

Predator Blockchain Capital Corp.
(A Capital Pool Corporation)

Condensed Interim Financial Statements

For the Period from Date of Incorporation January 25, 2018
to September 30, 2018
(In Canadian Dollars)
(Unaudited)

Predator Blockchain Capital Corp.
Condensed Interim Statement of Financial Position
September 30, 2018

(amounts in Canadian dollars)

(*unaudited*)

September 30,
2018

Assets

Current Assets

Cash \$ 585,129

Accounts receivable 3,375

Total assets \$ 588,504

Liabilities

Current Liabilities \$ -

Shareholders' Equity

Share capital (note 4) 593,233

Contributed surplus 40,000

Deficit (44,729)

Total shareholders' equity 8,504

Total Liabilities and Shareholders' Equity \$ 588,504

See the accompanying Notes to the Condensed Interim Financial Statements

Approved by the Board:

"signed"
Director

"signed"
Director

Predator Blockchain Capital Corp.
Condensed Interim Statement of Loss and Comprehensive Loss
September 30, 2018

(amounts in Canadian dollars)

(unaudited)

	For the period July 1, 2018 to September 30, 2018	For the period from date of incorporation January 25, 2018 to September 30, 2018
Revenue	-	-
Expenses		
Office costs	549	4,729
Stock-based compensation (note 4)	-	40,000
Net loss before tax	(549)	(44,729)
Income tax expense (note 6)	-	-
Net loss and comprehensive loss	\$ (549)	\$ (44,729)
Weighted average of common shares outstanding		
– basic	10,000,000	8,854,839
– fully diluted	11,400,000	9,854,032
Loss per share		
– basic	\$ (0.00)	\$ (0.01)
– fully diluted	\$ (0.00)	\$ (0.00)

See the accompanying Notes to the Condensed Interim Financial Statements

Predator Blockchain Capital Corp.
Condensed Interim Statement of Changes in Shareholders' Equity
September 30, 2018

(amounts in Canadian dollars)

(unaudited)

	Share Capital	Contributed Surplus	Deficit	Total Shareholders Equity
Balance, January 25, 2018	\$ -	-	-	\$ -
Issuance of common shares (note 4)	300,000	-	-	300,000
Net loss	-	-	(24)	(24)
Balance, March 31, 2018	\$ 300,000	-	\$ (24)	\$ 299,976
Issuance of common shares (note 4)	400,000	-	-	400,000
Stock-based compensation (note 4)		40,000	-	40,000
Share issue costs (note 4)	(106,767)	-	-	(106,767)
Net loss	-	-	(44,156)	(44,156)
Balance, June 30, 2018	\$ 593,233	\$ 40,000	\$ (44,180)	\$ 589,053
Net loss	-	-	(549)	(549)
Balance, September 30, 2018	\$ 593,233	\$ 40,000	\$ (44,729)	\$ 588,504

See the accompanying Notes to the Condensed Interim Financial Statements

Predator Blockchain Capital Corp.
Condensed Interim Statement of Cash Flows
September 30, 2018

(amounts in Canadian dollars)

(unaudited)

	For the period April 1, 2018 to September 30, 2018	For the period from date of incorporation January 25, 2018 to September 30, 2018
Operating activities:		
Net loss for the period	\$ (549)	\$ (44,729)
Add: Stock-based compensation (note 4)	-	40,000
Changes in non-cash working capital		
Accounts receivable	(54)	(3,357)
Cash used in operating activities	(603)	(8,104)
Financing activities:		
Proceeds from issuance of common shares (note 4)	-	700,000
Repayment of related party loan (note 7)	-	-
Payments for share issue costs (note 4)	-	(106,767)
Cash from financing activities	-	593,233
Increase (decrease) in cash during period	(603)	585,129
Cash, beginning of period	585,732	-
Cash, end of period	\$ 585,129	\$ 585,129

See the accompanying Notes to the Condensed Interim Financial Statements

Predator Blockchain Capital Corp.
Notes to the Condensed Interim Financial Statements
September 30, 2018

(amounts in Canadian dollars)

(*unaudited*)

1. NATURE OF OPERATIONS

Predator Blockchain Capital Corporation (“the Company”) was incorporated under the Alberta Business Corporations Act on January 25, 2018. Predator is a Capital Pool Corporation, as defined in the Policy 2.4 of the TSX Venture Exchange (the “Exchange”). The principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (“QT”). The Company has not commenced operations and has no assets other than cash. The Company’s continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition, or business, or an interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned and, in the case of a non-arm’s length transaction, of the majority of the minority shareholders.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to the lesser of 30% of the gross proceeds realized by the Company, in respect of the sale of its securities, or \$210,000, may be used for purposes other than evaluating businesses or assets. These restrictions apply until completion of a QT by the Company, as defined under the policies of the Exchange. The Company is required to complete its QT on or before two years from the date the Company receives regulatory approval.

The head office and the registered head office of the Company are located at Suite 1000, 250 – 2nd Street Avenue SW, Calgary, Alberta, T2P 0C1.

On November 29, 2018, the Board of Directors approved these condensed interim financial statements.

2. Basis of presentation

Statement of Compliance

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards (“IFRS”). The condensed interim financial statements do not include all disclosures required by IFRS for annual financial statements and accordingly should be read in conjunction with the Company’s audited financial statements and notes thereto for the period from incorporation date of January 25, 2018 to February 7, 2018.

Basis of Measurement

The condensed interim financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value. The presentation and functional currency of the Company is the Canadian dollar.

In the opinion of the Company’s management, all adjustments considered necessary for a fair presentation have been included.

Predator Blockchain Capital Corp.
Notes to the Condensed Interim Financial Statements
September 30, 2018

(amounts in Canadian dollars)

(unaudited)

Use of Estimates and Judgements

The timely preparation of the condensed interim financial statements requires that management make estimates and use judgement regarding the reported amounts of the assets and liabilities and disclosures of contingent assets and liabilities as at the dated of the of the condensed interim financial statements as and the reported amounts of expenses during the period. Such estimates primarily relate to unsettled transactions and events as at the dated of the condensed interim financial statements. Accordingly, the actual results may differ from estimated amounts as future events occur.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Key Sources of Estimation Uncertainty

The following are the key estimates and related assumptions concerning the sources of estimation uncertainty that have a significant risk of causing adjustments to the carrying amount of assets and liabilities:

Stock options

In estimating the fair value of stock options using the Black-Scholes option pricing model, the Company uses assumptions related to the risk-free interest rate, expected option life, estimated forfeitures, estimated market price of the Company's shares, and estimated future volatility of the Company's share price.

3. Significant Accounting Policies

The condensed interim financial statements have been prepared using the same accounting policies of the audited financial statements for the period ended February 7, 2018 except for the item noted below.

Stock-based Compensation

The Company uses the Black-Scholes pricing model to estimate the fair value of equity-settled awards at the grant date. The expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are satisfied. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period. When recognizing the fair value of each tranche over its respective vesting period, the Company incorporates an estimate of the number of options expected to vest and revises that estimate when subsequent information indicates that the number of options expected to vest differs from previous estimates. No expense is recognized for awards that do not ultimately vest, except for equity-settled awards where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

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Notes to the Condensed Interim Financial Statements
September 30, 2018

(amounts in Canadian dollars)

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4. SHARE CAPITAL

a) Authorized
Unlimited common shares

b) Issued

	Number	Stated Value
Issuance of common shares at \$0.05 each (i)	6,000,000	\$ 300,000
Issuance of common shares at \$0.10 each (ii)	4,000,000	400,000
Share issue costs		(106,767)
Balance, September 30, 2018	10,000,000	\$ 593,233

(i) At incorporation, the Company issued 6,000,000 common shares at \$0.05 per common share, which are subject to an escrow agreement. These will be held in escrow pursuant to the requirements of the Exchange and terms of escrow agreement and will be released from escrow in stages over a period of up to three years after the date of the Company receiving the final Exchange acceptance of the QT. All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a QT must also be deposited in escrow pursuant to the terms of the escrow agreement.

(ii) Pursuant to the prospectus dated March 20, 2018, the Company offered to sell and issue 4,000,000 common shares at \$0.10 per share for total gross proceeds of \$400,000 for the initial public offering ("IPO"). The IPO closed and the symbol "PRED.P" began trading on April 6, 2018.

On January 26, 2018, the Company entered into an agreement with Haywood Securities Inc. (the "agent") to complete the IPO. As part of the agreement, the agent was granted an option to acquire 10% of the common shares issued in connection with the IPO at a price of \$0.10 per common share exercisable for a period ending twenty-four months from the date the Company's common shares were listed on the Exchange ("agent's options"). Any non-cash share issue costs to recognize for the agent's options would be nominal.

The Company also paid the agent 10% commission on the gross proceeds. In addition, the Company paid a corporate finance fee of \$10,000 and reimbursed the agent's legal fees and other reasonable expenses incurred pursuant to the IPO.

Stock options

The Company has a common share purchase option plan (the "Plan") for directors, officers, employee and consultants. The total number of options issued and outstanding at any time cannot exceed 10% of the issued and outstanding common shares of the Company unless shareholder and regulatory approvals are obtained. Under the Plan, options may have up to a ten-year term and are non-transferable, however it is anticipated that options granted will likely

Predator Blockchain Capital Corp.
Notes to the Condensed Interim Financial Statements
September 30, 2018

(amounts in Canadian dollars)

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have a five-year term. Unless otherwise determined by the Board of Directors, options vest immediately upon granting and may be exercised until the greater of twelve months after the completion of the QT and ninety days following the date of termination of employment or holding office as a director or officer of the Company and, in the case of death, expire within one year thereafter. Options are granted at a price no lower than the market price of the common shares less any discounts allowed by the Exchange at the time of the grant.

The summary for stock options is as follows:

	Number of Options	Weight Average Exercise Price	Weight Average Remaining Life
Granted	1,000,000	\$ 0.10	4.5
Balance, September 30, 2018	1,000,000	\$ 0.10	4.5

On April 6, 2018, the company granted 1,000,000 stock options to officers and directors. Each stock option, which expires five years from the date of grant, is entitled to acquire a common share of the Company at a price of \$0.10 per share. All the options are exercisable immediately and the weighted average remaining life is 4.5 years.

During the period ended September 30, 2018, the Company recorded stock-based compensation totalling \$40,000, which was based on following assumptions:

Exercise price	\$0.10
Risk-free interest rate	1.74%
Expected life of options	5 years
Expected volatility	50%
Weighted average fair value per option	\$0.04
Dividend yield	Nil
Forfeiture rate	Nil
Market price at grant	\$0.10

Agent Warrants

The summary for agent warrants is as follows:

	Number of Warrants	Weight Average Exercise Price	Weight Average Remaining Life
Granted	400,000	\$ 0.10	1.5
Balance, September 30, 2018	400,000	\$ 0.10	1.5

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On April 6, 2018, the company granted 400,000 agent warrants to the agent. Each warrant option, which expires two years from the date of grant, is entitled to acquire a common share of the Company at an exchange price of \$0.10 per share each. All the options are exercisable immediately and the weighted average remaining life is 1.5 years.

5. TAXES

The Corporation has unrecognized deferred tax assets since it cannot currently demonstrate that it is probable that this potential value will be realized.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Company's objective when managing capital is to maintain its ability to continue as a going concern, in order to provide returns for the shareholders and benefits for other stakeholders. The Company includes shareholders' equity, comprised of issued common shares, in the definition of capital.

The Company's primary objective, with respect to its capital management, is to ensure that it has sufficient cash resources to fund the identification and evaluation of a QT. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of the QT by the Company as defined under the Exchange policy 2.4.

Risk Disclosures and Fair Values

The Company's financial instruments, consisting of cash and accounts receivable, approximate fair value due to the relatively short-term maturity of these instruments.

Credit risk

The Company's financial assets are cash, and accounts receivable. The Company's maximum exposure to credit risk, as at period end, is the carrying value of its financial assets.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company conducted an IPO to raise additional funds to achieve its goal of completing a QT.

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7. RELATED PARTY TRANSACTIONS

The Company engaged a law firm, of which a director is a partner of, to provide legal and advisory services. An amount of \$17,105 related to these legal fees have been recorded for the period ended September 30, 2018, which are included in share issue costs.

There was no remuneration paid to management personnel during the period ended September 30, 2018.

8. SUBSEQUENT EVENTS

Subsequent to September 30, 2018 the Company entered into a letter of intent with a private company, whereby the Company will acquire all the issued and outstanding common shares of the private company for the purposes of completing their Qualifying Transaction. As a director of the Company is also a director of the private company the acquisition constitutes a Related Party Qualifying Transaction. The Company will receive common shares at an exchange ratio of 53:1, resulting in the Company's shareholders receiving 188,869 common shares of the 5,932,883 common shares issued by the resulting issuer.