial assets and liabilities.

In applying the valuation techniques management makes maximum use of market inputs wherever possible, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make.

Such estimates include liquidity risk, credit risk and volatility and those assumptions may result in pricing that is different from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Critical accounting judgements are accounting policies that have been identified as being complex or involving subjective judgments or assessments with a significant risk of material adjustment in the next year.

iii) Going concern
The assessment of the Company's ability to continue as a going concern involves management judgement about the Company's resources and future prospects.

iv) 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.

Cash

Cash is comprised of cash in banks.

Deferred finance costs

Professional, consulting and regulatory fees as well as other costs directly attributable to financing transactions are reported as deferred financing costs until the transactions are completed, if the completion of the transaction is considered to be more likely than not. Share issuance costs are charged to share capital when the related shares are issued. Costs relating to financing transactions that are not completed, or for which successful completion is considered unlikely, are charged to operations.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets

Intangible assets are recorded at cost less accumulated amortization and any accumulated impairment losses. Intangible assets with finite useful lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The useful lives of intangible assets are assessed as either finite or infinite. The amortization method and amortization period of an intangible asset with a finite useful life is reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method as appropriate and are treated as a change in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of comprehensive loss. The Company's acquired intangible asset had a useful life of 3 years.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Share-based compensation

Pursuant to the Company's option plan ("Option Plan"), the Company may grant stock options to directors, officers and employees for the purchase of the capital stock of the Company. Included in the Option Plan are provisions that provide that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. At the discretion of the Board of Directors of the Company, options granted under the Option Plan can have a maximum exercise term of five years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the period that the employees earn the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

Deferred income taxes

Deferred income tax assets and liabilities are recognized for deferred income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. To the extent that the Company does not consider it more likely than not that a deferred income tax asset will be recovered, the deferred income tax asset is not recognized. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting period.

Change in accounting polices

Financial instruments

The Company has adopted all of the requirements of IFRS 9 *Financial Instruments* ("IFRS 9") as of January 1, 2018. IFRS 9 replaced IAS 39 *Financial Instruments: Recognition and Measurement ("*IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged.

As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date, January 1, 2018.

The following is the Company's new accounting policy for financial instruments under IFRS 9.

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Original classification IAS 39	New classification IFRS 9
Cash	FVTPL	FVTPL
Amounts receivable	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Due to related parties	Amortized cost	Amortized cost
Loans payable	Amortized cost	Amortized cost

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in accounting policies (continued)

Financial instruments (continued)

The Company did not restate prior periods as it recognized the effects of retrospective application to shareholders' equity at the beginning of the 2018 annual reporting period, which also includes the date of initial application. The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive income on January 1, 2018.

Measurement

Financial assets at FVTOCI

Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transactions costs expensed in the consolidated statements of net income (loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recorded in the consolidated statements of net income (loss) in the period in which they arise.

Impairment of financial assets at amortized cost

The Company recognized a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset's credit risk has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of net income (loss), as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of net income (loss). However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in accounting policies (continued)

Financial instruments (continued)

Derecognition (continued)

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, 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 the consolidated statements of net income (loss).

Revenue from contracts with customers

IFRS 15, *Revenue from Contracts with Customers ("IFRS 15")*

The new revenue standard introduces a single principles-based, five-step model for the recognition of revenue when control of goods is transferred to, or a service is performed for, the customer. IFRS 15 also requires enhanced disclosures about revenue to help users better understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers. As the Company has no revenue, no impact on the Company's consolidated financial statements has resulted.

Share-based payments

IFRS 2, *Share-based payments ("IFRS 2")*

In June 2016, the IASB issued the final amendments to IFRS 2 Share-based payments that clarify the classification and measurement of share-based payment transactions. This includes the effect of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, share-based payment transactions with a net settlement feature for withholding tax obligations, and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments are to be applied prospectively and are effective for annual periods beginning on or after January 1, 2018, with earlier application permitted. The adoption of this standard is not expected to have a material impact on the Company's financial statements.

Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit. Other comprehensive income (loss) consists of changes to unrealized gain and losses on available for sale financial assets, changes to unrealized gains and losses on the effective portion of cash flow hedges and changes to foreign currency translation adjustments of self-sustaining foreign operations during the year. Comprehensive income measures net earnings for the period plus other comprehensive income. Amounts reported as other comprehensive income (loss) are accumulated in a separate component of shareholders' equity as Accumulated Other Comprehensive Income (Loss). The Company has not had other comprehensive income (loss) since inception.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Segment reporting

A reportable segment, as defined by 'IFRS 8 Operating Segments', is a distinguishable business or geographical component of the Company, which is subject to risks and rewards that are different from those of other segments. The Company considers its primary reporting format to be business segments. The Company considers that it has only one reportable segment, being the mineral property located in one geographical segment, Canada.

Accounting standards adopted during the period

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning January 1, 2018 or later years.

New standard IFRS 9, "*Financial Instruments"*
IFRS 15 *"Revenue from Contracts with Customers"*
IFRS 16 *"Leases*"

The following standard has been adopted by the Company effective January 1, 2019:

IFRS 16 '*Leases'*: IFRS 16 has been effective for accounting periods beginning on or after January 1, 2019. This standard sets out a new model for lease accounting. The main provision of IFRS 16 is the recognition of lease assets and lease liabilities on the balance sheet by lessees for those leases that were previously classified as operating leases. Under IFRS 16, a lessee is required to do the following: (i) recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, on the balance sheet; and (ii) recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant, as the right-of-use asset is depreciated, and the lease liability is accreted using the effective interest method. The new standard also requires qualitative disclosures along with specific quantitative disclosures. The adoption of IFRS 16 did not have a material impact on the Company's consolidated financial statements.

4. LOANS PAYABLE

As at June 30, 2019, the Company owed $155,382 (December 31, 2018 - $155,382) to a related party which is unsecured, non-interest bearing, and due on demand.

5. RELATED PARTY TRANSACTIONS AND KEY PERSONNEL COMPENSATION

The Company has identified its directors and senior officers as its key management personnel. No post-employment benefits, other long-term benefits and termination benefits were made during the six months ended June 30, 2019 and 2018.

(Expressed in Canadian dollars)

5. RELATED PARTY TRANSACTIONS AND KEY PERSONNEL COMPENSATION (continued)

Key management compensation consists of the following for the six months ended June 30, 2019 and 2018:

	2019 $	2018 $
Management fees		
Company owned by CEO	35,000	-
Company owned Former CEO	5,000	30,000
Company controlled by former CFO	-	30,000
Director	-	15,000
	40,000	75,000

All related party transactions were in the ordinary course of business and were measured at their exchange amount as agreed between the related parties.

As at June 30, 2019, the Company had the following balances with related parties:

	June 30, 2019 $	December 31, 2018 $
Company owned by CEO	42,000*	5,250*
CFO	94,222*	56,520*
Former CFO	91,619*	91,419*
Directors – payables	14,575*	-
Directors – loans	155,382**	155,382**
	397,798	308,571

amounts are included in accounts payable
****amounts are included in loans payable***

6. ACQUISITION

Greenstream

On October 6, 2017, the Company entered into a Letter of Intent to acquire 100% of Greenstream Networks Inc. ("Greenstream"), by way of a Share Exchange Agreement to purchase all of the common shares of Greenstream in exchange for issuing 7,000,000 common shares of the Company to the Greenstream shareholders.

Pursuant to the Agreement, the Company completed the acquisition on January 15, 2018. The 7,000,000 shares are subject to an escrow agreement as outlined in Note 8(c).

Management has determined that Greenstream does not have the necessary inputs and processes in place that are capable of producing outputs and consequently does not meet the IFRS 3 *Business Combinations* definition of a business. Consequently, the Agreement has been accounted for as an acquisition of assets by way of a share-based payment. In accordance with IFRS 2 Share-based payments, the difference between the fair value of the equity consideration paid and the fair value of the net assets acquired will be recognized as an expense in profit or loss as follows:

(Expressed in Canadian dollars)

6. ACQUISITION (continued)

Cost of Exchange	
Fair value of shares of the Company given to former shareholders of Greenstream	626,753*
Fair value of Greenstream assets acquired, net of liabilities	
Cash	39,127
Amounts receivable	64,170
Prepaid expenses	7,130
Software	784,257**
Intercompany loan	(267,931)
Net assets acquired	**626,753****

*The fair value of the 7,000,000 shares given to former Greenstream shareholders was initially estimated at $1,400,000. The fair value of shares issued was subsequently revised to be $626,753.

**The fair value of net assets acquired was initially considered to be $710,000, resulting in an intangible asset value at $867,504, and a loss on acquisition of $690,000. The value of the net assets acquired was subsequently revised using the assumptions below, where the cost of exchange was equal to the value of net assets acquired.

The fair value of the shares issued by Company is estimated to be $626,753. As the Company's shares were not actively traded, the fair value of the shares was calculated based on the shares issued by the Company in its May 14, 2018 share placement, less the estimated value of the put options required to account in the time release restriction of the shares under the escrow agreement. The Black-Scholes model using the following weighted average inputs for a put option were used to calculate the value of the escrow restriction:

Share price	$0.20
Risk-free interest rate	1.72%
Expected volatility	140%
Expected dividend yield	$Nil
Expected life (in years)	1.55
Expected forfeiture rate	0%

As part of the acquisition, the Company received the rights to use the acquired software to assist in the regulation and tracking for the cannabis industry. This software was deemed to have a useful life of three years.

During the year ended December 31, 2018, the software was written-down to a nominal amount of $1, resulting in an impairment charge of $533,580, and was recorded as Impairment on intangible asset in the consolidated statement of comprehensive loss.

(Expressed in Canadian dollars)

6. ACQUISITION (continued)

Cost		
Balance, December 31, 2017	$	-
Acquisition		784,257
Impairment		(533,580)
Balance, December 31, 2018 and June 30, 2019	$	250,677
Accumulated depreciation		
Balance, December 31, 2017	$	-
Additions		250,676
Balance, December 31, 2018 and June 30, 2019	$	250,676
Balance, December 31, 2018 and June 30, 2019	$	1

7. INVESTMENTS

Simpleblock

On March 1, 2018, the Company entered into a non-binding letter of intent with Port Mercantile Capital Limited, a private Hong Kong corporation, to acquire SimpleBlock Payment Systems, an existing mobile banking and payment software platform. The Company advanced $19,260. As of June 15, 2018, the Company's option to proceed on this application was expired and the Company had written off all of its expenditures. During the year ended December 31, 2018, the amount was recorded as loss on acquisition of assets in the consolidated statement of comprehensive loss.

FogChain

On March 8, 2018 the Company made a Strategic Investment into FogChain, Inc. FogChain is located in Silicon Valley, California and trades on the Canadian Stock Exchange. Under the terms of this strategic relationship, BLOK has made an initial investment of $100,000 as part of a private placement for common shares of FogChain. For BLOK, this Investment is the first phase of a multifaceted relationship giving the Company access to leading edge developer tools and co-development of Blockchain-enabled software. FogChain will provide BLOK access to tier 1 channel partner networks in the United States for technology product distribution. During the year ended December 31, 2018, the Company recognized an unrealized loss on investments of $81,481 in the consolidated statement of comprehensive loss. As of June 30, 2019, following the decline in traded value and subsequent sale of the shares, the Company wrote off the investment and write-off of investment of $18,519 was recognized in the consolidated statement of comprehensive loss.

8. SHARE CAPITAL

(a) Authorized

Unlimited common shares without par value

(b) Issued and Outstanding

As at June 30, 2019, there were 62,384,302 common shares issued and outstanding.

8. SHARE CAPITAL (continued)

(b) Issued and Outstanding (continued)

There was no share activity during the six months ended June 30, 2019.

<u>During the year ended December 31, 2018:</u>

i. On January 15, 2018, the Company completed the acquisition of 100% common shares of Greenstream by issuing 7,000,000 common shares of the Company to the shareholders of Greenstream.

ii. On February 18, 2018, the Company issued 50,000 common shares pursuant to the exercise of stock options for proceeds of $20,000.

iii. On May 14, 2018, the Company issued 2,729,424 units at $0.20 per unit for gross proceeds of $545,885. Each unit consisted of one common share and one transferable share purchase warrant at an exercise price of $0.50 per share for a period of twenty-four months. Each warrant entitles the holder to acquire one common share at an exercise price of $0.50 for a period of twenty-four months from the closing date of the private placement. The warrants will be subject to an acceleration right if on any ten consecutive trading days, beginning on the date that is four months and one day following the closing date, the daily volume weighted average trading price of the Company’s common shares on the Canadian Securities Exchange is greater than $0.75. If the Company exercises its warrant acceleration right, the new expiry date of the warrants will be the 30th day following the date hereafter referred to as the on which such notice is given by the Company. The Company also paid $17,600 and also issued 88,000 finder’s warrants. Each finder's warrant has the same terms as the warrants issued under the Offering.

iv. On June 8, 2018, the Company issued 200,000 common shares pursuant to the exercise of stock options for proceeds of $37,000.

v. *Bridgemark Transaction*

On June 8, 2018, the Company issued 24,287,500 units at $0.20 per unit for (“the Unit Financing”) gross proceeds of $4,857,500. Each unit consisted of one common share and one transferable share purchase warrant at an exercise price of $0.50 per share for a period of 24 months. The warrants will be subject to an acceleration right if on any ten consecutive trading days, beginning on the date that is four months and one day following the closing date, the daily volume weighted average trading price of the Company’s common shares on the Canadian Securities Exchange is greater than $0.75. If the Company exercises its warrant acceleration right, the new expiry date of the warrants will be the 30th day following the date hereafter referred to as the on which such notice is given by the Company. No value has been allocated to the warrants in the Unit Financing as they have no intrinsic value at the time of issuance.

Between May 1, 2018 and June 1, 2018, the Company also entered into various consulting contracts covering 12-months service periods, with 22 parties for an aggregate stated value of $4,107,500, and one contract with a consultant for a service period of 1 week, for a stated value of $230,000. All of the consideration related to these contracts was paid in cash in advance at the beginning of the contracts and was paid concurrent with the Unit Financing. The aggregate stated value of these consulting contracts was $4,337,500.

(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

(b) Issued and Outstanding (continued)

During the year ended December 31, 2018 (continued)

v. *Bridgemark Transaction (continued)*

Of the 24,287,500 units issued as part of the June 8, 2018 Unit Financing, 22,500,000 units were issued to parties identified as "Bridgemark" in a British Columbia Securities Commission ("BCSC") Notice of Hearing dated November 26, 2018, and alleging that the exemption under section 2.24 of National Instrument 45-106 did not apply to the Company for issuances to consultants.

On January 15, 2019 and again on April 12, 2019, the BCSC subsequently reaffirmed its Order, indicating that the exemption under section 2.24 of National Instrument 45-106 did not apply to the Company specifically.

Although these consulting contracts indicated various services that were to be provided to the Company, $3,770,000 of the consulting fees paid under the contracts were to the same parties which subscribed for 22,500,000 units of the Unit Financing because it was anticipated that the parties would secure additional financing for the Company in the near future. A further $112,500 of the consulting fees paid were to related parties who subscribed for 562,500 units of the Unit Financing, and a further $455,000 of consulting fees were paid to other parties (not named in the BCSC Orders above) who subscribed for 1,225,000 units of the Unit Financing.

For $4,124,750 of these contracts, the Company was unable to identify any significant services provided to the Company by the consultants under these agreements, other than the subscriptions to the Unit Financing by the consultants, accordingly the Company has accounted for these fees paid under the consulting agreements as a capital transaction comprising finders' fees paid in connection with a Unit Financing. Details of the total proceeds of $4,857,500 raised and the total consulting fees paid are summarized in the table below.

A summary of the below tables is as follows:

		Total consulting fees paid	Number of units subscribed to	Value of units subscribed to	Net proceeds to the Company
Bridgemark	$	3,770,000	22,500,000	$ 4,500,000	$ 730,000
Related Parties		112,500*	562,500	112,500	-
Arm's length parties		455,000	1,225,000	245,000	(210,000)
		4,337,500	**24,287,500**	**$ 4,857,500**	**$ 520,000**
Less: included in consulting, and advertising and communications		(212,750)			
Financing fees incurred	**$**	**4,124,750**			

*During the year ended December 31, 2018, the Company paid consulting fees of $37,500 to 1140258 BC Ltd, a company controlled by a party related to Former CFO of the Company. During the year ended December 31, 2018, the Company paid consulting fees of $75,000 to 1113300 BC Ltd, a company controlled by CFO of the Company. 1140258 BC Ltd and 1113300 BC Ltd subscribed for 187,500 units and 375,000 units, respectively, of the Unit Financing.

(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

(c) Escrow Shares

Pursuant to an escrow agreement dated December 14, 2015, 7,410,318 common shares issued pursuant to the private placement are subject to escrow restrictions. The following is the release schedule year to date:

Release Date	Released	Balance
December 14, 2015		7,410,318
April 27, 2016	(741,032)	6,669,286
July 7, 2016	(1,111,548)	5,557,738
January 7, 2017	(1,111,548)	4,446,190
July 7, 2017	(1,111,548)	3,334,643
January 7, 2018	(1,111,548)	2,223,095
July 7, 2018	(1,111,548)	1,111,547
January 7, 2019	(1,111,548)	-

Pursuant to the Greenstream Share Exchange Agreement (note 6), 7,000,000 escrow shares were issued. The escrow shares are subject to an Escrow Agreement dated February 2, 2018 under which they are to be released at 10% on February 13, 2018 and 15% every six-months thereafter starting August 2, 2018. The following is the release schedule year to date:

Release Date	Released	Balance
February 2, 2018		7,000,000
February 13, 2018	(700,000)	6,300,000
August 2, 2018	(1,050,000)	5,250,000
February 2, 2019	(1,050,000)	4,200,000

(d) Stock Options

The Company has adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange’s requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Pursuant to the Option Plan, the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Options granted under the Option Plan can have a maximum exercise term of 5 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

The weighted average fair value of stock options granted in the year ended December 31, 2018 was approximately at $0.06 (2017 - $0.29) per share. The aggregated fair values of the stock options granted was $291,907 and was recorded as share-based compensation on the statements of comprehensive loss. The fair values were estimated using the Black-Scholes option pricing model with the following assumptions:

Share price	$0.11
Risk-free interest rate	2.10%
Expected volatility	193%
Expected dividend yield	$Nil
Expected life (in years)	1 year
Expected forfeiture rate	0%

(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

(d) Stock Options (continued)

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price	
Balance, December 31, 2017	1,960,000	$	0.45
Granted	4,525,000	$	0.11
Exercised	(250,000)	$	0.23
Expired	(1,910,000)	$	0.46
Balance, December 31, 2018	4,325,000	$	0.11
Expired or cancelled	(4,325,000)	$	0.11
Balance, June 30, 2019	-		N/A

As at December 31, 2018, the outstanding and exercisable stock options are as follows:

Number of options	Exercise price		Remaining contractual life (years)	Expiry date
575,000	$	0.19	0.42	June 1, 2019
3,750,000	$	0.10	0.60	August 7, 2019
4,325,000	$	0.11	0.57	

As at June 30, 2019, there are no outstanding and exercisable stock options.

(e) Warrants

As noted in note 8(b), the Company issued 88,000 finder's warrants with a fair value of $12,040. The fair value of the finder's warrants was estimated using the Black-Scholes option pricing model with the following assumptions:

Share price	$0.50
Risk-free interest rate	1.95%
Expected volatility	219%
Expected dividend yield	$Nil
Expected life (in years)	2 years
Expected forfeiture rate	0%

The following table summarizes the continuity of share purchase warrants:

	Number of options	Weighted average exercise price	
Balance, December 31, 2017	4,696,520	$	0.50
Issued	13,569,462	$	0.50
Expired	(4,696,520)	$	0.34
Balance, December 31, 2018 and June 30, 2019	13,596,462	$	0.50

(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

(e) Warrants (continued)

As at June 30, 2019 and December 31, 2018, the following share purchase warrants were outstanding:

Number of warrants	Exercise price	Remaining contractual life (years)	Expiry date
1,452,712	$ 0.50	0.87	May 14, 2020
12,143,750	$ 0.50	0.94	June 8, 2020
13,596,462	$ 0.50	0.94	

9. CAPITAL DISCLOSURES

The Company's objectives when managing capital are 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 fund the operation of the Company. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator.

10. FINANCIAL INSTRUMENTS AND RISKS

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at June 30, 2019 as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable Inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, June 30, 2019 $
Cash	13,226	-	-	13,226

The fair values of other financial instruments, which include amounts receivable, accounts payable and accrued liabilities, promissory notes and due to related parties approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and amounts receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Amounts receivable consists of GST receivable due from the Government of Canada and a receivable from a public company. The carrying amount of financial assets represents the maximum credit exposure.

10. FINANCIAL INSTRUMENTS AND RISKS (continued)

(c) Foreign Exchange Rate Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. Foreign exchange risk arises from purchase transactions.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages its interest rate risk by maximizing the interest earned on excess funds while maintaining the liquidity necessary to fund daily operations. Fluctuations in market interest rates do not have a significant impact on the Company's results of operations due to the short term to maturity of the investments held.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(Expressed in Canadian dollars)

11. RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS

In relation to the changes in the fair value measurement of net assets acquired relating to the acquisition of Greenstream and the changes on the recognition of the amounts paid to Bridgemark Group (Note 8(b)(v)) as re-evaluated during the fourth quarter of 2018, the Company amended the comparative information on the June 30, 2018 financial statements.

The financial statement impact for the period ended June 30, 2018 resulting from the adjustment described above is as follows:

	As previously reported	Restatement	Restated
Statement of financial position			
Amounts receivable	$ 282,570	$ (138,500)	$ 144,070
Prepaid expenses	3,139,563	(3,093,125)	46,438
Intangible asset	877,128	(92,871)	784,257
Share capital	8,630,839	(4,897,997)	3,732,842
Deficit	(5,509,652)	1,573,501	(3,936,151)
Statement of comprehensive loss			
Loss on acquisition	690,000	(690,000)	-
General and administrative	61,591	9,624	71,215
Advertising and communications	467,375	(5,000)	462,375
Consulting fees	1,270,768	(880,125)	390,643
Professional fees	126,179	(8,000)	118,179
Net and comprehensive loss	(3,477,326)	1,573,501	(1,903,825)
Basic and diluted earnings (loss) per share	(0.09)	0.04	(0.05)
Statement of changes in equity			
Shares issued pursuant to acquisition	1,400,000	(773,247)	626,753
Comprehensive loss	(3,477,275)	1,573,450	(1,903,825)
Total equity	4,305,284	(3,324,547)	980,737
Statement of cash flows			
Net cash used in operating activities	(5,765,775)	4,186,426	(1,579,349)
Net cash used in investing activities	(18,457)	(61,676)	(80,133)
Net cash provided by financing activities	$ 5,442,785	$ (4,124,750)	$ 1,318,035

12. SUBSEQUENT EVENTS

On April 12, 2019, the BCSC issued the orders described in Note 8 (b)(v). The effect, if any, of these orders to the Company has not been determined.

On July 19, 2019, the Company closed a non-brokered private placement, raising gross proceeds of $500,000 from the issuance and sale of 25,000,000 common shares at a price of $0.02 per share. There were three insiders of the Company including all three Directors acquiring a total of 17,000,000 common shares. The Insider Participation is exempt from the valuation and minority shareholder approval requirements of Multilateral Instrument 61-101 by virtue of the exemptions contained in Sections 5.5(a) and 5.7(1)(a) of MI 61-101 based on that the fair market value of such insider participation did not exceed 25% of the Company's market capitalization.

12. SUBSEQUENT EVENTS (continued)

On August 19, 2019, the Company entered into non-brokered private placement (the "Private Placement") of 32,000,000 of its common shares pursuant to subscription agreements for a deemed value of $1,600,000, paid to the Company in the form of 49% of the issued and outstanding shares of VR Eyes Technology Corp. ("VR EYES"), a private Canadian corporation. Each common share of the Company entitles the shareholder to one vote at every meeting of common shareholders of the Company.

There are four current shareholders of VR EYES and each one submitted a subscription agreement dated August 14, 2019 to the Company (the "Subscription Agreements") for the acquisition of 8,000,000 of the Company's common shares each at a deemed price of $0.05 per common share of the Company, payable in 12.25 common shares of VR EYES each.

VR EYES is not a party to this private placement; however, BLK is in talks with VR EYES and intends to provide its capital, technology and management expertise to VR EYES. No agreement has yet been reached for those services. In the event that an agreement is ever reached, the Company will not likely charge for its services as it will provide them with the intention of increasing the value of its investment in VR EYES. There are no assurances that the Company will reach an agreement with or provide services to VR EYES.

The VR EYES shareholders have provided statutory declarations stating that they do not act as a group or in concert. This private placement will not result in a change of control. The price was determined by arm's-length negotiation. The Company examined VR EYES's unaudited, management prepared balance sheets as at July 9, 2019 and November 30, 2018, as well as other financial documents.