

**EARLY WARNING REPORT FILED PURSUANT TO
PART 3 OF NATIONAL INSTRUMENT 62-103**

Form 62-103F1

Required Disclosure under the Early Warning Requirements

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

This report relates to the acquisition of common shares of Fortress Blockchain Corp. (the “**Issuer**”) in the open market.

The registered head office of the Issuer is the following:

320-638 Broughton Street
Vancouver, British Columbia
V6G 3K3

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Roy Sebag (the “**Acquiror**”) recently acquired in the open market beneficial ownership of, or control or direction over, common shares, which together with his holdings of convertible securities of the Issuer, constitutes an increase in ownership of 2% or more of the Issuer’s common shares (the “**Common Shares**”).

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

Roy Sebag
334 Adelaide St. W.
Suite 307
Toronto, Ontario
M5V 1R4

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

From November 30, 2018 to December 3, 2018, the Acquiror acquired 2,000,000 Common Shares on the open public market for an average cost of \$0.1125 per share (the “**Acquisitions**”).

As a result of the Acquisitions, the number of Common Shares the Acquiror beneficially owns, or exercises control or direction over increased by more than 2%.

.2.3 State the names of any joint actors.

Not applicable.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror’s securityholding percentage in the class of securities.

Prior to the Acquisitions, the Acquiror had ownership or direction or control over 7,813,692 Common Shares representing approximately 10.6% of the issued and outstanding Common Shares on a partially diluted basis. On an undiluted basis, the Acquiror had ownership or direction or control over 5,356,000 Common Shares, representing 7.5% of the issued and outstanding Common Shares.

Following the Acquisitions, the Acquiror now has ownership or director or control over 9,813,692 Common Shares representing approximately 13.3% of the issued and outstanding Common Shares on a partially diluted basis. On an undiluted basis, the Acquiror now has ownership or direction or control over 7,356,000 Common Shares, representing approximately 10.6% of the issued and outstanding Common Shares.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

The Acquiror acquired ownership, control or direction over 2,000,000 Common Shares pursuant to his Acquisitions.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

See Item 3.1.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

- (a) **the acquiror, either alone or together with any joint actors, has ownership and control,**

See Item 3.1.

- (b) **the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Not applicable.

- (c) **the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Not applicable.

3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

Not applicable.

Item 4 – Consideration Paid

4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.

The Acquiror paid \$105,000.00 for the Common Shares on November 30, 2018.

The Acquiror paid \$120,000.00 for the Common Shares acquired on December 3, 2018.

In total, the Acquiror paid \$225,000.00 for the Acquisitions.

4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.

See Item 4.1.

4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

Not Applicable.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**

- (f) a material change in the reporting issuer's business or corporate structure;**
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) a solicitation of proxies from securityholders;**
- (k) an action similar to any of those enumerated above.**

The Acquiror acquired the Common Shares for investment purposes only. The Acquiror expects to evaluate on an ongoing basis Issuer's financial condition, results of operations, business and prospects, the market price of the Common Shares, conditions in securities markets generally and in the market for shares of companies like the Issuer, general economic and industry conditions and other factors that the Acquiror deems relevant to his investment decisions. Based on such evaluations, the Acquiror may at any time or from time to time determine to acquire additional Common Shares, or securities convertible into or exchangeable for Common Shares or derivative relating to Common Shares, or to dispose of Common Shares or securities convertible into or exchangeable for Common Shares or derivatives relating to Common Shares that the Acquiror owns or may hereafter acquire, through open market or privately negotiated transactions or otherwise, at such prices and on such terms as he deems advisable. The Acquiror intends to monitor his investment in the Common Shares. The Acquiror and his representatives and advisers may communicate with other shareholders, industry participants and other interested parties concerning the Issuer. In addition, based on the Acquiror's continuing evaluation of the foregoing factors, the Acquiror reserves the right to change his plans and intentions at any time or from time to time, as he deems appropriate.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of

standard default and similar provisions contained in loan agreements need not be included.

Not applicable.

Item 7 – Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.

Not Applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 – Certification

The Acquiror must certify that the information in this report is true and complete in every respect. In the case of an agent, the certification is based on the agent’s best knowledge, information and belief but the Acquiror is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his or her authorized representative.

It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

Certificate

The certificate must state the following:

I, as the Acquiror, certify, or I, as the agent filing this report on behalf of an Acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Date: December 4, 2018

Per: “Roy Sebag”
Roy Sebag