

A copy of this amended and restated preliminary short form base shelf prospectus has been filed with the securities regulatory authorities in British Columbia, Alberta and Ontario but has not yet become final for the purpose of the sale of securities. Information contained in this amended and restated preliminary short form base shelf prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form base shelf prospectus is obtained from the securities regulatory authorities.

This amended and restated preliminary short form prospectus has been filed under legislation in British Columbia, Alberta and Ontario that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities. Notwithstanding the foregoing, delivery to purchasers of a prospectus supplement containing the omitted information is not required where an exemption from the delivery requirements under applicable securities legislation in each of the provinces and territories of Canada is available.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and, subject to certain exceptions, may not be offered or sold to, or for the account or benefit of, persons in the "United States" or "U.S. persons" (as such terms are defined in Regulation S under the U.S. Securities Act). See "Plan of Distribution". This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities to, or for the account or benefit of, persons in the United States or U.S. persons.

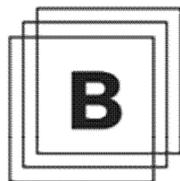
Information contained herein is subject to completion or amendment. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Newfoundland, New Brunswick, Nova Scotia and Prince Edward Island. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of BlockChainK2 Corp., at Suite 320, 600 - 6th Avenue SW, Calgary, Alberta T2P 0S5 , Email: info@clockchaink2.com, and are also available electronically at www.sedar.com.

**AMENDED AND RESTATED PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS DATED
JANUARY 18, 2022, AMENDING AND RESTATING PRELIMINARY SHORT FORM BASE SHELF
PROSPECTUS DATED OCTOBER 19, 2021**

New Issue and Secondary Offering

January 18, 2022



B L O C K C H A I N K 2

BLOCKCHAINK2 CORP.

\$20,000,000

Common Shares

Preferred Shares

Debt Securities

Subscription Receipts

Warrants

Units

This short form base shelf prospectus relates to BlockChainK2 Corp.'s ("**BlockChain**" or the "**Company**") offering for sale from time to time, during the 25-month period that this prospectus, including any amendments hereto, remains valid, of (i) common shares (the "**Common Shares**"); (ii) preferred shares (the "**Preferred Shares**"); (iii) senior or subordinated unsecured debt securities (collectively, the "**Debt Securities**"); (iv) subscription receipts (the "**Subscription Receipts**"); (v) warrants (the "**Warrants**"); and (vi) units (the "**Units**") comprised of one or more of the other securities described in this short form base shelf prospectus (the "**Prospectus**"). The Debt Securities, Preferred Shares, Common Shares, Subscription Receipts, Warrants and Units (collectively, the "**Securities**") offered hereby may be offered separately or together, in separate series, in amounts, at prices and on terms to be determined based upon market conditions at the time of the sale and set forth in an accompanying shelf prospectus supplement (a "**Prospectus Supplement**") with a total offering price of such securities of up to \$20 million (or its equivalent in any other currency used to denominate the securities at the time of offering). Such distributions may include sales in transactions that are deemed to be an "at-the-market" distribution", as defined in National Instrument 44-102 - Shelf Distributions.

In addition, the Securities may be offered and issued in consideration for the acquisition of other businesses, assets or securities by the Company or a subsidiary of the Company. The consideration for any such acquisition may consist of any of the Securities separately, a combination of Securities or any combination of, among other things, Securities, cash and the assumption of liabilities.

The outstanding Common Shares are listed on the TSX Venture Exchange (the "**TSXV**") under the stock symbol "BITK". The Company is also quoted on the OTC QB under the symbol "BIDCF" and on the Frankfurt Borse under the symbol "KRL2". On January 17, 2022, being the last complete trading day prior to the date hereof, the closing price of the Common Shares on the TSXV was \$0.2150. There is no market for certain of the securities which may be distributed hereunder through which such securities may be sold and purchasers may not be able to resell such securities purchased under this short form prospectus. This may affect the pricing of these securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. See "Risk Factors".

The specific terms of the Securities in respect of which this Prospectus is being delivered will be set forth in the applicable Prospectus Supplement and may include, where applicable: (i) in the case of Debt Securities, the specific designation, aggregate principal amount, the currency or the currency unit for which the Debt Securities may be purchased, maturity, interest provisions, authorized denominations, offering price, covenants, events of default, any terms for redemption at the option of the Company or the holder, any exchange or conversion terms and any other specific terms; (ii) in the case of Preferred Shares, the designation of the particular class or series, aggregate principal amount, the number of shares offered, the issue price, the dividend rate, the dividend payment dates, any terms for redemption at the option of the Company or the holder, any exchange or conversion terms and any other specific terms; (iii) in the case of Common Shares, the person offering the shares (the Company), the number of shares offered and the offering price; (iv) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price, the conditions and procedures for exchange of the Subscription Receipts for other Securities of the Company and any other specific terms; (v) in the case of Warrants, the designation and number of Warrants being offered, the designation, number and terms of the Debt Securities, Preferred Shares or Common Shares purchasable upon exercise of the Warrants, any procedures that will result in the adjustment of those numbers, the exercise price, dates and periods of exercise, the currency in which the Warrants are issued and any other specific terms; and (vi) in the case of Units, the designation and terms of the Units and of the Securities comprising the Units and any other specific terms. A Prospectus Supplement may include specific variable terms pertaining to the Securities that are not within the alternatives and parameters described in this Prospectus.

The Securities may be sold through underwriters, dealers, or by the Company directly pursuant to applicable statutory exemptions or through agents designated by the Company, from time to time. See also "Plan of Distribution". Each Prospectus Supplement will identify the person offering Securities and each underwriter, dealer or agent engaged in connection with the offering and sale of those Securities to which the Prospectus Supplement relates, and will also set forth the terms of the offering of such Securities including the net proceeds to the Company and, to the extent applicable, any fees payable to underwriters, dealers or agents. Unless otherwise specified in a Prospectus Supplement, offerings of the Securities are subject to approval of certain legal matters by Alexander Holburn Beaudin + Lang LLP on behalf of the Company. Unless otherwise specified in the applicable Prospectus Supplement, Securities, other than Common Shares, offered hereby will not be listed on any stock exchange.

In connection with any offering of the Securities (unless otherwise specified in a Prospectus Supplement), the underwriters or agents may over-allot or effect transactions which stabilize, maintain or otherwise affect the market

price of the Securities offered at levels other than those which might otherwise prevail on the open market. These transactions may be commenced, interrupted or discontinued at any time. See "Plan of Distribution".

Unless otherwise specified in an applicable Prospectus Supplement, the Debt Securities, Subscription Receipts, Units and Warrants will not be listed on any securities or stock exchange or on any automated dealer quotation system. There is currently no market through which the Securities, other than the Common Shares, may be sold and purchasers may not be able to resell such Securities purchased under this Prospectus. This may affect the pricing of the Securities, other than the Common Shares, in the secondary market, the transparency and availability of trading prices, the liquidity of the Securities and the extent of issuer regulation. See "Risk Factors".

Acquiring the Securities may subject prospective investors to tax consequences both in Canada and the United States. This Prospectus or any applicable Prospectus Supplement may not describe these tax consequences fully. Prospective investors should read the tax discussion in any applicable Prospectus Supplement with respect to any particular offering and consult your own tax advisor with respect to your own particular circumstances.

The Company is not making and will not make an offer of these Securities in any jurisdiction where the offer or sale is not permitted. This Prospectus constitutes a public offering of the Securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell the Securities in such jurisdiction.

No underwriter, dealer, placement agent, other intermediary or agent has been involved in the preparation of this short form base shelf prospectus or performed any review of its contents.

All applicable information permitted under securities legislation to be omitted from this Prospectus that has been so omitted will be contained in one or more Prospectus Supplements that will, except in respect of any sales pursuant to an "at-the-market" distribution as contemplated by National Instrument 44-102 – Shelf Distributions, be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the securities to which the Prospectus Supplement pertains. You should read this prospectus and any applicable Prospectus Supplement carefully before you invest in any securities issued pursuant to this Prospectus. The Securities may be sold pursuant to this Prospectus through underwriters or dealers or directly or through agents designated from time to time at amounts and prices and other terms determined by us.

The Securities may be sold from time to time in one or more transactions at a fixed price or prices or at non-fixed prices. If offered on a non-fixed price basis, the Securities may be offered at market prices prevailing at the time of sale, at prices determined by reference to the prevailing price of a specified security in a specified market or at prices to be negotiated with purchasers, in which case the compensation payable to an underwriter, dealer or agent in connection with any such sale will be decreased by the amount, if any, by which the aggregate price paid for the Securities by the purchasers is less than the gross proceeds paid by the underwriter, dealer or agent to the Company. The price at which the Securities will be offered and sold may vary from purchaser to purchaser and during the period of distribution. The Securities may be sold pursuant to this Prospectus through underwriters or dealers or directly or through agents designated from time to time at amounts and prices and other terms determined by us. A Prospectus Supplement will set out the names of any underwriters, dealers or agents involved in the sale of Securities, the amounts, if any, to be purchased by underwriters, the plan of distribution for such Securities, including the net proceeds we expect to receive from the sale of such securities, if any, the amounts and prices at which such Securities are sold and the compensation of such underwriters, dealers or agents. See "Plan of Distribution".

Investment in the Securities being offered is highly speculative and involves significant risks that Prospective investors should consider before purchasing such Securities. Prospective investors should carefully review the risks outlined in this Prospectus (including any Prospectus Supplement) and in the documents incorporated by reference as well as the information under the heading "Cautionary Note Regarding Forward-Looking and Other Statements" and consider such risks and information in connection with an investment in the Securities. See "Risk Factors" for a more complete discussion of these risks.

The head office of the Company is located at Suite 320, 600 - 6th Avenue SW, Calgary, Alberta T2P 0S5. The registered and records office is located at Suite 1600, 421 7th Avenue SW, Calgary, AB T2P 4K9.

The following directors and executive officers of the Company reside outside of Canada and have appointed the following agents for service of process:

Name of Person	Name and Address of Agent
Sergei Stetsenko	
Douglas Wu	
John Lema	

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

Unless otherwise noted or the context otherwise requires, the “Company” or “BlockChainK2” refers to BlockChainK2 Corp. together with its subsidiaries.

TABLE OF CONTENTS

<p>PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS 1</p> <p>TABLE OF CONTENTS 4</p> <p>ABOUT THIS PROSPECTUS 5</p> <p>DOCUMENTS INCORPORATED BY REFERENCE 6</p> <p>FORWARD-LOOKING INFORMATION 7</p> <p>BLOCKCHAINK2 CORP. 12</p> <p>SUMMARY DESCRIPTION OF THE BUSINESS OF THE COMPANY 13</p> <p>DESCRIPTION OF SHARE CAPITAL 21</p> <p>USE OF PROCEEDS 21</p> <p>PLAN OF DISTRIBUTION 21</p> <p>CERTAIN INCOME TAX CONSIDERATIONS 23</p> <p>CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS 23</p> <p>DESCRIPTION OF COMMON SHARES 23</p> <p>DESCRIPTION OF PREFERRED SHARES 24</p>	<p>DESCRIPTION OF DEBT SECURITIES 24</p> <p>DESCRIPTION OF SUBSCRIPTION RECEIPTS 25</p> <p>DESCRIPTION OF WARRANTS 25</p> <p>DESCRIPTION OF UNITS 26</p> <p>BOOK-BASED SYSTEM 26</p> <p>CONSOLIDATED CAPITALIZATION 27</p> <p>DIVIDENDS 27</p> <p>EARNINGS COVERAGE RATIOS 27</p> <p>PRIOR SALES AND TRADING PRICE AND VOLUME 27</p> <p>RISK FACTORS 28</p> <p>LEGAL MATTERS 51</p> <p>EXEMPTION UNDER SECURITIES LAWS 51</p> <p>AUDITOR, TRANSFER AGENT AND REGISTRAR 52</p> <p>PURCHASERS' STATUTORY AND CONTRACTUAL RIGHTS 52</p> <p>CERTIFICATE OF BLOCKCHAINK2 CORP. 53</p>
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You should rely only on the information contained in or incorporated by reference in this short form base shelf prospectus or any applicable prospectus supplement. References to this “prospectus” refer to this short form base shelf prospectus, including documents incorporated by reference herein. The Company has not authorized anyone to provide you with information that is different. The Company is not making an offer of these securities in any jurisdiction where the offer is not permitted by law.

Unless otherwise indicated, market data and certain industry data and forecasts included in this prospectus and the documents incorporated by reference herein concerning the Company’s industry and the markets in which the Company operates or seeks to operate were obtained from internal company surveys, market research, publicly available information, reports of governmental agencies and industry publications and surveys. The Company has relied upon industry publications as its primary sources for third-party industry data and forecasts. Industry surveys, publications and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. The Company has not independently verified any of the data from third-party sources, nor has the Company ascertained the underlying assumptions relied upon therein. Similarly, internal surveys, industry forecasts and market research, which the Company believes to be reliable based upon management’s knowledge of the industry, have not been independently verified, and the Company does not know what assumptions were used in preparing those. By their nature, forecasts are particularly subject to change or inaccuracies, especially over long periods of time. While the Company is not aware of any misstatements regarding the industry data presented herein, estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under “Forward-Looking Information” and “Risk Factors” in this prospectus and the documents incorporated by reference herein. While the Company believes its internal business research is reliable and market definitions are appropriate, neither such research nor definitions have been verified by any independent source.

Before purchasing any Securities, prospective investors should carefully read both this Prospectus and any accompany Prospectus Supplement prepared by the Company, together with any additional information described under the heading “Documents Incorporated by Reference”.

ABOUT THIS PROSPECTUS

In this Prospectus and in any Prospectus Supplement, unless the context otherwise requires, references to “we”, “us”, “our” or similar terms, as well as references to the “Company”, refer to BlockChainK2 Corp. together, where context requires, with its subsidiaries and affiliates. The term “management” in this Prospectus means those persons acting, from time to time, in the capacities of executive officers of the Company. Any statements in this Prospectus made by or on behalf of management are made in such persons’ capacities as officers of the Company and not in their personal capacities.

All information permitted under applicable laws to be omitted from this prospectus will be contained in one or more prospectus supplements that will be delivered to purchasers together with this prospectus. Each Prospectus Supplement will be incorporated by reference in this prospectus for the purposes of securities legislation as of the date of the prospectus supplement and only for the purposes of the distribution of those securities to which the Prospectus Supplement pertains.

The financial statements of the Company incorporated by reference in this Prospectus are presented in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. Certain calculations included in tables and other figures in this Prospectus have been rounded for clarity of presentation. All references to the number of the Company’s Common Shares, loss per share and other per Common Share amounts included in the financial statements of the Company incorporated by reference in this Prospectus for periods ended on or prior to September 30, 2017 should be retrospectively adjusted for the twenty for one Common Share consolidation that was effective June 27, 2017.

All references to “C\$” or “Canadian dollars” in this Prospectus or in documents incorporated by reference herein refer to Canadian dollar values. All references to “US\$” or “United States dollars” in this Prospectus or in documents incorporated by reference herein refer to United States dollar values.

The following table sets forth, for each of the periods indicated, the high, low, average and period end spot rates of exchange for one United States dollar, expressed in Canadian dollars, published by the Bank of Canada.

	Year ended September 30, 2020 (C\$)	Year ended September 30, 2019 (C\$)	Nine months ended June 30, 2021 (C\$)	Nine months ended June 30, 2020 (C\$)
High	1.4496	1.3642	1.3349	1.4496
Low	1.2970	1.2803	1.2040	1.2970
Average	1.3457	1.3270	1.2655	1.3502
Period End	1.3339	1.3243	1.2394	1.3628

DOCUMENTS INCORPORATED BY REFERENCE

As at the date hereof, the following documents filed with the securities commissions or similar authorities in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Newfoundland, New Brunswick, Nova Scotia and Prince Edward Island, are specifically incorporated by reference in and form an integral part of this Prospectus provided that such documents are not incorporated by reference to the extent that their contents are modified or superseded by a statement contained in this Prospectus or in any other subsequently filed document that is also incorporated by reference in the Prospectus, as further described below. Copies of the documents incorporated herein by reference may be obtained on request without charge from the from the Chief Financial Officer of BlockChainK2 Corp., at info@blockchaink2.com, and are also available electronically at www.sedar.com.

- the annual information form of the Company for the financial year ended September 30, 2020 dated September 14, 2021 and filed on September 16, 2021 (the “**Annual Information Form**”);
- the audited consolidated financial statements of the Company, for the years ended September 30, 2020 and 2019, together with the auditors’ report thereon and the notes thereto (the “**Annual Financial Statements**”);
- the management’s discussion and analysis of financial condition and results of operations of the Company for the year ended September 30, 2020 (the “**Annual MD&A**”);
- the condensed interim consolidated financial statements of the Company for the three and nine months ended June 30, 2021 and June 30, 2020, and the notes thereto, except the notice provided under subparagraph 4.3(3)(a) of National Instrument 52-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”) (the “**Interim Financial Statements**”);
- the management’s discussion and analysis of financial condition and results of operations of the Company for the three and nine months ended June 30, 2021 (the “**Interim MD&A**”);
- the amended management’s discussion and analysis of financial condition and results of operations of the Company for the year ended September 30, 2020 (the “**Amended Annual MD&A**”);
- the amended management’s discussion and analysis of financial condition and results of operations of the Company for the three and nine months ended June 30, 2021 (the “**Amended Interim MD&A**”);
- the management information circular of the Company dated September 30 distributed in connection with the Company’s annual general and special meeting of shareholders held on October 30, 2020; and
- the executive compensation disclosure for the fiscal year ended September 30, 2020.

All documents of the Company of the type described in Section 11.1 of Form 44-101F1 – *Short Form Prospectus* to National Instrument 44-101 – *Short Form Prospectus Distributions* (“**Form 44-101F1**”), and any material change reports (excluding confidential material change reports) and any business acquisition reports filed by the Company with the securities commissions or similar authorities in the relevant provinces and territories of Canada after the date of this Prospectus and during the term of this Prospectus, shall be deemed to be incorporated by reference in this Prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes that statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this Prospectus except as so modified or superseded.

Upon a new annual information form and the related annual audited comparative financial statements and accompanying management’s discussion and analysis being filed with and, where required, accepted by, the applicable securities regulatory authorities in Canada during the currency of this prospectus, the previous annual information form, the previous annual audited comparative financial statements and accompanying management’s discussion and analysis and all interim financial reports and accompanying management’s discussion and analysis, material change reports, information circulars and business acquisition reports filed prior to the commencement of the then current fiscal year will be deemed no longer to be incorporated into this prospectus for purposes of future offers and sales of securities hereunder. Upon an interim financial report and accompanying management’s discussion and analysis being filed by the Company with and, where required, accepted by, the applicable securities regulatory authorities in Canada during the currency of this prospectus, all interim financial reports and accompanying management’s discussion and analysis filed prior to the new interim financial report shall be deemed no longer to be incorporated into this prospectus for purposes of future offers and sales of securities hereunder.

A Prospectus Supplement containing the specific terms of an offering of the securities will be delivered to purchasers of such securities together with this prospectus and will be deemed to be incorporated into this prospectus as of the date of such Prospectus Supplement but only for purposes of the offering of securities covered by that Prospectus Supplement. Any “template version” of any “marketing materials” (as such terms are defined in National Instrument 41-101 of the Canadian Securities Administrators) pertaining to an offering of securities that is filed by the Company with the securities regulatory authorities in Canada after the date of the Prospectus Supplement for that offering and before the termination of the distribution of such securities will be deemed to be incorporated by reference in that Prospectus Supplement.

References to the Company’s website in any documents that are incorporated by reference into this Prospectus do not incorporate by reference the information on the Company’s website into this Prospectus, and we disclaim any such incorporation by reference.

In addition, certain marketing materials (as that term is defined in applicable Canadian securities legislation) may be used in connection with a distribution of Securities under this Prospectus and the applicable Prospectus Supplement(s). Any “template version” of “marketing materials” (as those terms are defined in applicable Canadian securities legislation) pertaining to a distribution of Securities, and filed by the Company after the date of the Prospectus Supplement for the distribution and before termination of the distribution of such Securities, will be deemed to be incorporated by reference in that Prospectus Supplement for the purposes of the distribution of Securities to which the Prospectus Supplement pertains.

FORWARD-LOOKING INFORMATION

This Prospectus contains forward-looking information and forward-looking statements (collectively, “**forward-looking statements**”) that relate to the Company’s current expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as “may”, “might”, “will”, “expect”, “anticipate”,

“estimate”, “intend”, “plan”, “indicate”, “seek”, “believe”, “predict” or “likely”, or the negative or grammatical variations of these terms, or other similar expressions intended to identify forward-looking statements, although not all forward-looking statements include such words. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business, prospects and financial needs. These forward-looking statements include, among other things, statements relating to:

- uncertainties with respect to the effects that the novel coronavirus known as COVID-19 (“**COVID-19**”) will directly and indirectly have on the Company;
- the Company’s expectations regarding its revenue, expenses and research and development operations;
- the Company’s anticipated cash needs and its needs for additional financing;
- the Company’s intention to grow its business and operations;
- expectations with respect to future production costs and capacity;
- expectations regarding the Company’s growth rates, growth plans and strategies;
- the Company’s competitive position and the regulatory environment in which the Company operates;
- the Company’s business objectives for the next twelve months;
- the Company’s plans with respect to the payment of dividends;
- the Company’s ability to obtain additional funds through the sale of equity or debt instruments;
- the ability of the Company’s products to access markets;
- the Company’s ability to expand into international markets; and
- the Company’s relationship with its distribution partners.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward-looking statements included in this Prospectus, the Company has made various material assumptions, including but not limited to , the following: (i) the Company obtaining the necessary regulatory approvals; (ii) that regulatory requirements will be maintained; (iii) general business and economic conditions; (iv) the Company’s ability to successfully execute its plans and intentions; (v) the availability of financing on reasonable terms; (vi) the Company’s ability to attract and retain skilled staff; (vii) market competition; (viii) the products and technology offered by the Company’s competitors; (ix) the maintenance of the Company’s current good relationships with its suppliers, service providers and other third parties; (x) financial results, future financial position and expected growth of cash flows; (xi) business strategy, including budgets, projected costs, projected capital expenditures, taxes, plans, objectives, potential synergies and industry trends; (xii) research and development; (xiii) expectations concerning the size and growth of the markets in which the Company operates; and (xiv) the effectiveness of the Company’s products compared to its competitors’ products. Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, investors should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company’s expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under “Risk Factors”, which include:

- the on-going COVID-19 global pandemic, including the rapidly evolving reaction of governments, private sector participants and the public to that pandemic and/or the associated economic impact of that pandemic and the reaction to it that have impacted the Company’s operations and plans and will continue to impact the Company’s operations and plans for a period of time that remains uncertain;

- a history of operating losses and negative cash flow;
- limited operating history;
- the need for additional financing to sustain and expand our operations;
- our existing indebtedness, or indebtedness that we may incur in the future;
- the inability to successfully implement our business plan;
- the potential growth of our business may depend upon our ability to consummate strategic acquisitions, which will depend on the availability of, and our ability to identify, suitable candidates; acquisitions we pursue could result in operating and other difficulties relating to integration of new businesses into our existing business, dilution to our shareholders and other consequences harmful to our business;
- the industry in which we operate is intensely competitive;
- our industry is subject to significant, rapid changes, and we may fail to anticipate or successfully implement new or evolving technologies, or adopt successful business strategies, distribution methods or services;
- we may not be successful in developing or launching our distribution platform;
- we may fail to launch new products and services, in a timely manner or at all, and, when launched, our new products and services may not be commercially successful;
- our growth relies on market acceptance;
- our products may not receive favorable reviews or ratings or perform well, and third parties may not, or may not continue to, do business with us or promote our products or services;
- we are subject to product development risks that could result in delays and additional costs, and we must adapt to changes in software technologies;
- programming errors or flaws in our products and platforms or third party platforms and other methods through which our products are distributed could harm our reputation or decrease market acceptance of our products;
- declines in consumer spending and other adverse changes in the economy;
- companies and governmental agencies may restrict access to our website, other websites that carry our products, mobile applications or the internet, generally;
- the global COVID-19 pandemic may negatively affect our business, financial condition, results of operations, cash flow and prospects, and these impacts may persist for an extended period of time or become more pronounced;
- under International Financial Reporting Standards, we will not be able to consolidate our financial statements with the financial statements of companies in which we own minority equity ownership interests;
- fluctuations in the value of the U.S. dollar relative to the Canadian dollar may adversely affect our business;
- changes in tax laws or tax rulings could materially affect our effective tax rates, financial position and results of operations;
- we cannot guarantee that we will be able to claim investment tax credits in Canada;
- as a company in the early stages of our development, we rely upon our management team; our future success depends significantly on their continued service and performance, as well as our ability to hire and retain additional competent and skilled management and technical and other personnel;
- our management team has limited experience managing a public company;

- we may not be able to manage our potential growth;
- we use a limited number of suppliers;
- our business is subject to a variety of U.S., Canadian and other laws, many of which are unsettled and still developing, and which could subject us to claims or otherwise harm our business;
- we may be involved in legal proceedings that may result in adverse outcomes;
- we depend on protection afforded by trademarks and copyrights to protect our intellectual property;
- we rely on the availability of licenses to intellectual property of third parties, which exposes us to risks over which we have little or no control;
- Intellectual property infringement claims made against the Company may increase our costs or otherwise adversely affect our business;
- third parties with which we do business process, store and use personal information and other data of consumers of our content, and, as we implement our growth strategy, we may process, store and use such consumer data, which may subject us to governmental regulation and other legal obligations related to privacy and data security, and such third parties' or our actual or perceived failure to comply with such obligations could harm our business;
- security breaches involving the source code for our products or other sensitive and proprietary information could adversely affect our business;
- the proliferation of “cheating” programs and scam offers that seek to exploit our games and players affects the game-playing experience and may lead players to stop playing our games;
- the Company's assumptions as they relate to conversion rates;
- a lack of demand or interest in the Company's business from influencers;
- a lack of exclusiveness in what influencers are able to offer;
- competition from affiliate programs;
- a lack of resources to run stores;
- market noise;
- crowding of the store market;
- an inability to attract gamers;
- a lack of adoption by potential customers;
- a lack of business history;
- a slow market take-up of the Company's business model;
- an inability to attract content producers to the store;
- an inability to attract multiple top-level game franchises to the store;
- regulatory risk;
- return to normalcy risk;
- maintaining privacy and HIPAA compliance;

- risks of information or data security breaches and the costs and procedures necessary to ensure compliance such as training staff, establishing controls, data encryption; device security, vulnerability assessments and data backup procedures;
- building or creating products that are not marketable;
- an inability to sustain user growth;
- partnering with the wrong developer;
- investing in a platform that cannot be controlled;
- investing in a platform that is too limited;
- a failure to get market adoption and traction with iRecover coin app;
- a failure to make alliances or partnerships with key national organizations;
- securities laws and regulations;
- failure to innovate and create new products or enhance existing products;
- reliance on third party software;
- dependence on or loss of key personnel and the inability to attract and retain qualified personnel;
- the ability to manage conflicts of interest;
- interest rate risk;
- maintaining our listing on the TSXV Venture Exchange;
- future capital raising efforts may be dilutive to our shareholders, result in increased interest expense in future periods or depress our share price;
- the price of our common shares may be volatile or may decline regardless of our operating performance;
- we incur significant costs and demands upon management and accounting and finance resources as a result of complying with the laws and regulations affecting public companies; any failure to establish and maintain adequate internal controls and/or disclosure controls or to recruit, train and retain necessary accounting and finance personnel could have an adverse effect on our ability to accurately and timely prepare our financial statements and otherwise make timely and accurate public disclosure;
- we are a “foreign private issuer” under U.S. securities laws and, as a result, are subject to disclosure obligations different from requirements applicable to U.S. domestic registrants listed on U.S. OTC Market;
- we could lose our foreign private issuer status in the future, which could result in significant additional costs and expenses to us;
- if we were to be a passive foreign investment company for U.S. federal income tax purposes, U.S. holders of our common shares (or securities exercisable for or convertible into our common shares) may suffer adverse tax consequences;
- we have never paid cash dividends on our common shares, and we do not anticipate paying cash dividends in the foreseeable future;
- provisions in our articles may prevent efforts by our shareholders to effect a change of control of our company or a change in our management;
- liquidity for securities; and

- the NFT market is in its infancy and may never reach its full potential, or may become regulated in a way that limits future profits.

The above list is not exhaustive of the factors that may affect any of the forward-looking statements of the Company. If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might materially vary from those anticipated in those forward-looking statements. The assumptions referred to above and described in greater detail under “Risk Factors” should be considered carefully by readers.

Certain of the forward-looking statements and other information contained herein concerning the industries in which it operates and the general expectations of the Company concerning such industries and concerning the Company are based on estimates prepared by the Company using data from publicly available governmental sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. While the Company is not aware of any misstatement regarding any industry or government data presented herein, these industries involve risks and uncertainties that are subject to change based on various factors and the Company has not independently verified such third-party information.

The Company’s forward-looking statements are based on the reasonable beliefs, expectations and opinions of management on the date of this Prospectus (or as of the date they are otherwise stated to be made). Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management of the Company to predict all such factors and to assess in advance the impact of each such factor on the business of the Company or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. See “Risk Factors”.

All of the forward-looking statements contained in this Prospectus are expressly qualified by the foregoing cautionary statements. Investors should read this entire Prospectus and consult their own professional advisors to assess the income tax, legal, and other risk factors, and other aspects, of their investment.

BLOCKCHAINK2 CORP.

The Company was incorporated in the province of British Columbia on April 11, 1983 under the name Orotek Resources Corporation. On December 29, 1992, the Company consolidated its share capital on a 4.7:1 basis and changed its name to Doucette Developments Corp. Effective August 30, 1995, the Company changed its name to Traders International Franchise Systems Inc. The Company subsequently consolidated its share capital on a 3:1 basis and changed its name to Newquest Ventures Corp. on May 21, 1998. On May 26, 1999, the Company consolidated its share capital on a 2:1 basis and changed its name to Aster Ventures Corp. The Company subsequently consolidated its share capital on a 2:1 basis and changed its name to Knight Petroleum Corp. on March 22, 2001. On March 7, 2003, the Company changed its name to Knight Resources Ltd. On May 25, 2011, the Company’s common shares were consolidated on a 19 old common shares for 1 new common share basis and the Company changed its name to Knight Metals Ltd. Effective February 2, 2012, the Company’s name was changed to Africa Hydrocarbons Inc. On April 25, 2013, the Company continued into Alberta.

On March 2, 2015, the Company filed a Form 51-101F5, wherein management and the board of directors of the Company at that time confirmed that it had determined that at such date, the Company was no longer engaged, directly or indirectly, in oil and gas activities.

On June 27, 2017, the Company's common shares were consolidated on a 20 old common shares for 1 new common share basis and on May 25, 2018 the Company changed its name to BlockchainK2 Corp.

The Company's head office is located at Suite 320, 600 – 6th Avenue SW, Calgary, AB, T2P 0S5, and the Company's registered office is located at Suite 1600, 421 7th Avenue SW, Calgary, AB T2P 4K9.

The Company is listed on the TSXV, under the symbol "BITK". The Company is also quoted on the OTC QB under the symbol "BIDCF" and on the Frankfurt Borse under the symbol "KRL2".

The Company has five wholly owned subsidiaries Amplify Games Inc. ("**Amplify Games**"), a Delaware corporation, and IRecover Inc. ("**IRecover**"), a Delaware corporation, Africa Hydrocarbons (Bahamas) Ltd., a Bahamas corporation, Africa Hydrocarbons Tunisia Ltd., a Tunisian corporation, and Watutatu Inc., a Canadian corporation, and one 51% owned subsidiary Sobe Organics Inc. ("**Sobe Organics**"), a Florida corporation.. Africa Hydrocarbons (Bahamas) Ltd., Africa Hydrocarbons Tunisia Ltd. and Watutatu Inc. are all inactive. The Company also has a minority interest in Envexergy Inc. ("**RealBlocks**"), which is a Delaware corporation, and a joint venture with 500 N 4th LLC ("**Standard Power**").

SUMMARY DESCRIPTION OF THE BUSINESS OF THE COMPANY

Until 2016, the principal business of the Company was to explore natural resource properties. In early 2016, the Company ceased to operate in the resource sector and on November 23, 2017 it was announced that it is management's intention to complete a "Change of Business" transaction ("**COB Transaction**") pursuant to the policies of the TSX Venture Exchange, with the result that the Company will become a blockchain technology company, listed on the Exchange. On May 25, 2018 the Company changed its name to BlockchainK2 Corp. and on May 28, 2018, the Company completed its COB transaction and changed its stock symbol to BITK. Blockchain technology was invented in 2008¹ as the database technology that underpins Bitcoin, the world's first cryptocurrency. Even though the technology has remained synonymous with Bitcoin and cryptocurrencies, Blockchain technologies are capable of much more than just serving as a database for a decentralised digital currency.² Blockchain is gaining widespread adoption and is the backbone of a new digital world with fewer middlemen, greater efficiency and automated transactions³.

A significant advantage to Blockchain technology is that it can store data and distribute in a decentralised manner. The decentralisation of information increases security and offers additional functionality to its users. Blockchain technologies are making a significant impact in many areas of business, finance, information management and governance, but it is still in the early stages with significant future opportunities⁴.

The Company intends to identify and evaluate the potential acquisition of interests in other technologies and/or blockchain based businesses and technologies. The Company has invested in blockchain technologies where management believes they have the greatest impact. Whether it is a gaming company changing the way that video games are distributed and promoted, a financial company streamlining real estate fundraising and investing or an application supporting individuals recovering from addiction, the Company is striving to revamp the business landscape using blockchain technology solutions.

The Company is currently operating as a holding company investing in blockchain technology solutions for capital markets and other sectors that can be made more efficient through tokenization. To date, the Company has invested in four separate ventures: 1. Amplify Games; 2. iRecover ; 3. RealBlocks; and 4. Standard Power . The Company also holds a 51% interest in Sobe Organics.

¹Narayanan, Arvind; Bonneau, Joseph; Felten, Edward; Miller, Andrew; Goldfeder, Steven (2016). *Bitcoin and cryptocurrency technologies: a comprehensive introduction*. Princeton: Princeton University Press.

²Ovenden, James. "[Blockchain Top Trends In 2017](#)". The Innovation Enterprise. [Archived](#) from the original on 30 November 2016. Retrieved 4 December 2016

³Katie Martin (27 September 2016). "CLS dips into blockchain to net new currencies". Financial Times. [Archived](#) from the original on 9 November 2016. Retrieved 7 November 2016.

⁴"[Blockchains: The great chain of being sure about things](#)". *The Economist*. 31 October 2015. [Archived](#) from the original on 3 July 2016. Retrieved 18 June 2016. *The technology behind bitcoin lets people who do not know or trust each other build a dependable ledger. This has implications far beyond the crypto currency.*

The Company is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, PEI and Newfoundland and its shares are listed on the TSX Venture Exchange (“**TSXV**”) under the symbol NFK. The Company was transferred to the NEX board in July 2015. On May 28, 2018, in connection with the closing of the COB transaction and the Company's name change, the Company changed its stock symbol to BITK. Effective August 3, 2018, the Company began trading on the U.S. OTC Market under the symbol BIDCF.

Amplify Games

Amplify Games Inc. (“**Amplify Games**”) was incorporated on February 1, 2021, and was launched by the Company on March 1, 2021. Amplify Games is a game distribution and promotion platform that will take the hassle out of the sales, promotion, and management of video games, allowing game studios to focus on what they do best, creating great video games. We will allow the sale of any game key or license through our network, white labeled storefronts to support studios/communities, and connect studios to influencers to enhance the promotion of their games

IRecover

On February 23, 2021, the Company incorporated a wholly owned subsidiary, IRecover Inc. (“**IRecover**”), a company that offers online substance abuse education and support for middle, high school and college students.

RealBlocks

In June 2019, the Company acquired 185,625 shares of series seed preferred stock of Envexergy Inc. (“**RealBlocks**”) for \$654,350 (US\$500,000). In October 2020, the Company invested additional \$265,840 (US\$200,000) to RealBlocks to maintain its pro rate share on the company. RealBlocks is a modern blockchain-enabled platform that provides a global investment platform for alternative investments while improving the investment experience for wealth managers, advisors and investors.

Standard Power

On July 15, 2019 the Company entered into a business referral agreement with 500 N 4th LLC (“**Standard Power**”) wherein the Company, having connection with and to third-party entities in the business of mining bitcoin and other cryptocurrencies (“Referral Businesses”), agrees to refer Referral Businesses to Standard Power.

On July 22, 2019, the Company entered into a sale, assumption, and assignment agreement and income promissory note with respect to its S9J miners. Pursuant to the agreement, the Company was issued an income promissory note as sole and total consideration for the sale of the Company’s equipment. The terms of the note state that it may be prepaid in full or in part at any time and from time to time. Interest is accrued at a rate of 10% per annum and is payable annually. The note shall expire on July 21, 2029. If the full payment cannot be made, within five days after the end of each calendar month, 50% of all net profits derived from the S9J Miners shall be paid to the Company.

Standard Power provides infrastructure as a service to advanced data processing companies such as those focusing on blockchain mining and high-performance computing applications.

Sobe Organics

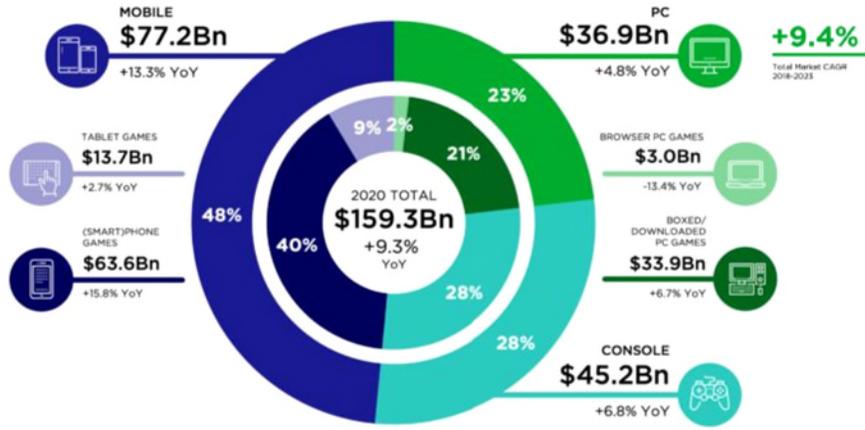
Sobe Organics, which does business as Lux Beauty Club, is an omni-channel platform that manufacturers and distributes a broad line of CBD infused products. It owns the CBD indie beauty brand, Lux Beauty Club, which sells online and to independents and subscription box retailers. The Company is considering divesting its interests in Sobe Organics Inc. as it intends to focus its attention on blockchain based businesses such as Amplify and iRecover.

Amplify Games

The Company's primary focus is on disrupting digital game sales and the promotion of Amplify Games. With the launch of Amplify Games management believes that the Company will be positioned to take advantage of the expansive opportunity in the confluence of gaming and blockchain. Amplify is to serve as a hub in the gaming space for future BlockchainK2 companies to connect and sell into the game publishing market as well as influencers and esports.

In 2020, the global gaming market was estimated to be approximately \$159 billion.

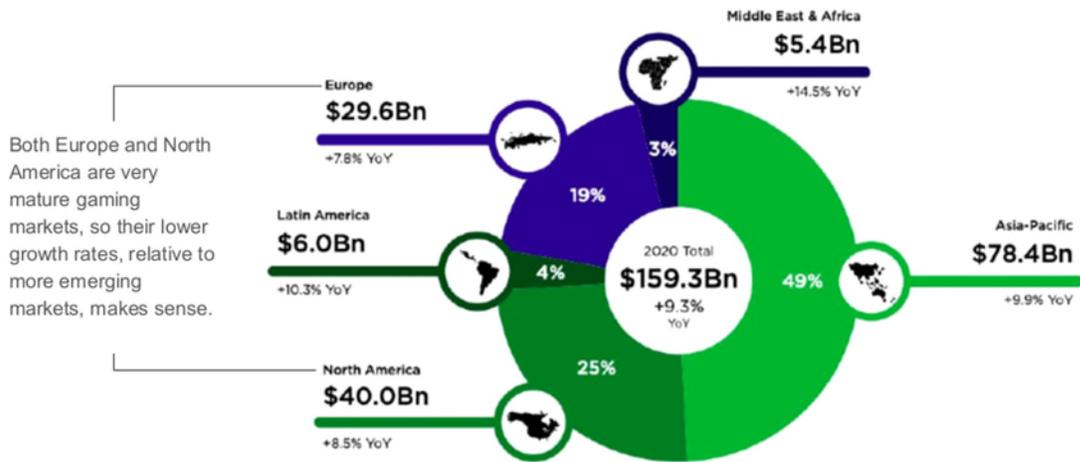
Global gaming market in 2020



3

Source: [NewZoo 2020 Global Games Market Report](#)

Market size, by region



4

Source: [NewZoo 2020 Global Games Market Report](#)

It is also estimated that there are approximately 3.4 billion gamers worldwide.



*Varies based on the report

5

Source: [WARC Data: Ad Opportunities in Gaming, July 2020](#)

The digital gaming industry is also growing with an annualized growth rate since 2015 of approximately 15%.

Digital gaming is growing

Gaming is exploding and gaming revenue currently are PC, console and mobile.



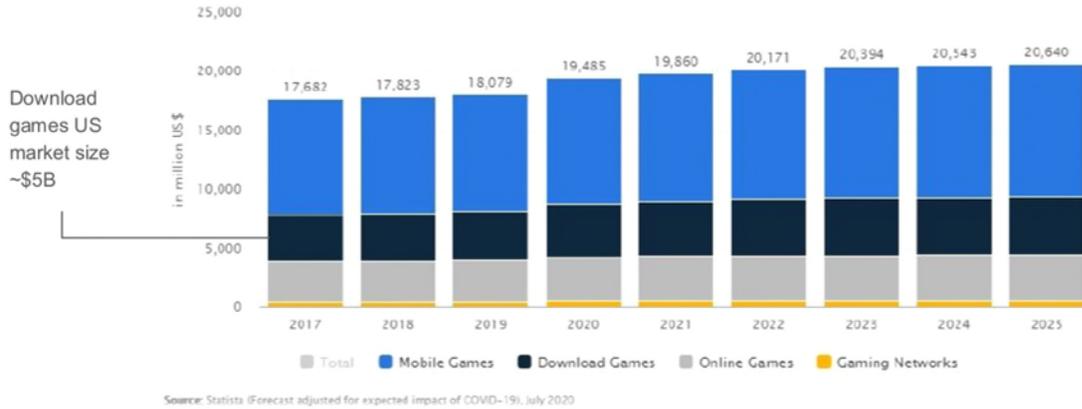
Revenues reflect Global Digital Gaming Revenues. Source: SuperData, a Nielsen Company. Data as of 2019.

6

Source: [2019 SuperData Report: VanEck Video Gaming & Esports Report](#)

Video game revenue in the United States is also forecast to continue growing.

Video games revenue in the U.S.



7

Source: [Statista \(Forecast adjusted for expected impact of COVID-19\), July 2020](#)

The global gaming industry generates revenue across three market subsets: mobile, PC, and console gaming, which together are valued in the hundreds of billions of dollars and growing. However, while industry incumbents profit from this robust growth, players generate little lasting value for themselves. After investing in expensive consoles, PCs, or mobile devices, players enter gaming environments that offer a tiered-access user experience. In these traditional games, money flows in one direction: Players must spend money to access in-game content and exclusive features.

In contrast, blockchain-enabled games — many of which are [decentralized applications](#) ("dApps") — focus more heavily on generating value for players. This dynamic introduces a paradigm shift that allows players to better capture the utility and value of assets acquired through in-game purchases, regular gameplay, or promotional events. Blockchain technology in gaming is driven by non-fungible tokens ("NFTs"), digital assets that represent in-game content. These tokens are unique, rare, and indivisible, while the blockchain networks that underpin NFTs facilitate player ownership, provable scarcity, interoperability, and immutability. Together, these advantages have the potential to drive mainstream adoption and a far more equitable value model⁵.

For instance, when a player purchases an armor upgrade in a traditional game, their only benefit is enhanced gameplay within the context of that one game. However, in a gaming ecosystem that utilizes cross-platform NFTs, the same armor can be [tokenized](#) in a way that transforms in-game purchases into transferable assets that may confer benefits across interconnected games or be exchanged for money or other digital assets⁶.

Underlying blockchain networks enable the generation and deployment of these NFTs within multiple gaming environments. Because NFTs are unique and can be designed to retain value beyond the game in which they originated, blockchain-built games have the potential to expand gaming economies dramatically, establish new gaming categories, and fuel development of new games. To explore how this process might unfold, it's important first to understand NFTs.

⁵ Quiroz-Gutierrez, Marco (2021-03-22). "NFTs Are Spurring a Digital Land Grab—in Videogame Worlds". *The Wall Street Journal*. Archived from the original on 2021-03-22.

⁶ Alexander, Cristina (2021-10-15). "Is Heroes & Empires free to play?". *Gamepur*. *Gamurs*. Archived from the original on 2021-11-11.

Non-Fungible Tokens 101

NFTs aren't exclusive to the blockchain gaming industry. These tokens can represent digital and real-world assets like artwork, real estate, collectibles, and even personal identity. As a result, NFTs have a wide range of practical applications that appeal to multiple industries and use cases, and their adoption is accelerating. In contrast to most other digital tokens, NFTs exhibit three distinct characteristics:

- **Non-fungibility:** As the name implies, each NFT is a cryptographic token that represents something unique or [non-fungible](#), meaning it's not interchangeable with another NFT. The metadata inside each NFT exists as a permanent, unalterable record on the blockchain. This record describes what the token represents, similar to a certificate of authenticity, as well as the token's ownership history and transaction record (title). In contrast, many cryptocurrencies, such as bitcoin (BTC), ether (ETH), and other [utility tokens](#), are [fungible](#) — i.e., one BTC is effectively identical to any other — and therefore are not unique in this sense⁷.
- **Rarity:** The scarcity of each NFT is a crucial component of what makes them desirable. For instance, in the [CryptoKitties game](#), users collect and breed digital cats that are each embodied by a designated NFT. Some of these CryptoKitties are considered rare collectibles, which consequently increases their asking price among collectors who value their provable scarcity. In 2018, a CryptoKitty named Dragon sold for 600 ETH, which was the equivalent of \$170K at the time. (<https://www.digitaltrends.com>)
- **Indivisibility:** Cryptocurrencies like bitcoin are divisible into smaller units, given their fungibility and intended use as a medium of exchange. In contrast, most NFTs must be bought, sold, and held as a whole unit and are therefore indivisible — in the same way that you cannot purchase 10% of a concert ticket or 60% of a plane ticket.

The Benefits of Gaming NFTs

Although many NFTs use Ethereum's [ERC-721 token standard](#), NFTs are also prevalent on several other networks, such as [TRON](#) (Blockchain Cuties), [EOS](#) (EOS Knights), and [NEO](#) (Blocklords). The many benefits of decentralized gameplay include:

- **Ownership:** Traditional in-game purchases are one-time, non-transferrable investments that remain locked in a single gaming world. In contrast, using NFTs in gaming environments grants players ownership of their in-game assets instead of game developers. Through blockchain technology, gamers can save in-game purchases, sell them to other players, or move them into other supported games⁸.
- **Provable Scarcity:** Collectors value rarity and authenticity, and the scarcity of in-game NFT purchases is provable through the immutable records embedded in an NFT's underlying blockchain network. This distributed public ledger validates the number and uniqueness of each NFT as well as its ownership history⁹.
- **Interoperability:** Traditional online games exist on centralized servers. As such, in-game assets exist within proprietary systems that don't communicate with others. In contrast, decentralized games exist on independent blockchains that act as the backend framework for other interconnected games. As a result, game assets represented by NFTs can be designed to be interoperable across different environments. For instance, two games built on the [Ethereum network](#) can feasibly support the same in-game assets like vehicles, armor, or even entire characters.
- **Immutability:** When a traditional online game shuts down, users traditionally lose all of their in-game purchases. NFTs, however, exist independently of a specific gaming platform and live on the blockchain itself. As such, in-game purchases can be bought and sold regardless of what happens to the game, and new games can be designed to plug into an existing blockchain protocol. Furthermore, blockchain-enabled game

⁷ Entriken, William; Shirley, Dieter; Evans, Jacob; Natassia, Sachs (January 24, 2018). "[EIP-721: Non-Fungible Token Standard](#)". *Ethereum Improvement Proposals*. Retrieved October 28, 2021.

⁸ Mozuch, Mo (29 April 2021). "[Blockchain Games Twist The Fundamentals Of Online Gaming](#)". *Inverse*. Retrieved 4 November 2021

⁹ Dean, Sam (March 11, 2021). "[\\$69 million for digital art? The NFT craze, explained](#)". *Los Angeles Times*. Retrieved March 12, 2021.

assets cannot be duplicated or tampered with because of the permanent record each NFT generates upon issuance.

NFTs and the Future of the Blockchain Gaming Industry

Although the adoption of NFTs in the gaming world comes with benefits, it also presents significant obstacles to overcome. Most notably, NFTs need to be made more appealing and intuitive to mainstream consumers who might not be technically oriented. As NFTs possess intrinsic value, there is a risk that some will be used predominantly as speculative assets. This potentiality could motivate players to purchase in-game assets with the hope of selling them for future profit instead of using the assets within the gaming ecosystem as intended¹⁰.

Despite these challenges, the potential for profit within the gaming industry will motivate more non-blockchain-focused brands to experiment with NFTs, likely by forming partnerships with third-party blockchain projects that have the technical expertise needed to bring their vision to life. Simultaneously, the broader success of gaming dApps will likely play a role in further catalyzing NFT infrastructure improvements and drive the development of innovative solutions that unlock mainstream adoption¹¹.

As a result of the foregoing, the Company believes that the distribution and promotion of digital gaming is highly inefficient and fragmented. From launch to distribution and monetization, Amplify's automated, blockchain-powered service manages the sales and promotion of video games. Amplify offers services that suit the needs of game studios, influencers, and independent video game developers by solving the problems of today with technology that will empower the future of game distribution and promotion through the use of blockchain technology to change the current studio, publisher, influencer paradigm. When the platform is complete, games and game assets uploaded to the Amplify Network will have the opportunity to be promoted by hundreds of influencers, featured on thousands of blockchain enabled storefronts and viewed by million gamers. Amplify will monetize this opportunity through its subscriptions and services and through the collection of sales fees from all sales across the Amplify network. NFTs will contribute to the Company's revenue by the Company taking a portion of every sale of an NFT made on the platform. This percentage will vary depending on the integration type and level of service that Amplify provides and can be up to 15% of the sale. The NFT development/minting will be facilitated by the Company but the intellectual property of the NFT's will not be owned by Amplify Games. The Company will facilitate the creation of NFT's in partnership with it's principal markets (game studios, influencers, existing gaming stores). The distribution of the Company's products and services will be through the Company's white-labeled storefronts where Amplify games technology platform will be making the sales itself through community and influencer owned Amplify storefronts as well as through existing online gaming stores and marketplaces that will use an Amplify API to present the Amplify catalog of games, in game items, and NFT's for that store to sell through it's existing user interface.

Amplify's automated, blockchain-powered service allows the codification of agreements between stores, studios, and influencers, provides immutable tracking of promotions, sales and distribution, and increases flexibility and monetization options including the use of NFTs. NFTs represent licenses and in- game assets that live natively on a blockchain. Management believes that NFTs are a great tool for selling licenses and in- game assets, like skins, cosmetics, art, and music. Licenses and in- game assets can be sold or traded between players after initial sale. Studios and influencers can earn royalties on all sales of NFTs that they generate, even after the first sale. NFTs within games naturally create a closed ecosystem that prevents counterfeit assets and fraud. Gamers have easy discoverability of any NFTs related to their favorite games.

Amplify's platform is currently in the research and discovery phase and will be using a hybrid approach of leaning on the expertise within Amplify Games' staff as well as subcontracting out to enhance Amplify's capabilities. The steps to reach commercial production include:

- Develop a standalone storefront/marketplace looking to launch the first version in the first quarter of 2022.
- Additional steps include initiating the design of the user interface and coding of the Amplify core technology platform so it can be onboarded to the gaming communities and

¹⁰ Parmar, Dhruv "Challenges and Risks Associated with Non-Fungible Tokens (NFT's)" Finance October 12, 2021

¹¹ Statt, Nick " There's a platform war brewing in NFT gaming. Here's what it means." Protocol October 27, 2021

influencers. Management expects this to take 12 months. Amplify will be developing its platform in React and Node.js.

Amplify Games is creating a platform with multiple parts to serve as a connector and accelerator for the success of many stakeholders in the gaming market. These parts connect together with blockchain transaction recording as the core, with centralized services connecting to the blockchain and serving up the information as API's, with a SaaS model at the very top for things like the Amplify storefronts and the NFT creation tool. These parts include:

- White label storefront that allows game studios to sell directly to their audience.
- A revenue-sharing affiliate program that will allow the promotion of a particular Amplify storefront or a game within a developer owned, white-label Amplify store so gamers can follow a link and the influencer that promoted the game will get a cut of the proceeds.
- A network of game studios that have included their games in Amplify's catalog which enables us to sell any of those games across the entire platform without the need for developers to make specific agreements or contracts with any of the individual Amplify storefronts, they make them one time with the Amplify platform itself.
- An NFT creation tool for game studios and influencers to easily find flexible ways to monetize their creations.

In connection with Amplify games, the Company's principal intangible properties include the www.BlockchainK2.com domain; amplifygames.io domain trademark; Amplify client relationships; leaptrade.com domain trademark; Leaptrade customer relationships; Leaptrade marketplace software; and a proprietary email user list.

The Company's management team has experience in the gaming industry and has close relations with a number of independent studios and game developers. Tony Caputo and Jose Formoso both have experience in the gaming industry, with game studios like tinyBuild and SerenityForge. Amplify Games is providing a "solution looking for a business". The gaming space is a crowded field but what Amplify is doing is providing the blockchain infrastructure to allow independent game developers to sell directly to end users and influencers to connect with studios.

iRecover

iRecover Education is working to implement the findings and principles of behaviorism, social neurodevelopment, and behavioral economics in a blockchain-based application to support individuals recovering from addiction. Over 27 million people over the age of 12 have alcohol and drug abuse issues (<http://www.ncadd.org>) and an estimated 21.5 million people suffering from substance abuse require treatment, of which fewer than 2.6 million receive treatment. Alcohol and drug addiction costs the U.S. economy over \$600 billion every year including \$72 billion in insurance industry costs of emergency room visits due to painkiller abuse (American Addiction Centers investor relations presentation, <https://americanaddictioncenters.org>). It is estimated that people with addiction issues that seek any kind of treatment have 80% better outcomes compared to those that do not seek treatment. An estimated 59,000 to 65,000 people died from drug overdoses in 2016, up 19% from 2015 (New York Times, <https://www.nytimes.com>). It is estimated that in the United States there is a \$50 billion addiction industry which is growing rapidly. There are an estimated 14,000 for-profit behavioral health/ substance abuse facilities in the US, serving an estimated 2.6 million patients annually (<https://www.samhsa.gov>; <https://drugfree.org>).

Similar to the NFTs utilized in Amplify Games, the Company is planning on offering a socially responsible "Recover Coin" that friends, family, rehabilitation facilities, and mental health professionals can purchase and give regularly to substance addiction patients in recovery. The Company's blockchain software/ app will record recovery milestones e.g. attendance at AA meetings, outpatient counseling, calls with one's sponsor and release Recover Coins that can be exchanged for Starbucks, Apple iTunes, Amazon gift certificates. This large number of substance abuse patients provides the Company with an opportunity to assist in the development of a recovery plan through the use of the Recover Coin concept. A potential 5% penetration rate of 27 million substance abuse population (est. 1.3 million patients) and a \$520 annual spend on Recover Coins by friends and family could potentially imply an annual recurring Recover Coin Sales in the \$700 million range.

Substance abuse is a chronic disease, with relapse rates in the 40-60% range, consistent with recurrence rates of other chronic diseases (<https://www.drugabuse.gov>, JAMA). Many patients go to rehab multiple times. Typically, rehab centers lose track of patients once they leave the facility. There is little long-term coordination post inpatient treatment (e.g. outpatient rehab, group therapy, sober living, AA/ NA meetings, regular contact with sponsor). Insurance companies also lack data on continuity of care. Reimbursement policies/determination of care coverage are often based on nebulous, qualitative assessments with little tracking post inpatient rehab. The industry is shifting from fee for service to fee for outcomes. Friends and family must also rely on the word of substance abuse patients as to adherence to post rehab treatment/ protocols resulting in suboptimal dynamic of pestering/ evading.

The Recover Coin App will record a patient's adherence to post rehab protocols (e.g. meeting outpatient rehab/ sober living milestones, attending AA/ NA meetings, speaking with one's sponsor regularly). Each "milestone event" will be recorded anonymously on a blockchain that can only be accessed with patient consent by healthcare professionals and insurance companies.

Consistent with a theory espoused by a recent Nobel Prize Winner in Economics (Richard H. Thaler), nudging can influence behavioral outcomes¹². For example, patient adherence to taking medications can be influenced by small, regular and recurring rewards as evidenced by Starbucks' partnership with CVS and Walgreens to offer coffee with prescription drugs to patients non-adherent with their medications. The Recover Coin App will record milestone events in a patient's post rehab recovery (e.g. talking with one's sponsor regularly). Friends/ family, rehab facilities, and health care professionals will purchase Recover Coins to be sent to patients in recovery who have met predetermined milestones. Patients rewarded with Recover Coins may exchange them for rewards like Starbucks, iTunes, and Amazon gift certificates.

Recover Coin plans to add additional modules to reward health and wellness behavior in sectors including tobacco, fitness/ exercise, sleep hygiene and safe driving. There is also a long term potential to provide data on efficacy of treatments/tracking of patients which can be sold to insurance companies, healthcare companies, and governments which would bring data analytics to an industry deficient in transparency, measurement metrics and results.

In order to implement its roll-out of Recover Coin, the Company plans to engage social media (Facebook, Instagram, Twitter, etc.) including through celebrity videos on their addiction and sobriety journey/ promote Recover Coin and health industry/ government influencers. The Company also plans to joint venture with inpatient/outpatient rehab facilities, sober living homes, infirmaries, clinics, wilderness programs, and consultants. Management will be focusing its efforts on the North American market and more specifically in Canada and the United States. The Company is initially targeting behavioral health industry partnerships and is in discussions with Herdman Health which follows the Herdman Assessment Form (HAF) process which was developed by Dr. John Herdman PhD, LADC over his 46 years experience in counselling and running a mental health and addiction centre.

Successful contingency management technology platforms typically require Phase I and Phase II clinical trials with academic institutions according to NIH empirical evidence protocols. These typically take several years and several million dollars. Competitors with similar commercial offerings in the market include: Pear Therapeutics; Chess Mobile Health, Wisconsin, DynamiCare Health, and Q2i-group. The Company is currently using outside service providers to conduct research and development services which are in the [early] stages of development and [cannot accurately predict the timing of when it's products will reach the commercial production stage].

RealBlocks

Today, many real estate and alternative investment managers are limited to raising capital locally. With RealBlocks, managers will be able to raise capital globally through the platform's connectivity with institutional and intermediary channels. According to Preqin by 2023 the market's Assets Under Management (AUM) is expected to grow to \$14.0 Trillion ([Preqin Future of Alternatives Report, October 2018](#)). In 2020, RealBlocks had 118 new deals in progress in the alternative investments and defined contribution spaces with approximately \$15 billion in deal flow in its pipeline.

¹² Jonas O Bergman and Jeanna Smialek. Thaler, Famed for 'Nudge' Theory, Wins Nobel Economics Prize. *Economics* October 9, 2017

RealBlocks also had approximately \$305 million in capital committed from its clients¹³. The Company's current ownership of RealBlocks is 3.3%.

Standard Power

Standard Power provides infrastructure as a service to advanced data processing companies including those focused on blockchain mining and high-performance computing applications. Standard offers server management and colocation services with reliable, secure, and efficient infrastructure at a low power price. Standard Power has locked in long-term power costs of \$0.035 per kwh for its mining operations which allows it to maintain profitability when other facilities would have to shut down due to high energy rates. With a 200MW site capacity and their current infrastructure, management believes that Standard Power is positioned to become one of the leading cryptocurrency mining operations in the industry. MGT Capital Investments, Inc. (OTCQB:MGTI), one of the largest US crypto mining operations, has already installed profitable mining operations at Standard Power's Ohio location¹⁴.

Sobe Organics

Sobe Organics sells CBD topicals (broad spectrum - Zero THC) and Non-CBD products (gummies - launching 2022) directly to consumers through its Lux Beauty Club website (www.Beauty and Wellness Botancials by Lux Beauty Club). Its principal market is D2C (online). In 2021, the Company exited the subscription box business due to lower profit margins. Sobe Organics buys products from manufacturers in the United States and sells products directly online via our Lux Beauty Club website and directly to various distributors. Approximately 47% of the Company's sales comprise the CBD Pain Relief Roller, 20% comprise the CBD Gummies, 18% the CBD Sleep Tincture and 15% the CBD Bath Bombs. Sobe Organics purchases 'finished products' from its manufacturers in the United States and is not in the manufacturing business and only purchases finished products. The Company anticipates introducing a new non-CBD gummy collection which will launch at the Atlanta Show in January 2022 and Amazon marketplace. Additionally, the Company will utilize paid digital (Facebook and Google Ads) advertising to attract new customer acquisition and generate top line sales.

Sobe Organics leadership team has over 50 years of experience in the CPG, Brand Management and Health & Wellness space. Sobe Organics' core demographic is women over 35 years old, representing over 80% of the business. Lux Beauty Club is a premium indie beauty brand and has over 10K Instagram followers and various influencers and celebrity brand ambassadors.

The Company, through Sobe Organics, is not involved in any marijuana related activities. Sobe Organics is only website selling health and wellness products some of which contain CBD. Cannabidiol (CBD) is a naturally-occurring constituent of the industrial hemp plant and hemp oil. All of the cannabinoids in the Company's products, including its CBD, are natural constituents of industrial hemp and hemp oil and do not contain tetrahydrocannabinol (THC). Sobe Organics does not sell or distribute any products that are in violation of the United States Controlled Substances Act (US CSA). The Company only sells and distribute industrial hemp-based products without THC.

Further information regarding the Company and its business is set out in the Company's AIF, Annual MD&A, Interim MD&A, Amended Annual MD&A and Amended Interim MD&A, all of which are incorporated by reference herein.

DESCRIPTION OF SHARE CAPITAL

The Company's authorized share capital consists of an unlimited number of Common Shares. Effective June 27, 2017, the Company completed a twenty for one consolidation of the Company's issued and outstanding Common Shares. As of the date of this Prospectus, there are 16,780,972 Common Shares outstanding.

Except for the share consolidation, or as otherwise disclosed in this Prospectus or in the documents incorporated by reference herein, there have been no material changes in the Company's share and loan capital from June 30, 2021 to the date of this short form base shelf prospectus.

¹³ www.realblocks.com

¹⁴ www.standardpwr.com/sites

USE OF PROCEEDS

Unless otherwise indicated in an applicable Prospectus Supplement relating to an offering of Securities, the Company intends to use the net proceeds that it receives from the sale of Securities for: (i) the further development of Amplify Games including, but not limited to, digital game distribution and promotion amplified with blockchain technology and for further investment in Real Blocks to maintain the Company's *pro rata* ownership stake and the purchase of additional bitcoin mining machines and other development programs; and (ii) working capital and general corporate and administrative purposes. Specific information about the use of net proceeds will be described in the applicable Prospectus Supplement.

The management of the Company will retain broad discretion in allocating the net proceeds of any offering of Securities under this Prospectus and the Company's actual use of the net proceeds will vary depending on the its operating and capital needs from time to time. We may also, from time to time, decide to issue Securities otherwise than pursuant to a Prospectus Supplement to this Prospectus. All expenses relating to an offering of Securities and any compensation paid to underwriters, dealers or agents, as the case may be, will be paid out of the proceeds from the sale of such Securities, unless otherwise stated in the applicable Prospectus Supplement.

During the last financial year, the Company recorded losses, negative cash flow from operations and an accumulated deficit. The Company's cash flow from operations may be affected in the future by the investment it is making to continue to develop its products and services. In addition to other uses of net proceeds to be specified in a Prospectus Supplement, to the extent that the Company has negative cash flow in future periods, the Company may need to allocate a portion of the net proceeds from the sale of Securities to fund such negative cash flow. There can be no assurance that additional capital or other types of financing will be available when need or that these financings will be on terms at least as favourable to the Company as those previously obtained, or at all.

The Company may, from time to time, issue securities (including Securities) other than pursuant to this Prospectus.

PLAN OF DISTRIBUTION

The Company may offer and sell the Securities, separately or together to or through one or more underwriters or dealers purchasing as principals, and also may offer and sell securities to one or more purchasers directly or through agents. The distribution of the Securities may be effected from time to time in one or more transactions at a fixed price or prices or at prices which may be changed, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at prices to be negotiated with purchasers, including sales in transactions that are deemed to be "at-the-market" distribution", as defined in National Instrument 44-102 - *Shelf Distributions*, including sales made directly on the TSXV or other existing trading markets for the securities. The price at which securities will be offered and sold may vary from purchaser to purchaser and during the distribution period.

The Prospectus Supplement with respect to any securities being offered will set forth the terms of the offering of those securities, including:

- the name or names of any underwriters, dealers or other placement agents,
- the purchase price of, and form of consideration for, those securities and the net proceeds to the Company from such sale,
- any delayed delivery arrangements,
- any underwriting discounts or commissions and other items constituting underwriters' compensation,
- any offering price (or the manner of determination thereof if offered on a non-fixed price basis),
- any discounts, commissions or concessions allowed or reallocated or paid to dealers, and
- any securities exchanges on which those securities may be listed.

Only the underwriters, dealers, placement agents, other intermediaries or agents named in a Prospectus Supplement are deemed to be underwriters in connection with the securities offered by that Prospectus Supplement.

The sale of Common Shares may be effected from time to time in one or more transactions at non fixed prices pursuant to transactions that are deemed to be "at-the-market distributions" as defined in National Instrument 44 102,

including sales made directly on the CSE or other existing trading markets for the Common Shares. Sales of Common Shares under an “at-the-market distribution”, if any, will be made pursuant to an accompanying Prospectus Supplement. The volume and timing of any “at-the-market distributions” will be determined at the Company’s sole discretion.

Under agreements that may be entered into by the Company, underwriters, dealers, placement agents, other intermediaries or agents who participate in the distribution of securities may be entitled to indemnification by the Company against certain liabilities, including liabilities under any applicable securities legislation, or to contributions with respect to payments that such underwriters, dealers, placement agents, other intermediaries or agents may be required to make in that respect. In connection with an offering, other than an “at-the-market distribution”, the underwriters, dealers, placement agents, other intermediaries or agents, if any, may overallocate or effect transactions that stabilize or maintain the market price of the Common Shares at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time and would be subject to applicable law.

Unless stated to the contrary in any Prospectus Supplement, the Securities have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws, and may not be offered, sold or delivered, directly or indirectly, to, or for the account or benefit of, persons in the United States or U.S. persons, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. In addition, until 40 days after the commencement of an offering of Securities, an offer or sale of the Securities within the United States or to U.S. persons by any dealer, whether or not participating in the offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act. Terms used and not defined in this paragraph shall have the meanings ascribed thereto by Regulation S under the U.S. Securities Act.

This Prospectus may also, from time to time, relate to the offering of Common Shares by certain selling securityholders. The Prospectus Supplement that we will file in connection with any offering of Common Shares by selling securityholders will include the following information:

- the names of the selling securityholders;
- the number or amount of Common Shares owned, controlled or directed by each selling securityholder;
- the number or amount of Common Shares being distributed for the account of each selling securityholder;
- the number or amount of securities to be owned, controlled or directed by the selling securityholders after the distribution and the percentage that number or amount represents of the total number of our outstanding securities; and
- whether such Common Shares are owned by the selling securityholders both of record and beneficially, of record only or beneficially only.

The selling securityholders may sell all or a portion of the Common Shares beneficially owned by them and offered hereby from time to time directly or through one or more underwriters, broker-dealers or agents. If Common Shares are sold through underwriters or broker-dealers, the selling securityholders will be responsible for underwriting discounts or commissions or agent’s commissions. Common Shares may be sold by the selling securityholders in one or more transactions at fixed prices, at prevailing market prices at the time of the sale, at varying prices determined at the time of sale, or at negotiated prices. These sales may be effected in transactions, which may involve crosses or block transactions, as follows:

- on any national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale; •
- in the over-the-counter market;
- in transactions otherwise than on these exchanges or systems or in the over-the-counter market;
- through the writing of options, whether such options are listed on an options exchange or otherwise;

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the TSXV;
- privately negotiated transactions;
- short sales;
- broker-dealers may agree with the selling securityholders to sell a specified number of such shares at a stipulated price per share;
- a combination of any such methods of sale; and
- any other method permitted pursuant to applicable law.

If the selling securityholders effect such transactions by selling the Common Shares to or through underwriters, broker-dealers or agents, such underwriters, broker-dealers or agents may receive commissions in the form of discounts, concessions or commissions from the selling securityholders or commissions from purchasers of our Common Shares for whom they may act as agent or to whom they may sell as principal (which discounts, concessions or commissions as to particular underwriters, broker-dealers or agents may be in excess of those customary in the types of transactions involved). In connection with sales of the Common Shares or otherwise, the selling securityholders may enter into hedging transactions with broker-dealers, which may in turn engage in short sales of the Common Shares in the course of hedging in positions they assume. The selling securityholders may also sell the Common Shares short and deliver the Common Shares covered by this Prospectus to close out short positions and to return borrowed shares in connection with such short sales. The selling securityholders may also loan or pledge the Common Shares to broker-dealers that in turn may sell such Common Shares.

CERTAIN INCOME TAX CONSIDERATIONS

Owning any of the Securities may subject you to tax consequences in Canada. Although the applicable Prospectus Supplement will describe certain Canadian federal income tax consequences of the acquisition, ownership and disposition of any Securities offered under this Prospectus by an initial investor, the Prospectus Supplement may not describe these tax consequences fully or with respect to a particular investor. You should consult your own tax advisor with respect to your particular circumstances.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

Owning any of the Securities may subject holders who are U.S. persons (within the meaning of the U.S. Internal Revenue Code of 1986, as amended) to U.S. tax consequences. The applicable prospectus supplement may describe certain U.S. federal income tax consequences of the acquisition, ownership and disposition of any of the Securities offered thereunder by an initial investor who is a U.S. person. You should consult your own tax advisor with respect to your particular circumstances.

DESCRIPTION OF COMMON SHARES

BlockChain is authorized to issue an unlimited number of Common Shares. Each holder of a Common Share is entitled to (i) notice of and the right to vote at all meetings of shareholders of the Company, (ii) receive any dividend declared by the board of directors of the Company, and (iii) receive the remaining property of the Company in the event of the voluntary or involuntary liquidation, dissolution or winding up of the Company, or any other distribution of its assets among its shareholders for the purposes of winding up its affairs.

DESCRIPTION OF PREFERRED SHARES

The particular terms and provisions of any class of Preferred Shares offered pursuant to a Prospectus Supplement will be described in such Prospectus Supplement. Any Preferred Shares offered pursuant to a Prospectus Supplement will

be of a new class of preferred shares. Prior to an offering of Preferred Shares pursuant to a Prospectus Supplement, the Company would need to amend its articles to create the Preferred Shares, which would require a special resolution of the holders of Common Shares.

Any Prospectus Supplement for Preferred Shares will set forth the terms and other information with respect to the Preferred Shares being offered thereby, including: (i) the offering price of the Preferred Shares; (ii) the title and designation of number of shares of the series of Preferred Shares; (iii) the dividend rate or method of calculation, the payment dates for dividends and the place or places where the dividends will be paid, whether dividends will be cumulative or noncumulative, and, if cumulative, the dates from which dividends will begin to accumulate; (iv) any conversion or exchange features or rights; (v) whether the Preferred Shares will be subject to redemption and the redemption price and other terms and conditions relative to the redemption rights; (vi) any liquidation rights; (vii) any sinking fund provisions; (viii) any voting rights; (ix) whether the Preferred Shares will be issued in fully registered or “book-entry only” form; (x) any other rights, privileges, restrictions and conditions attaching to the Preferred Shares; and (xi) any other specific terms.

DESCRIPTION OF DEBT SECURITIES

The following sets forth certain general terms and provisions of the Debt Securities. The particular terms and provisions of Debt Securities offered pursuant to a Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Debt Securities, will be described in such Prospectus Supplement. Since the terms of a series of Debt Securities may differ from the general information provided in this Prospectus, in all cases an investor should rely on the information in the applicable Prospectus Supplement where it differs from information in this Prospectus. The following description and any description of Debt Securities in the applicable Prospectus Supplement does not purport to be complete and is subject to and qualified in its entirety by reference to the applicable indenture and, if applicable, collateral arrangements relating to such Debt Securities.

The Debt Securities will be issued under one or more indentures between the Company and a financial institution to which the *Trust and Loan Companies Act* (Canada) applies or a financial institution organized under the laws of any province of Canada and authorized to carry on business as a trustee (each, a “**Trustee**”), as supplemented and amended from time to time (each, a “**Trust Indenture**” and, collectively, the “**Trust Indentures**”). The statements made hereunder relating to any Trust Indenture and the Debt Securities to be issued thereunder are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Trust Indenture.

Any Prospectus Supplement for Debt Securities will set forth the terms and other information with respect to the Debt Securities being offered thereby, including: (i) the designation, aggregate principal amount and authorized denominations of such Debt Securities; (ii) the currency or currency units for which the Debt Securities may be purchased and the currency or currency unit in which the principal and any interest is payable (in either case, if other than Canadian dollars); (iii) the percentage of the principal amount at which such Debt Securities will be issued; (iv) the date or dates on which such Debt Securities will mature; (v) the rate or rates per annum at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any); (vi) the dates on which such interest will be payable and the record dates for such payments; (vii) the Trustee under the Trust Indenture pursuant to which the Debt Securities are to be issued; (viii) any redemption term or terms under which such Debt Securities may be defeased; (ix) whether such Debt Securities are to be issued in registered form, “book-entry only” form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof; (x) any exchange or conversion terms; (xi) credit rating information; and (xii) any other specific terms.

Debt Securities may, at the option of the Company, be issued in fully registered form, in bearer form or in “book-entry only” form. See “Book-Entry Only Securities”.

DESCRIPTION OF SUBSCRIPTION RECEIPTS

The following sets forth certain general terms and provisions of the Subscription Receipts. The Company may issue Subscription Receipts that may be exchanged by the holders thereof for other Securities of the Company upon the satisfaction of certain conditions. The particular terms and provisions of the Subscription Receipts offered pursuant to a Prospectus Supplement, and the extent to which the general terms described below apply to those Subscription Receipts, will be described in such Prospectus Supplement. The following description and any description of

Subscription Receipts in the applicable Prospectus Supplement does not purport to be complete and is subject to and qualified in its entirety by reference to the applicable subscription receipt agreement and, if applicable, collateral arrangements and depositary arrangements relating to such Subscription Receipts. Subscription Receipts may be offered separately or together with other Securities of the Company. The Subscription Receipts will be issued under a subscription receipt agreement. Under the subscription receipt agreement, an original purchaser of Subscription Receipts will have a contractual right of rescission following the issuance of Securities of the Company to such purchaser, entitling the purchaser to receive the amount paid for the Subscription Receipts upon surrender of the Securities if this Prospectus, the relevant Prospectus Supplement, and any amendment thereto, contains a misrepresentation, provided such remedy for rescission is exercised within one hundred eighty (180) days of the date the Subscription Receipts are issued.

Any Prospectus Supplement for Subscription Receipts will contain the terms and conditions and other information with respect to the Subscription Receipts being offered thereby, including: (i) the number of Subscription Receipts; (ii) the price at which the Subscription Receipts will be offered and whether the price is payable in instalments; (iii) conditions to the exchange of Subscription Receipts for other Securities of the Company and the consequences of such conditions not being satisfied; (iv) the procedures for the exchange of the Subscription Receipts for other Securities of the Company; (v) the number of Securities of the Company that may be issued upon the exchange of each Subscription Receipt; (vi) the designation and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security; (vii) the dates or periods during which the Subscription Receipts may be exchanged for other Securities of the Company; (viii) whether the Subscription Receipts will be listed on any securities exchange; (ix) whether the Subscription Receipts will be issued in fully registered or “book-entry only” form; (x) any other rights, privileges, restrictions and conditions attaching to the Subscription Receipts; and (xi) any other specific terms.

DESCRIPTION OF WARRANTS

The following sets forth certain general terms and provisions of the Warrants. The particular terms and provisions of the Warrants offered pursuant to a Prospectus Supplement, and the extent to which the general terms described below apply to those Warrants, will be described in such Prospectus Supplement. The following description and any description of Warrants in the applicable Prospectus Supplement does not purport to be complete and is subject to and qualified in its entirety by reference to the applicable warrant agreement and, if applicable, collateral arrangements and depositary arrangements relating to such Warrants.

The Company may issue Warrants for the purchase of Debt Securities, Preferred Shares or Common Shares. Warrants may be issued independently or together with Debt Securities, Preferred Shares or Common Shares offered by any Prospectus Supplement and may be attached to, or separate from, any such offered Securities. Warrants will be issued under one or more warrant agreements between the Company and a warrant agent that the Company will name in the Prospectus Supplement.

Any Prospectus Supplement for Warrants will contain the terms and other information with respect to the Warrants being offered thereby, including: (i) the designation of the Warrants; (ii) the aggregate number of Warrants offered and the offering price; (iii) the designation, number and terms of the Debt Securities, Preferred Shares or Common Shares purchasable upon exercise of the Warrants, and procedures that will result in the adjustment of those numbers; (iv) the exercise price of the Warrants; (v) the dates or periods during which the Warrants are exercisable; (vi) the designation and terms of any Securities with which the Warrants are issued; (vii) if the Warrants are issued as a unit with another security, the date on and after which the Warrants and the other security will be separately transferable; (viii) the currency or currency unit in which the exercise price is denominated; (ix) any minimum or maximum amount of Warrants that may be exercised at any one time; (x) whether such Warrants will be listed on any securities exchange; (xi) any terms, procedures and limitations relating to the transferability or exercise of the Warrants; (xii) whether the Warrants will be issued in fully registered or “book-entry only” form; (xiii) any other rights, privileges, restrictions and conditions attaching to the Warrants; and (xiv) any other specific terms.

DESCRIPTION OF UNITS

The following sets forth certain general terms and provisions of the Units. The particular terms and provisions of the Units offered pursuant to a Prospectus Supplement, and the extent to which the general terms described below apply to those Units, will be described in such Prospectus Supplement. The following description and any description of Units in the applicable Prospectus Supplement does not purport to be complete and is subject to and qualified in its entirety by reference to any agreement, collateral arrangements and depository arrangements relating to such Units.

The Company may issue Units comprised of one or more of the other Securities described in this Prospectus in any combination. Each Unit will be issued so that the holder of the Unit is also the holder of each Security included in the Unit. Thus, the holder of a Unit will have the rights and obligations of a holder of each included Security. The unit agreement under which a Unit is issued may provide that the Securities included in the Unit may not be held or transferred separately, at any time or at any time before a specified date.

Any Prospectus Supplement for Units will contain the terms and other information with respect to the Units being offered thereby, including: (i) the designation and terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those Securities may be held or transferred separately; (ii) any provisions for the issuance, payment, settlement, transfer or exchange of the Units or of any Securities comprising the Units; (iii) whether the Units will be issued in fully registered or “book-entry only” form; and (iv) any other specific terms.

BOOK-BASED SYSTEM

Except as otherwise provided in the applicable Prospectus Supplement, securities will be issued by way of instant deposit under the book-based system administered by CDS Clearing and Depository Services Inc. or a successor (collectively, “CDS”), registered in the name of CDS or its nominee. Except as otherwise provided in the applicable Prospectus Supplement, no purchaser of Securities will receive a certificate or other instrument from the Company or CDS evidencing that purchaser’s ownership thereof, and no purchaser will be shown on the records maintained by CDS except through a book-entry account of a participant (“Participant”) in the depository service of CDS acting on behalf of such purchaser. Except as otherwise provided in the applicable Prospectus Supplement, each purchaser of Securities will receive a customer confirmation of purchase from the registered dealer from which the Securities are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Securities.

Transfer, Conversion or Redemption of Securities

Transfer of ownership, conversion or redemption of Securities will be effected through records maintained by CDS or its nominee for such Securities with respect to interests of CDS Participants, and on the records of CDS Participants with respect to interests of persons other than CDS Participants. Holders who desire to purchase, sell or to otherwise transfer ownership of or other interests in the Securities may do so only through CDS Participants.

The ability of a holder to pledge a Security or otherwise take action with respect to such holder’s interest in a Security (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

Payments and Notices

Payments of principal, redemption price, if any, dividends and interest, as applicable, on each Security will be made by the Company to CDS or its nominee, as the case may be, as the registered holder of the Security and the Company understands that such payments will be credited by CDS or its nominee in the appropriate amounts to the relevant CDS Participants. Payments to holders of Securities of amounts so credited will be the responsibility of the CDS Participants.

As long as CDS or its nominee is the registered holder of the Securities, CDS or its nominee, as the case may be, will be considered the sole owner of the Securities for the purposes of receiving notices or payments on the Securities. In such circumstances, the responsibility and liability of the Company in respect of notices or payments on the Securities is limited to giving notice or making payment of any principal, redemption price, if any, dividends and interest due on the Securities to CDS or its nominee.

Each holder must rely on the procedures of CDS and, if such holder is not a CDS Participant, on the procedures of the CDS Participant through which such holder owns its interest, to exercise any rights with respect to the Securities. The Company understands that under existing policies of CDS and industry practices, if the Company requests any action of holders or if a holder desires to give any notice or take any action which a registered holder is entitled to give or take with respect to the Securities, CDS would authorize the CDS Participant acting on behalf of the holder to give such notice or to take such action, in accordance with the procedures established by CDS or agreed to from time to time by the Company, any Trustee and CDS. Any holder that is not a CDS Participant must rely on the contractual arrangement it has directly, or indirectly through its financial intermediary, with its CDS Participant to give such notice or take such action.

The Company, the underwriters, dealers or agents and any Trustee identified in a Prospectus Supplement, as applicable, will not have any liability or responsibility for: (i) records maintained by CDS relating to beneficial ownership interest in the Securities held by CDS or the book-entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to any such beneficial ownership interest; or (iii) any advice or representation made by or with respect to CDS and contained herein or in any Trust Indenture with respect to the rules and regulations of CDS or at the directions of the CDS Participants.

If the Company determines, or CDS notifies the Company in writing, that CDS is no longer willing or able to discharge properly its responsibilities as depository with respect to the securities and the Company is unable to locate a qualified successor, or if the Company at its option elects, or is required by law, to terminate the book-entry system, then the securities will be issued in fully registered form to beneficial owners or their nominees.

CONSOLIDATED CAPITALIZATION

There have been no material changes to the Company's consolidated capitalization which have not been disclosed in this Prospectus or the documents incorporated by reference since the date of the Company's unaudited interim financial statements for the period ended June 30, 2021. The applicable Prospectus Supplement will describe any material changes, and the effect of such material changes on the share and loan capitalization of the Company that will result from the issuance of Securities pursuant to each Prospectus Supplement.

DIVIDENDS

No dividends on the Common Shares have been paid by the Company to date. The Company does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the board of the Company, after taking into account a multitude of factors appropriate in the circumstances, including the Company's operating results, financial condition and current and anticipated cash needs.

EARNINGS COVERAGE RATIOS

Earnings coverage ratios will be provided as required in the Prospectus Supplement with respect to the issuance of Securities pursuant to such Prospectus Supplement.

PRIOR SALES AND TRADING PRICE AND VOLUME

Prior sales will be provided as required in a Prospectus Supplement with respect to the issuance of Securities pursuant to such Prospectus Supplement.

The Common Shares are listed on the TSXV under the trading symbol "BITK". The Company is also quoted on the OTC QB under the symbol "BIDCF" and on the Frankfurt Borse under the symbol "KRL2". Trading price and volume information for the Securities will be provided as required in each Prospectus Supplement. On January 17, 2022, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the TSXV was \$0.2150.

RISK FACTORS

An investment in the securities of the Company is speculative and subject to risks and uncertainties. The occurrence of any one or more of these risks or uncertainties could have a material adverse effect on the value of any investment in the Company and the business, prospects, financial position, financial condition or operating results of the

Company. Additional risks and uncertainties not presently known to the Company or that the Company currently deems immaterial may also impair the Company's business operations.

Prospective investors should carefully consider all information contained in this Prospectus, including all documents incorporated by reference, and in particular should give special consideration to the risk factors under the section titled "Risk Factors" in the Annual Information Form, which is incorporated by reference in this Prospectus and which may be accessed on the Company's SEDAR profile at www.sedar.com, and the information contained in the section entitled "Cautionary Statement Regarding Forward-Looking Information". Additionally, purchasers should consider the risk factors set forth below.

The risks and uncertainties described or incorporated by reference in this Prospectus are not the only ones the Company may face. Additional risks and uncertainties that the Company is unaware of, or that the Company currently deems not to be material, may also become important factors that affect the Company. If any such risks actually occur, the Company's business, financial condition or results of operations could be materially adversely affected, with the result that the trading price of the Common Shares could decline and investors could lose all or part of their investment.

Global Pandemic (COVID-19)

In March 2020, the World Health Organization declared coronavirus COVID-19 ("COVID-19") a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies and financial markets globally, leading to an economic downturn. The extent and duration of the COVID-19 pandemic, the reactions of governments, private sector participants and the public to the pandemic and the associated disruption to business and commerce generally, and the extent to which these will continue to affect our business, financial condition and results of operation in particular will all depend on future developments which are highly uncertain and many of which are outside the control of the Company and cannot be predicted with confidence. Such developments include the ultimate geographic spread, intensity and duration of the pandemic (including the possibility of additional waves), potential mutations of the COVID-19 virus, the ability of governments to administer COVID-19 vaccines to the public in a timely manner, new information which may emerge concerning the severity of COVID-19, the effectiveness and intensity of measures to contain COVID-19 or address its impact (including any potential increase in the duration or intensity of restrictions on public gatherings, restrictions on the operation of non-essential businesses), short and longer-term changes to travel patterns or travel restrictions imposed by governments and the other economic impacts of the pandemic and the reactions to it.

Given the uncertainties, we cannot predict the extent or duration of the COVID-19 pandemic and the reactions to it, including the possibility that it may result in a prolonged global recession and may also have the effect of exacerbating the potential impact of the other risks disclosed in this Risk Factors section. The Company cautions that current global uncertainty with respect to the spread of COVID-19 and its effect on the broader global economy may have a significant negative effect on the Company. While the precise impact of COVID-19 on the Company's business and operations remain unknown, the rapid spread of COVID-19 could have a material adverse effect on global economic activity, and can result in volatility and disruption to global supply chains, operations, mobility of people and the financial markets, all of which may have a material adverse impact on the Company's business, financial condition and operations.

As of the date of this AIF, the Company has not had any confirmed cases of COVID-19 among any of its employees or contractors. The Company is adopting the advice of public health authorities and adhering to government regulations with respect to COVID-19 in the jurisdictions in which it operates. The following measures have been instituted across the Company to prevent the potential spread of the virus: (i) indefinite closure of its corporate offices in Vancouver; (ii) employees are working remotely; (iii) social distancing practices have been implemented for any and all in-person meetings, with meeting participation via teleconferencing strongly encouraged; (iv) elimination of all non-essential business travel; (v) required 14-day quarantine for any employees returning from out of country travel.

The Company transitioned its Vancouver office to working from home in mid-March of 2020, and, after some initial adjustments, has seen no interruption to its workflow. The Company continues to monitor daily COVID-19 government updates and will continue to alter its practices as necessary in accordance with the guidance issued by the Health Canada and the Province of British Columbia.

Risk Related to Our Business and Our Industry

We have a history of operating losses and negative cash flow, and we may never achieve profitability.

We have a history of operating losses and negative cash flows and may continue to incur operating losses and negative cash flows in the future. For the fiscal years ended September 30, 2020, 2019 and 2018, our operating losses were \$320,800, \$684,729 and \$2,573,163, respectively. These operating losses have been generated as we attempt to implement our business plan, including expanding our existing products and services, acquiring additional technology, marketing to clients and customers and otherwise growing our business. We cannot assure you that our revenue will increase, or whether we will ever operate profitably. We anticipate that our operating expenses will increase substantially in the foreseeable future as we increase our sales and marketing activities and continue to develop our technology, products, projects, and services. For example, we will need additional funds to add to our content library and for development costs incurred to develop new games and redevelop our retro games, costs related to our cloud-based network initiative, for licensing and distribution expenses, and for the development and launch of our online direct-to-consumer distribution platform. These efforts may prove more expensive than we currently anticipate, and we may incur significant additional costs and expenses in connection with our business development activities. In addition, our gaming content creation operations are relatively capital intensive, while revenue-generating opportunities depend on the availability of projects in the market. All of these costs and expenses could prevent us from achieving or maintaining profitability in future periods.

Our limited operating history and our evolving business make it difficult to evaluate our results of operations and prospects.

Our limited operating history and evolving business make the prediction of our future results of operations difficult. You should consider our business and prospects in light of the risks, uncertainties and challenges that we will face as a gaming, and entertainment company focused on developing and expanding our products, services and operations, and which operates in highly competitive, rapidly evolving, and challenging markets. See “*The industry in which we operate is intensely competitive. If we are not able to effectively compete, including because customers and consumers prefer competitors’ products or services over our own, our operating results could suffer*” and “*Our industry is subject to significant, rapid changes, and we may fail to anticipate or successfully implement new or evolving technologies, or adopt successful business strategies, distribution methods or services*” below. If we fail to address the risks and challenges that we face, including those described elsewhere in this “*Risk Factors*” section, our business, financial condition, results of operations, cash flow and prospects could be adversely affected.

We require additional financing to sustain and expand our operations, and we may not be able to obtain financing on acceptable terms, or at all, which would have a material adverse effect on our business, financial condition, results of operations, cash flow and prospects.

We have limited capital, and we do not currently generate sufficient cash from our business to fund our operations. Our financial statements as of and for the fiscal year ended September 30, 2020 included a going-concern qualification, which expresses doubt about our ability to continue as a going concern based on our estimate that we did not have sufficient working capital to meet our liabilities and commitments as they become due for the upcoming 12 months and, therefore, need to obtain additional financing. Our ability to operate profitably is dependent upon, among other things, obtaining substantial financing, developing our products and services and otherwise implementing our business plan. We will require additional capital to fund operating deficits, to pursue our growth strategy through developing or acquiring new products, content or services or engaging in acquisitions of complementary businesses, to establish and expand our marketing capabilities, and to finance general and administrative activities. At March 1, 2021, we did not have available borrowing capacity under any bank credit facility or other working capital line for us to borrow funds for working capital or other general corporate purposes. We may not be able to service or refinance our existing indebtedness or obtain debt or equity financing opportunities on favorable terms, if at all, which could impair our growth and adversely affect our existing operations. See “*Our existing indebtedness, or indebtedness that we may incur in the future, could adversely affect us, and the terms of any debt covenants could limit how we conduct our business and our ability to raise additional funds*” below for a discussion of risks related to debt financing. If we raise equity financing, our shareholders may experience significant dilution of their ownership interests, and the per share value of our common shares could decline.

Under current SEC regulations, because our public float is less than \$75 million, and for so long as our public float remains less than \$75 million, the amount we can raise through primary public offerings of securities in any 12-month period using shelf registration statements is limited to an aggregate of one-third of our public float (referred to as the “baby shelf” rule). As of September 30, 2020, the aggregate market value of our outstanding common stock held by non-affiliates, or public float, was approximately \$16,720,723, based on 16,780,972 outstanding common shares, of which 13,137,247 common shares were held by non-affiliates, at a price of \$0.37 per share, which was the last reported sale price

of our common shares on the TSX Venture Exchange on September 30, 2020. If our public float decreases, the amount of securities we may sell under our shelf registration statement may also decrease.

If we do not have, or are not able to obtain, sufficient funds, we may have to delay strategic acquisitions and other opportunities, investments, or projects, and, even if we are ultimately able to subsequently secure financing, such opportunities, investments or projects may not still be available to us on favorable terms or at all. If we are unable to raise adequate funds, we may have to liquidate some or all of our assets, or delay, reduce the scope of, or eliminate some or all of our creative work. Any of these actions could delay or otherwise inhibit our growth, weaken our ability to effectively compete in our industry, and otherwise have a material adverse effect on our business, financial condition, results of operations, cash flow and prospects.

Our existing indebtedness, or indebtedness that we may incur in the future, could adversely affect us, and the terms of any debt covenants could limit how we conduct our business and our ability to raise additional funds.

As of our fiscal year ended September 30, 2020, we had total principal indebtedness of approximately \$107,947, including under third-party loans and our credit facility. Our ability to generate and maintain a level of cash flows from operating activities to make scheduled payments on our debt obligations, or to refinance our debt obligations, depends on our future financial and operating performance, which is subject to prevailing economic and competitive conditions and to various financial, business, regulatory and other factors, some of which are beyond our control. If we are unable to fund our debt service obligations, we may be forced to reduce or delay capital expenditures or sell assets, seek additional capital or seek to restructure or refinance our indebtedness. Further, our indebtedness may impair our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, restructuring, acquisitions or general corporate purposes. We may also incur substantial additional indebtedness in the future. If new debt or other liabilities are added to our current debt levels, the related risks that we and our subsidiaries now face, as described above, could intensify.

In addition, any agreements governing our debt obligations may contain financial covenants and covenants that restrict our ability and the ability of our subsidiaries to:

- incur additional indebtedness or issue common or preferred shares;
- create liens on our assets;
- pay dividends or make other equity distributions;
- repurchase our shares;
- purchase or redeem equity interests or debt;
- make certain investments;
- sell assets;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets; and
- engage in transactions with affiliates.

As a result of these covenants, we could be limited in the manner in which we conduct our business, and we may be unable to engage in favorable business activities or finance future operations or capital needs.

We may not be able to successfully implement our business plan.

Our business plan focuses on growing our business both organically and through strategic acquisitions and other arrangements. We cannot guarantee that our vision for a vertically-integrated, cloud-based global studio, producing content for all platforms through a network of shared services will be successful, or that we will be able to develop our gaming and media content, acquire additional content for development and franchising, or create the cloud-based network for global content development as contemplated by our business plan. In addition, we are developing and launching an online direct-to-consumer distribution platform, the success of which is subject to significant challenges; accordingly, we may not be successful in doing so. See “*We may not be successful in developing or launching our online direct-to-consumer distribution platform*” below.

The potential growth of our business may depend upon our ability to consummate strategic acquisitions, which will depend on the availability of, and our ability to identify, suitable candidates; acquisitions we pursue could result in operating and other difficulties relating to integration of new businesses into our existing business, dilution to our shareholders and other consequences harmful to our business.

We have previously engaged in strategic transactions, including with respect to acquisitions of technology, content and other assets relating to our business, and, as part of our growth strategy, we intend to continue to pursue strategic acquisitions of businesses, intellectual property and other assets that are complementary to our existing business and may expand our employee base, our content portfolio or the breadth of our product or service offerings. Our ability to grow through future acquisitions will depend on the availability of, and our ability to identify, suitable acquisition and investment opportunities at an acceptable cost, our ability to compete effectively to attract those opportunities and the availability of financing to complete acquisitions. We may face significant competition in executing our growth strategy. Future acquisitions or investments could involve our issuance of equity interests as consideration, resulting in dilution of our existing shareholders (see “*Future capital raising efforts may be dilutive to our shareholders, result in increased interest expense in future periods or depress our share price*” below), use of significant cash balances or incurrence of debt, contingent liabilities or amortization expenses related to intangible assets, any of which could adversely affect our business, financial condition, results of operations, cash flow and prospects. The benefits of an acquisition or investment may also take considerable time to develop, and we cannot be certain that any particular acquisition or investment will produce the intended benefits in a timely manner or to the extent anticipated or at all. Integration of a new company’s operations, assets and personnel into ours will require significant attention from our management, and the diversion of our management’s attention away from our business and any difficulties encountered in the integration process could harm our ability to manage our business. Future acquisitions will also expose us to potential risks, including risks associated with any acquired liabilities, the integration of new operations, technologies and personnel, unforeseen or hidden liabilities and unanticipated, information security vulnerabilities, the diversion of resources from our existing business, sites and technologies, the inability to generate sufficient revenue to offset the costs and expenses of the acquisitions, potential adverse tax and accounting effects, challenges relating to entering markets in which we may have limited or no prior experience and in which competitors may have a stronger market position, and potential loss of, or harm to, our relationships with employees, customers, consumers and suppliers as a result of integration of new businesses.

The industry in which we operate is intensely competitive. If we are not able to effectively compete, including because customers and consumers prefer competitors’ products or services over our own, our operating results could suffer.

The company is engaged in a highly competitive industry characterized by pressure to innovate, expand feature sets and functionality, accelerate new product releases and reduce prices. See “*Our industry is subject to significant, rapid changes, and we may fail to anticipate or successfully implement new or evolving technologies, or adopt successful business strategies, distribution methods or services*” below. We compete with other entertainment video providers, such as multichannel video programming distributors, streaming entertainment providers, video gaming providers and more broadly against other sources of entertainment that consumers could choose in their moments of free time. We also compete against streaming entertainment providers and content producers in obtaining content for our business, both for licensed streaming content and for original content projects.

Our competitors range from large established companies to emerging start-ups, and we expect new competitors to continue to emerge throughout the world. It is difficult for the Company to predict whether, when and by whom new competing technologies may be introduced or when new competitors may enter the market because its industry is evolving and characterized by technological change. Some of our competitors have longer operating histories, large customer bases, stronger brand recognition, exclusive rights to certain content and much greater financial, marketing, and other resources. This may enable them to obtain more favorable terms from third parties, adopt more aggressive pricing and devote more resources to the development of their businesses. If the Company is not able to differentiate its business from those of its competitors, drive value for customers or effectively align its financial and operations resources with its goals and objectives, it may not be able to compete effectively against its competitors. Our business will be adversely affected, and we may not be able to gain market share, earn revenue or become profitable if we are unable to successfully or profitably compete with current and new competitors.

Increased competition or other competitive pressures may result in price reductions, reduced margins, or loss of market share, any of which could have a material adverse effect on the Company’s business, financial condition, or results of operations. Competitors may be able to respond to new or emerging technologies and changes in customer requirements more effectively than the Company can, or devote greater resources to the development, promotion, and sale of products than the Company can. Current and potential competitors may establish cooperative relationships among themselves or

with third parties, including through mergers or acquisitions, to increase the ability of their products to address the needs of the Company's prospective customers. If these competitors were to acquire significantly increased market share, it could have a material adverse effect on the Company's business, financial condition, or results of operations. The Company's competitors may also establish or strengthen co-operative relationships with systems integrators, third-party consulting firms, or other parties with whom the Company has relationships thereby limiting the Company's ability to promote its products.

In the gaming industry in particular, both the online and mobile games marketplaces are characterized by frequent product introductions, relatively low barriers to entry, and new and evolving business methods, technologies, and platforms for development. We expect competition in these markets to intensify. If our competitors develop and market more successful products or services, offer competitive products or services at lower price points or based on payment models perceived as offering a better value proposition, or if we do not develop (or we are unable to otherwise acquire) consistently high-quality and well-received products and services, we may not be able to gain market share, earn revenue or become profitable. In addition, though many new products and services are regularly introduced in the gaming industry, only a relatively small number of "hit" titles accounts for a significant portion of total revenue for the industry, and the availability of significant financial resources is a major competitive factor in the production of high-quality products and in the marketing of products that are ultimately well-received. See "*Our growth relies on market acceptance*" below. Hit products or services offered by our competitors may take a larger share of consumer spending than we anticipate, which could cause revenue generated from our products and services to fall below expectations. We do not have a significant number of titles within our portfolio (whether developed by us or acquired from third parties), and the underperformance of a title may have a significant, adverse impact on our financial results. Our success and our ability to effectively compete depends, in part, on our ability to expand our portfolio of titles, but we may be unsuccessful in developing such titles in a timely manner or at all, and we may face challenges in acquiring such titles due to competition or our inability to secure financing to acquire such titles.

Our industry is subject to significant, rapid changes, and we may fail to anticipate or successfully implement new or evolving technologies, or adopt successful business strategies, distribution methods or services.

Rapid changes in our industry require us to anticipate the ways in which our products and services will be competitive in the market and try to predict and prepare for rapid changes in consumer demand that could materially alter public preferences for different forms of entertainment and leisure activities. The entertainment industry is rapidly evolving, primarily as a result of free content, minimal entry costs for creation and distribution, expanded use of mobile devices and increased demand for content, all of which may prevent us from being able to accurately predict the overall effect that technological growth or new business strategies and delivery models may have on our potential revenue and profitability. In order to remain competitive, we must respond successfully to ongoing changes in consumer behaviors related to entertainment, particularly those behaviors related to the consumption of video and gaming content. Developments in technology have led and are likely to continue to lead to new methods for the distribution of video and gaming content and changes in when, where and how people consume such content. These changes pose risks to the traditional entertainment industry, including, for example, the disruption of the traditional entertainment content distribution model by on-demand, streaming and other online and mobile services, which are increasing in number and some of which have significant and growing subscriber/user bases. This has resulted in changes in consumers' expectations regarding the availability and packaging of video content, their willingness to pay for access to such content, their perception of what quality entertainment is and how much it should cost, and the ease for a consumer to unsubscribe or switch. We believe the coronavirus ("**COVID-19**") pandemic, in particular, has accelerated many of these changes, including, in part, due to government stay-at-home orders that have shifted the way in which consumers are able to access entertainment, increasing the demand for on-demand, streaming and other at-home content delivery methods and simultaneously decreasing the demand for out-of-home entertainment. We try to anticipate changes, shifts and challenges, and, as a result, we have invested, and in the future may invest, in new business strategies, technologies, distribution methods, products, and services. These investments may not achieve expected returns and may be insufficient to cover our investment and development costs. Such endeavors may involve significant risks and uncertainties, and the technology we choose to implement, the business strategies we choose to adopt and the products and services that we pursue may not ultimately be successful. If we do not successfully evolve our business in a manner that meets or exceeds user expectations, our business, financial condition, results of operations, cash flow and prospects may be adversely impacted.

Further, our competitors may adapt to an emerging technology or business model more quickly or effectively than we do, creating products that are technologically superior to ours, more appealing to consumers, or both. If the adoption of subscription or cloud gaming happens much faster than the Company is able to cope with, Amplify Games will be stuck with an antiquated business model. If, on the other hand, we elect not to pursue the development of products incorporating

a new technology or for new platforms that achieve significant commercial success, our ability to meet consumer demands and effectively compete in our industry may be adversely affected. Adopting and incorporating new technology or adjusting to a new platform may require significant time and resources to shift product development resources to that technology, platform, or business model, as the case may be, and may not enable our products to compete with our competitors' existing products or platforms. Any failure to successfully adapt to, and appropriately allocate resources among, emerging technologies and to keep pace with rapid technological or other change in the industry could negatively impact our business and prevent us from achieving profitability or sustaining a meaningful market position.

We may not be successful in developing or launching our distribution platform.

The development of this platform is a relatively new endeavor for us, and we may not be successful in developing or launching our platform. The market for our platform is relatively new and the development and launch of our platform is subject to significant challenges. Our business plan with respect to our distribution platform relies significantly upon our ability to develop the technology and systems underlying our platform, as well as obtaining market acceptance, developing brand recognition and building and growing a base of users of the platform through marketing and user engagement efforts. We may not be successful in any of these efforts, or we may not be able to do so in a timely, cost-effective manner; accordingly, the future prospects for revenue and profitability relating to our distribution platform are uncertain and difficult to evaluate. In addition, our new distribution platform could fail, resulting in the loss of our investment in the development and infrastructure needed to support the platform, as well as the opportunity cost of diverting management and financial resources away from our existing businesses and other opportunities.

We may fail to launch new products and services, in a timely manner or at all, and, when launched, our new products and services may not be commercially successful.

Several factors including technological difficulties, government approvals and licenses of intellectual property rights required for launching new products and services, lack of sufficient development personnel and other resources, and adverse developments in our relationship with the licensors of any licensed products could result in a delay in launching our new products and services.

There are many factors that may adversely affect the popularity of our new products and services. For example, we may fail to anticipate and adapt to future technological trends and new business models, fail to satisfy consumer preferences and requirements, fail to effectively plan and organize marketing and promotion activities, fail to effectively detect and prevent programming errors or defects in the products, and fail to operate and offer our new products and services at acceptable costs. We cannot assure you that our new products and services will gain market acceptance and become commercially successful. Our inability to develop or acquire additional products and services that are commercially successful may impact our ability to effectively compete and will adversely affect our ability to generate revenue and achieve or maintain profitability in the future. If our offerings do not meet consumer expectations, whether because they fail to function as advertised, as consumers expect or otherwise, our sales may suffer, and our business may be negatively impacted.

Our growth relies on market acceptance.

The Company's continued success with operations will depend on its ability to continue to sign up new customers and users to its products and services and growing its active customer and user bases. There may not be broad market acceptance of our offerings if our competitors offer products or services that are preferred by prospective consumers of our products and services. Consumers consider many factors when evaluating our products relative to those of our competitors, including innovation, ease of use, price, feature sets, functionality, reliability, performance, reputation, and training and support, and we may not compare favorably against our competitors in any or all respects. Our efforts to attract and retain customers and to effectively compete with our competitors may not be successful in the near future, or at all, and our competitors may expend significant resources and otherwise engage in similar efforts that result in their taking of significant market share. If we fail to develop new products and to manage new product introductions and transitions properly, or if our offerings do not receive market acceptance, our costs may not be recouped and profits may not be realized to the extent anticipated or at all. Revenue from existing or future offerings may not replace any loss of revenue associated with the cancellation or unsuccessful commercialization of any particular offering, and our business, financial condition, results of operations, cash flow and prospects could be harmed.

Our products may not receive favorable reviews or ratings or perform well, and third parties may not, or may not continue to, do business with us or promote our products or services, any of which could have a material adverse effect on our business, financial condition, results of operations, cash flow and prospects.

Because the performance of our products is often directly related to reviews from critics, ratings and other industry experts, poor reviews or ratings may negatively affect future revenue. Our results of operations will depend, in part, on the experience and judgment of our management to select and develop new investment and production opportunities. Our products may not obtain favorable reviews or ratings, and, as a result, third parties may not, or may not continue to, do business with us or promote our products or services.

We are subject to product development risks that could result in delays and additional costs, and we must adapt to changes in software technologies.

Our development costs can be substantial. If we or our third-party developers experience unanticipated development delays, whether in connection with the COVID-19 pandemic or otherwise, financial difficulties or additional costs, we may not be able to meet our schedule and budgeted costs. Our products may not be sufficiently successful to allow us to recoup these costs or make a profit on these products. In addition, there are substantial risks that there will be no or an insufficient interest in the market for the titles we develop.

Programming errors or flaws in our products and platforms and other methods through which our products are distributed could harm our reputation or decrease market acceptance of our products, which would harm our operating results.

We believe that if consumers have a negative experience with our products, regardless of whether the error or flaw occurs in our products or any third-party channels through which our products are distributed, consumers may be less inclined to continue or resume playing our games or otherwise consuming our content or recommending our products to others. Undetected programming errors, game defects and data corruption can disrupt our operations, adversely affect the consumer experience (including, with respect to players of our games, by allowing other players to gain unfair advantage), harm our reputation, cause consumers to cease playing our games or consuming our other content, divert our resources and delay market acceptance of our products, any of which may subject us to liabilities or adversely impact our operating results.

Declines in consumer spending and other adverse changes in the economy could have a material adverse effect on our business, financial condition, results of operations, cash flow and prospects.

Most of our products and services involve discretionary spending on the part of consumers. We believe that consumer spending is influenced by general economic conditions and the availability of discretionary income.

This makes our products particularly sensitive to general economic conditions and economic cycles as consumers are generally more willing to make discretionary purchases, including purchases of products like ours, during periods in which favorable economic conditions prevail. Adverse economic conditions such as a prolonged general economic downturn, including periods of increased inflation, unemployment levels, tax rates, interest rates or energy prices or declining consumer confidence, can reduce consumer spending. Reduced consumer spending may result in reduced demand for our products and may also require increased selling and promotional expenses, which may have an adverse effect on our business, financial condition, results of operations, cash flow and prospects. In addition, uncertainty and adverse changes in the economy could also increase costs associated with developing and publishing our products, increase the cost and availability of sources of financing, and increase our exposure to material losses from bad debts. If difficult economic conditions continue to persist or worsen in the future, our business, financial condition, results of operations, cash flow and prospects could be adversely affected.

Companies and governmental agencies may restrict access to our website, other websites that carry our products, mobile applications or the internet, generally, which could lead to losses or slower growth due to the effects such restrictions may have on our customer base.

In general, consumers need to access the internet and platforms such as Facebook, Apple, Google, our website, the websites of our partners or entities controlled by us or mobile applications in order to play the games or access the other content we offer or expect to offer in the future. Companies and governmental entities outside of the U.S. and Canada may block or restrict access to these sites or applications or the internet generally for several reasons, including, for example, confidentiality, security or a determination that greater regulatory oversight is required, or companies may adopt policies that restrict the ability of employees to access websites and applications. If companies or governmental entities outside of the U.S. and Canada block, limit or otherwise adopt restrictive policies or regulations which materially interfere with the ability of consumers to play our games or access our other content, our business and operations will be negatively affected.

The global COVID-19 pandemic may negatively affect our business, financial condition, results of operations, cash flow and prospects, and these impacts may persist for an extended period of time or become more pronounced.

The spread of COVID-19 and the recent developments surrounding the global pandemic, including governmental, business and individuals' actions that have been and continue to be taken in response to the pandemic, may have negative impacts on our business. The extent to which the pandemic impacts our business, financial condition, results of operations, cash flow and prospects, including the duration and magnitude of such effects, will depend on numerous evolving factors that we may not be able to accurately predict or assess, including the duration and scope of the pandemic; its impact on global and regional economies and economic activity, including the duration and magnitude of its impact on unemployment rates and consumer spending; and its short- and longer-term impact on consumer behavior and levels of consumer confidence. A reduction in consumer spending as a result of any of the foregoing may result in reduced demand for our products, which may have an adverse effect on our business, financial condition, results of operations, cash flow and prospects. See "*Declines in consumer spending and other adverse changes in the economy could have a material adverse effect on our business, financial condition, results of operations, cash flow and prospects*" above.

The third parties with which we do business, including those that license content to us, have had their operations altered or temporarily suspended. To the extent the resulting economic disruption is severe, we could see some of our third-party providers go out of business, resulting in supply constraints and increased costs or delays to our products and services. Such production pauses may cause us to, among other things, temporarily have less new content available in future periods, which could negatively impact consumer demand for our services, as well as retention of our existing customers. Temporary production pauses or permanent shutdowns in production could result in content asset impairments or other charges and will change the timing and amount of cash flows associated with production activity.

Our ability to grow our company may also be harmed by COVID-19. For example, the impact of COVID-19 on the financial markets may make it more difficult for us to secure financing necessary to finance our existing operations and pursue potential strategic acquisitions or other opportunities to grow our business, and after the pandemic subsides, any such acquisitions or other opportunities may no longer be available, including because such opportunities have been pursued by our competitors or because such opportunities may be too costly or time-consuming for us to pursue at that time. In addition, as a result of the risks described above, we may be required to raise additional capital, and our access to and the cost of financing will depend on, among other things, global economic conditions, conditions in the global financing markets, the availability of sufficient amounts of financing, our prospects, and the outlook for the industries that we serve as a whole. Further, the impact of COVID-19 on the financial markets, including its negative impact on the price of our common shares, and our business may adversely affect our ability to raise funds through equity financings, including the terms of, and the willingness of investors to participate in, any such equity financings. See "*Security breaches involving the source code for our products or other sensitive and proprietary information could adversely affect our business*" below for a discussion of the impact of COVID-19 on our security protocols and the risks associated therewith. The COVID-19 pandemic has accelerated many of the trends in the industry, including those changes related to evolving consumer behaviors surrounding the ways in which consumers access and, in the future, expect to access content. If we are unable to rapidly grow or evolve our business in order to respond to those changes, whether due to our inability to secure financing for acquisitions or otherwise, we may be unable to attract and retain customers and otherwise effectively compete in our industry, and our business, financial condition, results of operations, cash flow and prospects could be adversely affected. See "*Our industry is subject to significant, rapid changes, and we may fail to anticipate or successfully implement new or evolving technologies, or adopt successful business strategies, distribution methods or services*" above.

To the extent COVID-19 or any worsening of the global business and economic environment as a result thereof adversely affects our business, financial condition, results of operations, cash flow and prospects, it may also have the effect of heightening many of the other risks described under the caption "*Risk Factors*" in this AIF.

Under International Financial Reporting Standards, we will not be able to consolidate our financial statements with the financial statements of companies in which we own minority equity ownership interests.

Under International Financial Reporting Standards ("**IFRS**"), we account for our minority equity ownership interests in businesses in which we own 50% or less of the equity ownership and have no substantial influence over the management of the businesses. Under IFRS, we report such minority equity ownership interests as assets on our balance sheet at fair market value. However, IFRS does not permit the consolidation of our financial statements with the financial statements of companies in which we own minority equity ownership interests. As such, we are not allowed to consolidate into our financial statements any portion of the revenues, earnings or assets of companies in which we own minority equity

ownership interests, such as Envenergy Inc. (“**RealBlocks**”), in which we hold a 3.3% interest. We currently provide limited financial information about RealBlocks in our filings with the SEC. Since we do not control RealBlocks, we cannot guarantee that RealBlocks will in the future provide us with copies of its financial statements, on a timely basis or at all. Our inability to obtain audited financial statements of RealBlocks could adversely affect our ability to evaluate the results of operations of RealBlocks and the value of our investment in RealBlocks and to provide financial information about RealBlocks in our filings with the SEC. Accordingly, investors may not be able to appropriately evaluate the results of operations of RealBlocks or businesses in which we own minority equity interests in the future, which could materially adversely affect market perception of and investors’ ability to evaluate our business, financial condition, results of operations, cash flow and prospects and, consequently, the trading price of our common shares.

Fluctuations in the value of the U.S. dollar relative to the Canadian dollar may adversely affect our business.

Fluctuations in the value of the U.S. dollar or the Canadian dollar can be expected to affect our business. During 2020 and continuing into 2021, the U.S. dollar has remained strong in comparison to the Canadian dollar. As of September 30, 2020, the exchange rate was one Canadian dollar to US\$0.7497. A continued strong U.S. dollar relative to the Canadian dollar may create attractive business opportunities with third parties in the U.S. with which we currently do, or, in the future, may do, business. We cannot predict future changes in these exchange rates, and any future weakening of the U.S. dollar relative to the Canadian dollar may make our business less attractive to those U.S.-based third parties and less competitive with U.S.-based companies in our industry.

Also, the revenue we received at and for the year ended September 30, 2020 was denominated in U.S. dollars, while most of our operating expenses are incurred in Canadian dollars. In preparing our financial statements, certain financial information is required to be translated from U.S. dollars to Canadian dollars. If the U.S. dollar weakens against the Canadian dollar, such currency translation could adversely affect our revenues, which could have a material adverse effect on our business, financial condition, results of operations, cash flow and prospects.

Currently, we do not engage in foreign currency hedging transactions to protect us against fluctuations in future exchange rates, in particular, between the U.S. dollar and the Canadian dollar, and we may be more adversely affected by any such currency fluctuations than our competitors that engage in hedging transactions. If we engage in hedging transactions in the future, we may expose ourselves to risks associated with such transactions, which may not eliminate any adverse impact of future currency fluctuations on our business, financial condition, results of operations, cash flow and prospects.

Changes in tax laws or tax rulings could materially affect our effective tax rates, financial position and results of operations.

The tax regimes to which we are subject or under which we operate is unsettled and may be subject to significant change. Changes in tax laws or tax rulings, or changes in interpretations of existing laws, could cause us to be subject to additional income-based taxes, non-income taxes (such as payroll, sales, use, value-added, net worth, property and goods and services taxes), or tariffs related to the import or export of our offerings, could materially affect our financial position and results of operations. Any significant changes to our effective tax rate or the imposition of significant tariffs on our products may result in a material adverse consequence on our business, financial condition, results of operations, cash flow and prospects.

We cannot guarantee that we will be able to claim investment tax credits in Canada.

Canadian regulations provide for tax credits to companies that support multimedia, e-commerce and research and development in Canada, including gaming, applications and other aspects of the entertainment industry. Those tax credits and other government incentives are important components of our growth strategy. If governmental authorities in Canada, and, in particular, in British Columbia, were to reduce or discontinue the tax credits available in respect of those activities, we may be unable to pursue our growth strategy.

As a company in the early stages of our development, we rely upon our management team; our future success depends significantly on their continued service and performance, as well as our ability to hire and retain additional competent and skilled management and technical and other personnel.

Our executive officers who are responsible for our management functions and are responsible for strategic development, financing and other critical functions. Our future success depends significantly on their continued service and performance and the expansion of our management team. The departure, death, disability or other extended loss of services of any member of our management team, particularly with little or no notice, could cause delays on projects, frustrate our growth

prospects and could have an adverse impact on our client and industry relationships, our project exploration and development programs, other aspects of our business and our financial condition, results of operations, cash flow and prospects.

Our success, growth prospects, and ability to capitalize on market opportunities also depend to a significant extent on our ability to identify, hire, motivate and retain qualified managerial personnel, including additional senior members of management, and creative and technical personnel in a competitive job market. We expect competition for personnel with the specialized creative and technical skills needed to create our products and provide our services will continue to intensify in the future. Our competitors may be able to offer a work environment with higher compensation or more opportunities to work with cutting-edge technology than we can. Any new personnel we hire may not be or become as productive as we expect, as we may face challenges in adequately or appropriately integrating them into our workforce and culture. If we are unable to retain our key personnel or appropriately match skill sets with our needs, we would be required to expend significant time and financial resources to identify and hire new qualified personnel and to transfer significant internal historical knowledge, which might significantly delay or prevent our growth and the achievement of our business objectives.

Our management team has limited experience managing a public company.

Members of our management team have limited experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws, rules, and regulations that govern public companies including regulatory oversight and public reporting obligations under the federal securities laws. These obligations require significant attention from our management and could divert their attention away from day-to-day management of our business. We could suffer material adverse effects on our business, financial condition, results of operations, cash flow and prospects should members of our management team not be successful or efficient as managers of a public company. See also “*As a company in the early stages of our development, we rely upon our management team; our future success depends significantly on their continued service and performance as well as our ability to hire and retain additional competent and skilled management, technical sales and other personnel*” above.

We may not be able to manage our potential growth.

The Company has recently experienced, and may continue to experience, rapid growth in the scope of its operations. For us to succeed, our business needs to experience significant expansion, including by adding to our senior management team. See “*As a company in the early stages of our development, we rely upon our management team; our future success depends significantly on their continued service and performance as well as our ability to hire and retain additional competent and skilled management, technical sales and other personnel*” above. We may not achieve this expansion. This growth has and may continue to place a significant strain on our management, operational and financial resources. To manage any material growth, we will be required to implement additional operational and financial systems, procedures, and controls. We will also be required to expand our finance, administrative, and operations staff. Our failure to manage growth effectively could give rise to operational errors, loss of business opportunities, loss of employees and reduced productivity, any of which may adversely affect our ability to compete effectively and otherwise have a material adverse effect on our business, financial condition, results of operations, cash flow and prospects. There can be no assurance that the Company will be able to manage such growth effectively or that its management, personnel, or systems will be adequate to support the Company’s operations.

We use a limited number of suppliers.

We rely on a limited number of suppliers for hardware, software, and film and gaming production equipment. While other sources of supply do exist for this equipment, an unexpected disruption in supply or an increase in pricing could

Our business is subject to a variety of U.S., Canadian and other laws, many of which are unsettled and still developing, and which could subject us to claims or otherwise harm our business.

We are subject to a variety of laws in the U.S., Canada and elsewhere, including laws regarding consumer protection, intellectual property, data protection, export and national security, that are continuously evolving and developing. The scope and interpretation of the laws that are or may be applicable to us are often uncertain and may be conflicting, particularly laws outside the U.S. and Canada. For example, laws relating to the liability of providers of online services for activities of their users and other third parties are being tested by a number of claims, including actions based on invasion of privacy and other torts, unfair competition, copyright and trademark infringement, and other theories based on the nature and content of the materials searched, the ads posted or the content provided by users. It is also likely that, if our

business grows and our games are played or our other content is accessed in a greater number of countries, we will become subject to laws and regulations in additional jurisdictions. We are potentially subject to a number of laws and regulations of the U.S., Canada and other jurisdictions that affect the offering of certain types of content, such as that which depicts violence, many of which are ambiguous, still evolving and could be interpreted in ways that could harm our business or expose us to liability. In addition, certain of our games may become subject to gambling-related rules and regulations and expose us to civil and criminal penalties if we do not comply.

It is difficult to predict how existing laws, as well as new laws to which we may become subject, will be applied to our business. If we are not able to comply with these laws or regulations or if we become liable under these laws or regulations, our operations could be temporarily or indefinitely suspended, and we may be forced to implement changes to our business model or other aspects of our operations. This may require us to expend substantial resources or to modify our products, which would harm our business, financial condition, results of operations, cash flow and prospects. In addition, the increased attention focused upon liability issues as a result of lawsuits and legislative proposals could harm our reputation or otherwise impact the growth of our business. Any costs incurred as a result of this potential liability could harm our business, financial condition, results of operations, cash flow and prospects.

It is possible that a number of laws and regulations may be adopted or construed to apply to us in the U.S., Canada and elsewhere that could restrict the online and mobile industries, including as to data privacy, advertising, taxation, content suitability, copyright, distribution and antitrust matters. Furthermore, the growth and development of electronic commerce and virtual goods may prompt calls for more stringent consumer protection laws that may impose additional burdens on companies such as ours conducting business through the internet and mobile devices. We anticipate that scrutiny and regulation of our industry will increase, and we will be required to devote legal and other resources to addressing such regulation. For example, existing laws or new laws regarding the regulation of currency and banking institutions may be interpreted to cover virtual currency or goods. If that were to occur we may be required to seek licenses, authorizations or approvals from relevant regulators, the granting of which may be dependent on us meeting certain capital and other requirements, and we may be subject to additional regulation and oversight, all of which could significantly increase our operating costs. Changes in current laws or regulations or the imposition of new laws and regulations in the U.S., Canada or elsewhere regarding these activities may limit the growth of social game services and other aspects of the industry in which we operate and impair our business.

We may be involved in legal proceedings that may result in adverse outcomes.

From time to time, the Company may be involved in legal proceedings including claims, suits, government investigations, audits and proceedings arising from the ordinary course of our business or otherwise. The nature of any such legal proceeding is inherently uncertain, and results cannot be predicted with certainty. An adverse resolution could result in substantial damages or otherwise negatively impact our business, reputation, financial condition, and the value of common shares. While the Company will assess the merits of any legal proceedings and defend accordingly, they may be required to incur significant expense or devote significant financial resources to such defenses. Regardless of the outcome, such legal proceedings can have an adverse impact on us because of negative publicity, legal costs, diversion of management resources and other factors.

Risks Related to Intellectual Property and Personal and Proprietary Information

We depend on protection afforded by trademarks and copyrights to protect our intellectual property. Failure to enforce protection may adversely affect the Company.

We hold a number of trademarks and copyrights relating to certain significant products, and, as part of our growth strategy, we expect to continue to pursue the registration of and acquire intellectual property rights, including trademarks and copyrights, for products we develop and to license intellectual property from third parties for use in our business. The Company intends to rely on a combination of patents, copyright, trademark, and trade secret laws, as well as non-disclosure agreements and other contractual provisions to establish and maintain its proprietary rights and regard such protection as critical to our success. The contractual arrangements and other steps we have taken to protect our intellectual property are expensive and time-consuming and may not result in intellectual property registrations or may not prevent the misappropriation of our proprietary information or deter independent development of similar technologies by others. Existing trade secret, copyright and trademark laws offer only limited protection and do not account for common law claims. We intend to enforce our rights vigorously. The monitoring and enforcement against the unauthorized use of our intellectual property rights, including those rights licensed to us by third parties, could entail significant expenses and could prove difficult or impossible. For example, if litigation is necessary to enforce our intellectual property rights,

protect our trade secrets or determine the validity and scope of proprietary rights claimed by others, any litigation of that nature, regardless of outcome or merit, could result in substantial costs, adverse publicity or diversion of management and technical resources. If we fail to maintain, protect and enhance our intellectual property rights, our business, financial condition, results of operations, cash flow and prospects may be harmed.

While U.S. and Canadian patent and copyright laws, international conventions and international treaties may provide meaningful protection against unauthorized duplication of software, the laws of some foreign jurisdictions in which we may choose to market our products may not protect proprietary rights to the same extent as the laws of Canada or of the United States. If we lose some or all of our intellectual property rights, or if any intellectual property rights that we may develop or acquire in the future prove to be deficient, our business may be materially adversely affected. Furthermore, the Company's competitors could independently develop technologies that are perceived to be substantially equivalent or superior to the Company's technologies. The Company's competitive position may be materially adversely affected by its possible inability to effectively protect its intellectual property.

We rely on the availability of licenses to intellectual property of third parties, which exposes us to risks over which we have little or no control.

Our ability to provide consumers with content they are seeking depends, in part, upon licenses of intellectual property from third parties. The terms and conditions of such licenses vary, and third parties may be unable or unwilling to provide or continue to provide us with valid licenses to the content we seek to distribute or rights to use their other intellectual property, on terms acceptable to us or at all. If third parties are not or are no longer willing or able to provide such licenses on terms acceptable to us, our ability to provide content to consumers and continue to compete in our industry may be adversely affected and/or our costs could increase.

In addition, a third party may assert that we or our end customers are in breach of the terms of a license, which could, among other things, give such third party the right to terminate a license or seek damages from us, or both. The inability to obtain or maintain certain licenses or other rights or to obtain or maintain such licenses or rights on favorable terms, or the need to engage in litigation regarding these matters, could adversely affect the content we are able to offer and the overall consumer experience and could otherwise disrupt our business.

Any of these events could have a material adverse effect on our business, financial condition, results of operations, cash flow and prospects.

Intellectual property infringement claims made against the Company may increase our costs or otherwise adversely affect our business.

Although we make efforts to ensure our products do not violate the intellectual property of others, it is possible that other companies may claim that the Company has infringed their intellectual property. Claims of infringement are becoming increasingly common as the software industry develops and as related legal protections including patents are applied to software products. Although the Company does not believe that its products infringe on the rights of third parties, third parties may assert infringement claims against the Company in the future. These claims and any litigation resulting from these claims may be time-consuming and costly to defend, divert management attention, and result in damage awards payable by us. They could prevent us from selling the affected product, require us to redesign the affected product to avoid infringement, require us to obtain a license for future sales of the affected product, or prevent us from utilizing important technologies, ideas, or formats.

Although most of the Company's technology is proprietary in nature, the Company does include significant amounts of third-party software in its products. In these cases, this software is licensed from the entity holding the intellectual property rights. Although the Company believes that it has secured proper licenses for all third-party software that is integrated into its products, third parties may assert infringement claims against the Company in the future. Any such assertion may result in litigation or may require the Company to obtain a license for the intellectual property rights of third parties. Such licenses may not be available, or they may not be available on reasonable terms. In addition, such litigation could be disruptive to the Company's ability to generate revenue or enter into new market opportunities and may result in significantly increased costs as a result of the Company's efforts to defend against those claims or its attempt to license the patents or rework its products to ensure they comply with judicial decisions. Any of the foregoing could have a significant adverse impact on the Company's business and operating results as well as its ability to generate future revenue and profits. The loss of licenses to use third-party software or the lack of support or enhancement of such software could materially adversely affect the Company's business. The Company could also be forced to do one or more of the following: (i) stop selling, incorporating or using its products that use the challenged intellectual property; (ii) obtain from

the owner of the infringed intellectual property right a license to sell or use the relevant technology, which license may not be available on reasonable terms, or at all; (iii) redesign those products that use allegedly infringing technology which may be costly or time-consuming; or (iv) refund license fees and other amounts received, and make payments of additional amounts in damages or settlement payments, for allegedly infringing technology or products.

Third parties with which we do business process, store and use personal information and other data of consumers of our content, and, as we implement our growth strategy, we may process, store and use such consumer data, which may subject us to governmental regulation and other legal obligations related to privacy and data security, and such third parties' or our actual or perceived failure to comply with such obligations could harm our business.

Third parties with which we do business receive, store and process personal information and other data of consumers of our content. As we implement our growth strategy, we may receive, store and process such personal information and consumer data in connection with the provision of our products and services. There are numerous federal, state and local laws around the world regarding privacy and data protection and the storing, sharing, use, processing, disclosure and protection of personal information and other customer data, including but not limited to Regulation (EU) 2016/679 (also known as the General Data Protection Regulation or GDPR) and the California Consumer Privacy Act of 2018 (also known as the CCPA). The scope of privacy and data protection laws is constantly evolving, the laws are subject to differing interpretations, and there may be inconsistencies between jurisdictions or conflicts with other rules or codes of conduct to which we are subject or agree to comply. Although we strive to comply with applicable laws, policies, legal obligations and certain industry codes of conduct relating to privacy and data protection, and notwithstanding the views of third parties with which we do business that they comply with such laws, policies, legal obligations and industry codes of conduct, it is possible that these obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules, our practices or the practices of third parties with which we do business. The costs of compliance with these laws, policies, legal obligations and codes may be significant and may increase in the future. Any failure or perceived failure by us to comply with our privacy policies, our privacy-related obligations to consumers or other third parties, including under applicable security protocols, or our privacy-related legal obligations, or any compromise of security that results in the unauthorized release or transfer of personally identifiable information or other customer data, may result in governmental enforcement actions, litigation or public statements against us by consumer advocacy groups or others and could cause consumers to lose trust in us, which could have an adverse effect on our reputation and business, including our relationships with third parties with whom we do business. Additionally, if third parties we work with, such as customers, vendors or developers, violate applicable laws or our policies, such violations may also put our customers' information at risk and could in turn have an adverse effect on our business.

In addition, many jurisdictions have laws, including but not limited to the GDPR and CCPA, that require minimum information security standards that are often vaguely defined and may be difficult to implement, and that create potential significant liability for failure to meet those standards. Many jurisdictions also have laws requiring notification to individuals and certain regulators when there is a security breach involving personal information. The costs of compliance with these laws may be significant and may increase in the future, and any failure or perceived failure by us to comply with these laws may subject us to significant liability. Responding to a security breach involving personal information often requires significant resources and costs, and could cause consumers to lose trust in us, which could have an adverse effect on our reputation and business, including our relationships with third parties with whom we do business.

Security breaches involving the source code for our products or other sensitive and proprietary information could adversely affect our business.

We store the source code for our interactive entertainment software products as it is created, as well as other sensitive and proprietary information. A breach, whether physical, electronic or otherwise, of the systems on which such source code and other sensitive data are stored could lead to damage or piracy of our software. In addition, certain parties with whom we do business are given access to our sensitive and proprietary information in order to provide services and support our team, and certain third parties also license or otherwise provide us with rights to use their intellectual property. These third parties or our own employees may misappropriate our information or the third-party intellectual property used in our business and engage in unauthorized use of it. If we are subject to data security breaches, we may suffer a loss in sales, increased costs arising from the restoration or implementation of additional security measures, litigation or other legal action and reputational damage, which could materially and adversely affect our business, financial condition, results of operations, cash flow and prospects. Any theft and/or unauthorized use or publication of our or third parties' intellectual property, including trade secrets, and other confidential business information as a result of such an event could adversely affect our competitive position, reputation, brand, and future sales of our products and could adversely affect our

relationships with third parties that may be critical to our future success. Our business could be subject to significant disruption, and we could suffer monetary and other losses and reputational harm, in the event of such incidents and claims.

Risks and exposures related to cybersecurity attacks are expected to remain high for the foreseeable future due to the rapidly evolving nature and sophistication of these threats and also due to the expanding use of technology-based products and services by us and consumers of our products and services. In the wake of COVID-19, these risks may be more likely to materialize and may be more severe if they occur, as our workforce as well as the workforces of the third parties with whom we have business relationships spend a significant amount of time working from home, where data networks may be less secure. The safeguards we have in place or may implement in the future may not prevent all unauthorized infiltrations or breaches, and we may suffer losses related to a security breach in the future, which losses may be material.

The proliferation of “cheating” programs and scam offers that seek to exploit our games and players affects the game-playing experience and may lead players to stop playing our games.

Unrelated third parties have developed, and may continue to develop, “cheating” programs that enable players to exploit our games, play them in an automated way or obtain unfair advantages over other players who do play fairly. These programs harm the experience of players who play fairly and may disrupt the virtual economy of our games. In addition, unrelated third parties attempt to scam our players with fake offers for virtual goods. We devote significant resources to discover and disable these programs and activities, and if we are unable to do so quickly our operations may be disrupted, our reputation damaged and players may stop playing our games. This may lead to lost revenue from paying players, increased cost of developing technological measures to combat these programs and activities, legal claims relating to the diminution in value of our virtual currency and goods, and increased customer service costs needed to respond to dissatisfied players.

Assumptions on conversion rates.

Despite having a large potential reach within the gaming community, conversion rates could be far lower than expected which would negatively affect the Company's revenue or anticipated revenue.

No demand among influencers.

Top influencers could be inundated with profitable opportunities which could result in them being unable or unwilling to support the Company's business which could result in only less popular influencers able or willing to support the Company's business which would have an adverse impact on the Company's business modelling and revenue.

Lack of exclusiveness.

Influencers can be driven by exclusiveness of their offers. If every influencer is selling the same library of games, the market may be oversaturated which would have an adverse impact on the Company's business modelling and revenue.

Competition from affiliate programs.

Amplify Games could be disrupted by a store offering highly-competitive affiliate fees and/or effective technology. For example, online links could be more attractive to a potential customer than operating a store.

No resources to run stores.

The gaming sites, communities, and influencers may not have the resources to run and support a store. Without a guaranteed outcome, Amplify Games business strategy may not be a viable solution for bootstrapped gaming ecosystem players.

Market noise.

Greater distribution does not necessarily translate into a better business model or greater revenue. Amplify Games could just be viewed as another distribution method that takes considerable time and energy with a limited return on such investment.

Crowding of the store market.

There are many viable stores already in the market. Many of these stores are already established and it could be difficult to claim market share from them.

Gamer's value proposition.

Despite the obvious value proposition of supporting an ecosystem member, there may not be enough incentives to drive gamers away from existing platforms. If the Company is unable to attract gamers this would have an adverse impact on the Company's business modelling and revenue

Customer adoption.

In the event that significantly fewer stores are created than initially anticipated this would severely reduce the market size that Amplify Games can reach which would have an adverse impact on the Company's business modelling and revenue.

Commission assumptions.

Potential customers could reject the business model of having to operate a store and also pay commissions.

Lack of tangible evidence.

As with most start-ups, Amplify Games lacks evidence that its business model will work in the way that was proposed.

Network effects.

With a multi-sided marketplace, generally speaking, the market becomes more valuable as the market is populated (in this case with games). Amplify Games will need to quickly establish a portfolio of games that makes it attractive enough to operate a store. Having too few games will lead to a slow adoption by ecosystem participants.

Game Selection.

According to data estimates, the top 5% of games drive the vast majority of revenue for game stores (well above 80%). A strategy focusing only on independent games would exclude Amplify Games from a majority of the revenue in the market. As a result, it is critical that Amplify Games also be able to include top titles in its portfolio. An inability by Amplify Games to do so would have an adverse impact on the Company's business modelling and revenue. Alternatively, should Amplify Games become too dependent upon a single game or franchise's success this could also have an adverse impact on the Company's business modelling and revenue in the event the Company loses the ability to offer such game or franchise or if such game or franchise loses its popularity.

Regulatory risk.

Risk that a change in laws and regulations governing the Company's business could materially impact gaming revenues. By way of example, loot boxes (a type of item purchased in-game) have come under the scrutiny of some governments who view loot boxes as a form of gambling that was too easily accessible to children.

Return to normalcy risk.

There is a risk that video games may fall out of favor with consumers once the COVID-19 pandemic fades away.

Privacy/ HIPAA.

The Health Insurance Portability and Accountability Act ("**HIPAA**") sets the standard for sensitive patient data protection. Companies that deal with protected health information ("**PHI**") must have a physical, network, and process security measures in place and follow them to ensure HIPAA Compliance.

Maintaining round-the-clock HIPAA compliance is a constant challenge for healthcare providers and other HIPAA covered entities. For small and medium-sized organizations, the challenge of HIPAA compliance can be particularly difficult due to a lack of skilled personnel, resources, and budget.

Apart from the technology aspect of HIPAA, many covered entities and business associates are finding that HIPAA compliance is becoming more challenging because they have to continuously train staff about every aspect of HIPAA implementation. This makes HIPAA implementation all the more time-consuming and challenging.

Information/ Data Security.

Risk of data breach of sensitive patient information and ability to safeguard accessibility and transmission of confidential personal health data is complicated, costly and dynamic. As the cybersecurity threats concerning the healthcare industry are evolving at a critical pace, a sophisticated and multi-faceted approach must be implemented to safeguard the data of customers. iRecover must establish sound data security practices (listed below) to keep security threats at bay. A failure by iRecover to implement any and/or all of the following best practices could result in, among other things, iRecover not being accepted in the industry, legal proceedings against the Company, a loss of business as a result of lost confidence, and/or corruption of the Company's data:

Train Healthcare Staff in Cybersecurity - Whenever it comes to some security incidents, there is always an evident human element behind it. In the case of healthcare, such incidents are even more commonplace. Training staff in the matters of cybersecurity will not only equip them with the necessary knowledge to handle patient data appropriately but also prevent them from making uninformed decisions that put the business security at stake. Implement Controls on Data and Application Access: Restricting access to sensitive patient information and critical applications strengthen healthcare cybersecurity even further. This also ensures that only those with the required authentication will have access to sensitive data. Multi-factor authentication methods like secure PIN or password, security key, fingerprints or eye scanning may be used to make sure that the person has, in fact, the required permissions to access critical applications and user data.

Establish Controls on Data Usage - By establishing proper controls on data usage activities, healthcare companies can flag or block malicious or risky data activity in real-time. Specific actions concerning sensitive data like uploading to the web, sending unauthorized emails, and copying data to external sources should be blocked.

Encrypt Data wherever Possible - Encryption can surely be considered as one of the most important security measures for healthcare organizations. Encryption makes sure that even if hackers gain access to patient information, they won't be able to use it in any way. HIPAA recommends healthcare companies to implement strict data encryption measures based on the data flow in the organization. Focus on Mobile

Device Security - The use of mobile devices has increased drastically over the years in the healthcare domain. Physicians use it to access patient information so that they could treat them effectively and officials might use them to process medical insurance. Without a doubt, it becomes essential to keep the security of such mobile devices in mind.

Eliminate the Risk of Connected Devices - With the rise of technologies like IoT and AI, connected devices can be seen everywhere. Even in the healthcare domain, devices ranging from blood pressure monitors to scanners and cameras collect patient data and are constantly connected to the network. That is why certain steps must be taken to eliminate security risks in such devices. Some of these steps include: Update the connected devices regularly and install all the security patches Implement multi-factor authentication Disable non-essential features before using such devices and capture only the data that is required Monitor access to identify suspicious activity

Conduct Vulnerability Assessments on a Regular Basis - Conducting regular vulnerability assessments is an important step for any proactive security strategy. Such assessments will not only identify the weak points in the organization's security infrastructure but also assess the security readiness of the employees and vendors altogether. Regular vulnerability assessment helps healthcare organizations proactively identify the potential risk elements and eliminate them to prevent costly data breaches and their detrimental impacts.

Safely Backup Sensitive Data - Data breaches can not only expose sensitive patient information in the healthcare industry but also put data integrity and availability at risk. So, backing up data becomes a must for healthcare companies as they can't afford to lose their most valuable asset. Offsite backups of data must be made to secure the data at hand and added steps like access controls and encryption will help add extra layers of security. Apart from cybersecurity concerns, data backups can help organizations in times of disaster recovery too.

Successful Software/ APP/ Coin Development.

iRecover must develop software for its App and coin development. This could require considerable financial resources and IT expertise. Variable risk factors to consider in the development of an app/ software include but are not limited to:

Risk of building an app that your target users don't want - Delivering an app that users don't want. App development requires a significant investment in both money and time. If the app fails to meet consumer demands this investment will not have the returns that the Company will need to recoup its investment which will result in losses.

Risk of unsustainable user growth - On the opposite end of the spectrum, if the Company is unable to handle user growth its consumers will not be properly served and they may cease to use the Company's products which could result in losses.

Risk of using wrong developmental partner. - Outsourcing development could pose risks to the project due to cultural differences and views of user interface with public.

Risk of investing in a platform that you can't control – A significant risk of native mobile application development lies in the lack of control over the platform itself. If the platform owner decides to sell or shut down entirely this could have a significant negative impact on the Company's results of operation as it may no longer have a suitable platform to distribute its products or services.

Risk of tying yourself to a single platform - When developing native apps, the Company must determine whether to support every platform or just one. Supporting every platform protects the Company from the problem listed in the previous point but is also far more costly and time consuming. Choosing a single platform is less expensive, but ties your application's success to that platform's success and is subject to the risks set out in the previous point.

Market Adoption.

A failure to get market adoption and traction with iRecover coin app and/or business model would have an adverse impact on the Company's business modelling and revenue.

Partnerships with national organizations.

A failure to make alliances or partnerships with key organizations associated with addiction and rehabilitation and recovery or failing to associate with health insurance and key commercial marketing partners would have an adverse impact on the Company's business modelling and revenue

Securities laws and regulations.

A failure to comply with new securities laws or regulations by regulators regarding the exchange of ICO or Recover coins associated with iRecover Coins utilized in its App could result in the Company being sanctioned.

Failure to innovate.

The Company's success depends upon its ability to design, develop, test, market, license and support new software products and enhancements of current products on a timely basis in response to both competitive threats and marketplace demands. In addition, software products and enhancements must remain compatible with the other software products and systems used by its customers. Often, the Company must integrate software licensed or acquired from third parties with its proprietary software to create or improve its products. If the Company is unable to successfully integrate third party software to develop new software products and enhancements to existing products, or to complete products currently under development, its operating results will materially suffer. In addition, if the integrated or new products or enhancements do not achieve acceptance by the marketplace, the Company's operating results will materially suffer. Also, if new industry standards emerge that the Company does not anticipate or adapt to, its software products could be rendered obsolete and, as a result, its business and operating results, as well as its ability to compete in the marketplace, would be materially harmed. The technology sector, and particularly the cryptocurrency space, evolves at an extremely rapid pace. The Company works diligently to stay current; however, there is a risk we will not keep pace with industry developments.

Reliance on third party software.

The Company currently depend upon third-party software products to develop its products. If in future such reliance existed and the software products were not available, the Company might experience delays or increased costs in the development of its products. The Company currently does not rely on software products that it licenses from third-parties. Should the Company in the future rely upon third-party software licenses that may not continue to be available to the Company, and the related software may not continue to be appropriately supported, maintained, or enhanced by the licensors, the loss by the Company of the license to use, or the inability by licensors to support, maintain, and enhance any of such software, could result in increased costs or in delays or reductions in product shipments until equivalent software is developed or licensed and integrated with internally developed software. Such increased costs or delays or reductions in product shipments could materially adversely affect its business. The loss of the Company's rights to use software licensed to it by third parties could increase its operating expenses by forcing the Company to seek alternative technology and materially adversely affect its ability to compete. In addition, the Company's web-based software applications depend on

the stability, functionality and scalability of the underlying infrastructure software including application servers, databases, software and operating systems produced by others. If weaknesses in such infrastructure software exist, the Company may not be able to correct or compensate for such weaknesses. If the Company is unable to address weaknesses resulting from problems in the infrastructure software such that its products do not meet customer needs or expectations, its reputation, and consequently, its business may be significantly harmed.

Loss of key employees and contractors.

The Company depends on a number of key employees and contractors, the loss of any one of whom could have an adverse effect on the Company. The Company does not have and is not expected to purchase key person insurance on such individuals, which insurance would provide the Company with insurance proceeds in the event of their death. Without key person insurance, the Company may not have the financial resources to develop or maintain its business until it replaces the individual. The development of the business of the Company will be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company will face competition for personnel from other employers. If the Company is unable to attract or retain qualified personnel as required, it may not be able to adequately manage and implement its business plan.

Conflicts of interest.

Certain of the officers and directors of the Company are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company will be required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the director will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Interest rate risk.

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has not entered into any derivative contracts to manage this risk. The Company will be exposed to interest rate changes on its investments that are expected to pay interest, and any credit facilities it may have that bear interest at a floating rate. Changes in the prime lending rate would affect earnings and could adversely affect the Company's profitability.

Risks Related to Our Common Shares

We may not be able to maintain our listing on the TSXV Venture Exchange.

Our common shares trade on the TSXV Venture Exchange. The TSXV has continued listing requirements that we must meet to avoid delisting. Our results of operations and our fluctuating share price directly impact our ability to satisfy these listing standards. There can be no assurance that we will remain in compliance in the future. If we are unable to maintain these listing standards, we may be subject to delisting. A delisting from TSXV would result in our common shares being eligible for quotation on the over-the-counter market, which is generally considered to be a less efficient trading system than listing on markets such as the TSXV or other national exchanges because of lower trading volumes, transaction delays, and reduced security analyst and news media coverage. A delisting from TSXV could also result in a determination that our common shares are "penny stock," which would require brokers trading in our common shares to adhere to more stringent rules. These factors could reduce the level of trading activity in the trading market for our common shares and contribute to lower prices and larger spreads in the bid and ask prices for our common shares.

Future capital raising efforts may be dilutive to our shareholders, result in increased interest expense in future periods or depress our share price.

In order to finance our operations, we have raised funds through the issuance of common shares and securities convertible into common shares, and we may do so again in the future. Any such offering in the future may have a dilutive effect on our earnings per share and/or book value per share. The actual amount of dilution, if any, cannot be determined at this time and will be based on numerous factors. In the future, we may issue common shares in connection with investments or acquisitions. The number of common shares issued in future offerings, including those issued in connection with an investment or acquisition, could be material. We cannot predict the size of future issuances of common shares or the size

or terms of future issuances of debt instruments or other securities convertible into or exercisable or exchangeable for common shares, or the effect, if any, that future issuances and sales of our securities will have on the market price of our common shares. Sales or issuances of substantial numbers of common shares, or the perception that such sales could occur, may adversely affect the market price of our common shares. With any additional sale or issuance of common shares, or securities convertible into common shares, our investors may suffer dilution of their investment.

The price of our common shares may be volatile or may decline regardless of our operating performance.

The market price for our common shares may be highly volatile. In addition, the market price of our common shares may fluctuate significantly in response to a number of factors, most of which we cannot control, including:

- variations in our financial results or those of companies that are perceived to be similar to us;
- actions by us or our competitors, such as sales initiatives, acquisitions or restructurings;
- additions or departures of key management personnel;
- legal proceedings involving us, our industry, or both;
- changes in our capitalization, including future issuances of our common shares or the incurrence of additional indebtedness;
- changes in market valuations of companies similar to ours;
- the prospects of the industry in which we operate;
- actions by our shareholders;
- speculation or reports by the press or investment community with respect to us or our industry in general;
- general economic, market and political conditions; and
- other risks, uncertainties and factors described under the caption “*Risk Factors*” in this AIF.

The stock markets in general have often experienced volatility, including, most recently, in the wake of COVID-19, that has sometimes been unrelated or disproportionate to the operating performance of particular companies. These broad market fluctuations have caused, and may continue to cause, the trading price of our common shares to decline. A continuation or worsening of the levels of market disruption and volatility seen in the recent past could have an adverse effect on our ability to access capital, on our business, financial condition, results of operations, cash flow and prospects, and on the market price of our common shares. There can be no assurance that continual fluctuations in price will not occur, and the trading price of the Company’s shares may be subject to large fluctuations and may decline below the price at which an investor acquired its shares. Accordingly, investors may not be able to sell their securities at or above their acquisition cost.

In the past, following periods of volatility in the market price of a company’s securities, securities class-action litigation has often been brought against that company. We may become involved in this type of litigation in the future. Litigation of this type may be expensive to defend and may divert our management’s attention and resources from the operation of our business.

We incur significant costs and demands upon management and accounting and finance resources as a result of complying with the laws and regulations affecting public companies; any failure to establish and maintain adequate internal controls and/or disclosure controls or to recruit, train and retain necessary accounting and finance personnel could have an adverse effect on our ability to accurately and timely prepare our financial statements and otherwise make timely and accurate public disclosure.

As a public operating company, we incur significant administrative, legal, accounting, and other burdens and expenses beyond those of a private company including public company reporting obligations, both in the U.S. and under applicable Canadian national and provincial securities laws and regulations, and TSXV listing requirements. Compliance with these rules makes some activities more difficult, time consuming or costly and increases demand on systems and resources. In particular, we have needed, and continue to need, to enhance and supplement our internal accounting resources with

additional accounting and finance personnel with the requisite technical and public company experience and expertise to enable us to satisfy such reporting obligations. Currently, we rely upon the services of third parties for our accounting and financial reporting functions, which third-party arrangements create additional monitoring obligations and have the potential to increase risk in the system of internal control. Any failure to maintain an effective system of internal controls (including internal control over financial reporting) could limit our ability to report our financial results accurately and on a timely basis, or to detect and prevent fraud and could expose us to regulatory enforcement action and shareholder claims.

We are a “foreign private issuer” under U.S. securities laws and, as a result, are subject to disclosure obligations different from requirements applicable to U.S. domestic registrants listed on U.S. OTC Market (“OTCQB”).

Although we are subject to the periodic reporting requirements under the Exchange Act, the periodic disclosure required of “foreign private issuers” (as defined in Rule 405 under the Securities Act) is different from periodic disclosure required of U.S. domestic registrants. Therefore, there may be less publicly available information about us than is regularly published by or about other public companies in the U.S., and we are exempt from certain other sections of the Exchange Act to which U.S. domestic registrants would otherwise be subject. See *“We could lose our foreign private issuer status in the future, which could result in significant additional costs and expenses to us”* below. In addition, our executive officers, directors and large shareholders are not obligated to file reports under Section 16 of the Exchange Act, and certain of the governance rules and shareholder approval rules imposed by the OTCQB are inapplicable to us.

We could lose our foreign private issuer status in the future, which could result in significant additional costs and expenses to us.

In order to maintain our current status as a foreign private issuer, if more than 50% of our outstanding voting securities are directly or indirectly owned by residents of the U.S., we must not have any of the following: (1) a majority of our executive officers or directors being U.S. citizens or residents, (2) more than 50% of our assets being located in the U.S., or (3) our business being principally administered in the U.S. If we were to lose our foreign private issuer status:

- we would no longer be exempt from certain of the provisions of U.S. securities laws, such as Regulation FD, the Section 16 disclosure and short swing-profit rules and the requirement to file proxy solicitation materials on Schedule 14A or 14C in connection with meetings of our shareholders;
- we would be required to commence reporting on forms required of U.S. companies, such as Forms 10-K, 10-Q and 8-K, rather than the forms currently available to us, such as Forms 20-F and 6-K;
- we would be subject to additional restrictions on offers and sales of securities outside the U.S., including in Canada; and
- we would lose the ability to rely upon certain exemptions from the OTCQB’s corporate governance requirements that are available to foreign private issuers.

If we cease to qualify as a foreign private issuer, our regulatory and compliance costs may increase significantly in order to comply with the requirements discussed above.

If we were to be a passive foreign investment company for U.S. federal income tax purposes, U.S. holders of our common shares (or securities exercisable for or convertible into our common shares) may suffer adverse tax consequences.

If 75% or more of our gross income in a taxable year, including our pro-rata share of the gross income of any company, U.S. or foreign, in which we are considered to own, directly or indirectly, 25% or more of the shares by value, is passive income, then we will be a “passive foreign investment company,” or “PFIC,” for U.S. federal income tax purposes. Alternatively, we will be considered to be a PFIC if at least 50% of our assets in a taxable year, averaged over the year and ordinarily determined based on fair market value and including our pro-rata share of the assets of any company in which we are considered to own, directly or indirectly, 25% or more of the shares by value, are held for the production of, or produce, passive income. Once treated as a PFIC for any taxable year, a foreign corporation will generally continue to be treated as a PFIC for all subsequent taxable years for any U.S. shareholder who owned shares of the foreign corporation when it was treated as a PFIC. If we were to be a PFIC, and a U.S. shareholder does not make an election to treat us as a “qualified electing fund,” or “QEF,” or a “mark-to-market” election, “excess distributions” to such

U.S. shareholder, and any gain recognized by such U.S. shareholder on a disposition of our common shares, would be taxed in an unfavorable way. Among other consequences, our dividends, to the extent that they constituted excess distributions, would be taxed at the regular rates applicable to ordinary income, rather than the 20% maximum rate applicable to certain dividends received by an individual from a qualified foreign corporation, and certain “interest” charges may apply. In addition, gains on the sale of our common shares would be treated in the same way as excess distributions.

The tests for determining PFIC status are applied annually. We currently do not expect to be a PFIC for our current and future taxable years. However, because our PFIC status for any taxable year will depend on the composition of our income and assets and the value of our assets from time to time, we may become a PFIC for our current taxable year or any future taxable year. If we do become a PFIC in the future, U.S. shareholders who hold common shares during any period when we are a PFIC will be subject to the foregoing rules, even if we cease to be a PFIC, subject to exceptions for U.S. holders who made timely QEF or mark-to-market elections or certain other elections. We do not currently intend to prepare or provide the information that would enable our common shareholders to make a QEF election.

If we do become a PFIC for our current taxable year or any future taxable year, in addition to U.S. holders of our common shares, a U.S. holder of our securities exercisable for or convertible into our common shares during any year in which we are a PFIC would be adversely affected under the foregoing rules even if we cease to be a PFIC. Such U.S. holders should consult their own tax advisers concerning the potential application of the PFIC rules to their investment.

We have never paid cash dividends on our common shares, and we do not anticipate paying cash dividends in the foreseeable future.

We have never declared or paid any cash dividends on our common shares and do not intend to pay any cash dividends in the foreseeable future. We currently intend to retain any future earnings to fund the growth of our business. Any determination to pay dividends in the future will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements, general business conditions and other factors that our board of directors may deem relevant. As a result, capital appreciation, if any, of our common shares will be the sole source of gain for the foreseeable future. There is no guarantee that our common shares will appreciate in value or even maintain the price at which a shareholder purchased such shareholder’s shares.

Provisions in our articles may prevent efforts by our shareholders to effect a change of control of our company or a change in our management.

Our articles provide for our board of directors to be divided into three classes of directors. Directors of each class are chosen for three-year terms upon the expiration of their current terms, and each year one class of directors is elected by our shareholders. Because we have a staggered board, our shareholders may be prevented from replacing a majority of our board of directors at any annual meeting, which may entrench management and discourage unsolicited shareholder proposals that may be in the best interests of our shareholders. In addition, the staggered terms of our directors may reduce the possibility of a tender offer or an attempt at a change in control, even though a tender offer or change in control might be in the best interest of our shareholders.

Liquid market for securities.

Even though currently the Common Shares, which trade on the TSXV, OTCQB, and Frankfurt Stock Exchange, have an active and liquid market. There can be no assurance than an active and liquid market for the Common Shares will continue or be maintained.

The NFT market is in its infancy, and it may never reach its full potential, or it may become regulated in a way that limits future profits.

The Company believes that the sale of NFTs has the potential to produce sizable profits but notes that the NFT market is in its infancy and currently suffers from severe volatility. NFTs are a novel product and not considered intuitive to mainstream consumers, and the occurrence of external events promoting NFTs may be necessary if the market is to ever reach its full potential. We cannot guarantee that the use of NFTs will ever take hold in the mainstream market, and the Company’s reliance on NFTs in our business model may never lead to the profits that we anticipate. Further, as NFTs are a new product, the future regulatory framework surrounding their use and sale is uncertain. Government’s may begin to impose regulations, and there is no guarantee that regulations will be the same or even substantially similar across the jurisdictions that the Company operates within.

LEGAL MATTERS

Unless otherwise specified in a Prospectus Supplement, certain legal matters in connection with the Securities offered hereby will be passed upon by Alexander Holburn Beaudin + Lang LLP on behalf of the Company. In addition, certain legal matters in connection with any offering of Securities will be passed upon for any underwriters, dealers or agents by counsel to be designated at the time of the offering by such underwriters, dealers or agents, as the case may be. As of the date hereof, the partners and associates of Alexander Holburn Beaudin + Lang LLP, as a group beneficially own, directly or indirectly, less than 1% of the outstanding securities of the Company or any associated party or affiliate of the Company.

EXEMPTION UNDER SECURITIES LAWS

The Company has applied for an exemption pursuant to Section 11.1 of NI 44-102 requesting relief in the province of British Columbia from the requirement under Section 6.3(1)3 of NI 44-102 to include a prospectus certificate signed by each agent or underwriter who, with respect to the offering of Securities under this Prospectus, is in a contractual relationship with the Company to the extent that such party is not a registered dealer in any Canadian jurisdiction and is acting in its capacity as agent or underwriter solely outside of Canada (a “**Foreign Dealer**”) with respect to an offering of securities to non-Canadian resident purchasers only, where there is no concurrent public offering of securities made in Canada or to residents of Canada (a “**Foreign Offering**”). The issuance of a receipt for this Prospectus will evidence the granting of the requested relief in the province of British Columbia only with respect to this Prospectus and any Prospectus Supplement for a Foreign Offering. The application of the exemptive relief to a Foreign Offering will be subject to the following conditions being fulfilled: (i) there will be no distribution of securities under the applicable Prospectus Supplement to purchasers resident in Canada in connection with such Foreign Offering; (ii) there will be no solicitations or advertising activities undertaken in Canada in furtherance of the aforementioned distributions; (iii) neither the Company nor any person in a contractual relationship with the Company will engage in any underwriting activities in Canada in connection with such Foreign Offering which would trigger dealer or underwriter registration requirements under applicable Canadian securities laws; and (iv) distributions under such Foreign Offering will be completed in compliance with the applicable securities laws of the jurisdiction in which the purchasers are resident by or through a Foreign Dealer registered in such jurisdiction. No application for exemptive relief was sought in any other jurisdiction of Canada, as the Company is of the position that there would be no distribution of Securities for purposes of applicable securities laws in those other jurisdictions in connection with a Foreign Offering. Accordingly, such Foreign Dealer would not, directly or indirectly, make any offers or sales to persons in a province or territory in Canada. All sales of Securities pursuant to any Prospectus Supplement under this Prospectus to persons in a province or territory of Canada would solely be made through other agents or underwriters that are duly registered in the applicable Canadian jurisdictions where any offer of Securities will be made (the “**Canadian Dealers**”); and the Prospectus Supplement would include a certificate signed by each Canadian Dealer in compliance with Section 6.3(1)3 of NI 44-102.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, at its offices located at 1500 – 1140 West Pender Street, Vancouver, BC V6E 4G1 is independent of the Company in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Computershare Investor Services Inc., at its principal offices in Vancouver, British Columbia, is the transfer agent and registrar for the Common Shares, the special warrant agent for the Special Warrants and the warrant agent for the Warrants.

PURCHASERS' STATUTORY AND CONTRACTUAL RIGHTS

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two (2) business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment thereto contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the

purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor. However, purchasers of securities under an at-the-market distribution by the Company do not have the right to withdraw from an agreement to purchase the securities and do not have remedies of rescission or, in some jurisdictions, revisions of the price, or damages for non delivery of the Prospectus, Prospectus Supplement, and any amendment relating to securities purchased by such purchaser because the Prospectus, Prospectus Supplement, and any amendment relating to the securities purchased by such purchaser will not be sent or delivered, as permitted under Part 9 of National Instrument 44-102. Any remedies under securities legislation that a purchaser of securities distributed under an at-the-market distribution by the Company may have against the Company or its agents for rescission or, in some jurisdictions, revisions of the price, or damages if the Prospectus, Prospectus Supplement, and any amendment relating to securities purchased by a purchaser contain a misrepresentation will remain unaffected by the non delivery of the Prospectus referred to above.

Original purchasers of Debt Securities, Preferred Shares, Subscription Receipts or Warrants (or Units comprised partly thereof) that are convertible or exchangeable into other securities of the Company will have a contractual right of rescission against the Company in respect of the conversion, exchange or exercise of such securities. The contractual right of rescission will entitle such original purchasers to receive, upon surrender of the securities acquired upon conversion, exchange or exercise of such Securities, the amount paid for such Securities and any additional amount paid upon conversion, exchange or exercise of such Securities, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within one hundred eighty (180) days of the date of the purchase of the convertible, exchangeable or exercisable security under this Prospectus; and (ii) the right of rescission is exercised within one hundred eighty (180) days of the date of the purchase of the convertible, exchangeable or exercisable security under this Prospectus. Original purchasers are further cautioned that in certain provinces and territories the statutory right of action for damages for a misrepresentation contained in a prospectus is limited to the price at which the convertible, exchangeable or exercisable security is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces and territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights, or consult with a legal adviser.

CERTIFICATE OF BLOCKCHAINK2 CORP.

Dated: January 18, 2021

This short form base shelf prospectus, together with the documents incorporated in this prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta and Ontario.

"Sergei Stetsenko"
Sergei Stetsenko
Chief Executive Officer

"Yuying Liang"
Yuying Liang
Chief Financial Officer

On behalf of the Board of Directors

"Steven Sangha"
Steven Sangha
Director

"John Lema"
John Lema
Director