

Quantum Blockchain Technologies Ltd.
Condensed Interim Financial Statements

For the period from February 5, 2018 (date of incorporation) to September 30, 2018

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying condensed interim financial statements of Quantum Blockchain Technologies Ltd. ("the Company") have been prepared by management in accordance with International Financial Reporting Standards. Management acknowledges responsibility for the preparation and presentation of the condensed interim financial statements, including responsibility for significant accounting estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Quantum Blockchain Technologies Ltd.
Condensed Interim Statement of Financial Position
(Unaudited - In Canadian Dollars)

As at September 30, 2018

Assets

Current

Cash (Note 5)	\$	304,940
Government taxes receivable		3,555
Prepaid expenses		1,270
Total assets	\$	309,765

Liabilities

Current

Accounts payable and accruals	\$	2,174
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Shareholders' Equity

Share capital (Note 6)	\$	425,000
Financing costs (Note 6)		(107,640)
Contributed surplus		44,130
Deficit		(53,899)
Total shareholders' equity		307,591
Total liabilities and shareholders' equity	\$	309,765

Approved on behalf of the Board

"Keith Erickson"

Director

"Roger Jewett"

Director

The accompanying notes are an integral part of these financial statements

Quantum Blockchain Technologies Ltd.
Condensed Interim Statements of Loss and Comprehensive Loss
(Unaudited - In Canadian Dollars)

For the period from February 5, 2018 (date of incorporation) to September 30, 2018

	Three Months Ended September 30, 2018 \$	Period Ended September 30, 2018 \$
Expenses:		
Filing and exchange fees	12,680	24,471
Professional fees	1,170	1,240
Share-based compensation	28,188	28,188
	42,038	28,188
Net loss and comprehensive loss	(42,038)	(53,899)
Net loss per share (basic) (Note 6)	(0.03)	(0.11)
Net loss per share (fully diluted)	(0.03)	(0.09)
Weighted average number of shares (Note 6)	1,236,414	477,941
Weighted average number of shares (fully diluted)	1,493,207	577,206

The accompanying notes are an integral part of these financial statements

Quantum Blockchain Technologies Ltd.
Condensed Interim Statement of Changes in Shareholders' Equity
(Unaudited - In Canadian Dollars)

For the period from February 5, 2018 (date of incorporation) to September 30, 2018

	Share Capital (\$)	Reserves \$	Deficit (\$)	Shareholders' Equity (\$)
At incorporation February 5, 2018	-	-	-	-
Private placement (Note 6)	125,000			125,000
Initial public offering (Note 6)	300,000			300,000
Financing costs (Note 6)	(107,640)			(107,640)
Share-based compensation (Note 6)		44,130		44,130
Net loss			(53,899)	(53,899)
As at September 30, 2018	317,360	44,130	(53,899)	307,591

The accompanying notes are an integral part of these financial statements

Quantum Blockchain Technologies Ltd.
Condensed Interim Statement of Cash Flows
(Unaudited - In Canadian Dollars)

For the period from February 5, 2018 (date of incorporation) to September 30, 2018

Cash provided by the following activities:

Operating activities

Net loss	\$ (53,899)
Change in non-cash working capital:	
Accounts Payable and accruals	2,174
Government taxes receivable	(3,555)
Prepaid expenses	(1,270)
Share-based compensation	28,188
Cash flows used in operating activities	\$ (28,362)

Financing activities

Issuance of common shares (Note 6)	\$ 425,000
Financing costs, net	(91,698)
Cash flows provided by financing activities	333,302

Increase in cash **304,940**

Cash, beginning of period **-**

Cash, end of period **\$ 304,940**

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Quantum Blockchain Technologies Ltd. Notes to the Condensed Interim Financial Statements (Unaudited - In Canadian Dollars)

For the period from February 5, 2018 (date of incorporation) to September 30, 2018

1. Incorporation and operations

Quantum Blockchain Technologies Ltd. (the "Company") was incorporated on February 5, 2018 by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (Alberta). The Company is classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Company is to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising of an option or by any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a qualifying transaction under the Exchange rules.

On August 30, 2018, the Corporation announced the completion of its initial public offering (the "IPO") of 3,000,000 common shares at a price of \$0.10 per common share and filed for listing as a Capital Pool Company on the Exchange. The common shares commenced trading on September 4, 2018 under the trading symbol QBC.P.

The head office and registered office of the Company is located at 1250,639 – 5th Avenue SW Calgary, Alberta, T2P 0M9.

Where an acquisition or participation is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Company's shares from trading.

2. Basis of preparation

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the period ended April 30, 2018, which include information necessary or useful to understanding the Company's business and financial statement presentation.

These financial statements were authorized for issue in accordance with a resolution of the directors on November 26, 2018.

Basis of measurement

These financial statements are stated in Canadian dollars which is the Company's functional currency and were prepared on a going concern basis, under the historical cost convention except for certain financial instruments that have been measured at fair value.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The accompanying notes are an integral part of these financial statements

Quantum Blockchain Technologies Ltd.
Notes to the Condensed Interim
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(Unaudited - In Canadian Dollars)

For the period from February 5, 2018 (date of incorporation) to September 30, 2018

Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to these interim condensed financial statements are disclosed in Note 4.

3. Significant accounting policies

Cash

Cash consists of the proceeds generated from share issuances, net of operating expenses.

Financing costs

Financing costs related to the Company's proposed financing are recorded as deferred financing costs. These costs will be deferred until the financing is completed, at which time the costs will be charged against the proceeds received. If the financing does not close, the costs will be charged to operations.

Accounting standards issued but not yet applied

The Company has reviewed amendments to accounting pronouncements that have been issued but are not yet effective, and determined that the following may have a future impact on the Company.

- IFRS 16 Leases issued on January 13, 2016 by the IASB replaces IAS 17 Leases. The new standard introduces a single recognition and measurement model for leases, which would require the recognition of assets and liabilities for most leases with a term of more than twelve months. The new standard is effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted for entities that apply IFRS 15 "Revenue from Contracts with Customers" at or before the initial adoption date of January 1, 2018.

The Company is currently assessing and quantifying the effect of the impact of adoption of this standard and does not believe the standard would have an impact on the Company based on current operations.

4. Significant accounting estimates and assumptions

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates.

Estimates

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Fair value of financial instruments

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

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Judgements

The key areas of judgment that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Taxes

The Company recognizes deferred tax assets to the extent that it is probable that future taxable profits will be available to utilize the Company's deductible temporary differences which are based on management's judgement on the degree of future taxable profits. To the extent that future taxable profits differ significantly from the estimates impacts the amount of the deferred tax assets management judges is probable.

Financial instruments

The Company is required to classify its various financial instruments into certain categories for the financial instruments' initial and subsequent measurement. This classification is based on management's judgement as to the purpose of the financial instrument and to which category is most applicable.

5. Cash

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 not more than the lesser of 30% of the gross proceeds and \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions may apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange.

6. Share capital

Authorized:

Unlimited number of voting Common Shares

Unlimited number of non-voting Preferred shares issuable in series

Issued: Common Shares

	Number of Shares	\$
Issued on incorporation	-	-
Issued at \$0.05 per share	2,500,000	\$125,000
Issued at \$0.10 per share (IPO)	3,000,000	300,000
As at September 30, 2018	5,500,000	425,000

All of the common shares issued at \$0.05 per share are held in escrow, with the exception that 10% of the common shares held in escrow were released on the issuance of the Final Exchange Bulletin (August 27, 2018). An additional 15% will be released from escrow on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the initial release. These common shares, which are considered contingently issuable until the Company completes a Qualifying Transaction, are not considered to be outstanding for the purpose of the loss per share calculation.

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Quantum Blockchain Technologies Ltd.
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Share issuance costs

Share issuance costs for the period from incorporation (February 5, 2018) to September 30, 2018 were \$107,640 in relation to the IPO which occurred on August 30, 2018. The total of \$107,640 includes \$15,492 in fair value of options that was recorded in relation to 300,000 non-transferrable options issued to the agent of the IPO (see below).

Stock Option Plan

The Company has adopted an incentive stock option plan in accordance with the policies of the TSX Venture Exchange (the "Stock Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding common shares. The Stock Option Plan provides that options shall be exercisable for the duration set out in the individual option agreements, which in no event shall exceed ten (10) years from the date such options are granted. In addition, the number of common shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding common shares. The Board of Directors determines the price per common share and the number of common shares which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of TSX Venture.

A summary of the stock option activity for the period from the date of incorporation (February 5, 2018) to September 30, 2018 is as follows:

	Number of options	Weighted avg. exercise price
Outstanding, beginning of period	-	-
Granted	675,000	\$0.10
Exercised	-	-
Outstanding, end of period	675,000	425,000

On August 27, 2018, pursuant to the closing of the IPO, the Company granted 300,000 non-transferrable options to the agent on the offering. The agents' options, which vested immediately, may be exercised at a price of \$0.10 per common share until August 27, 2020.

On August 27, 2018, the Company also granted 375,000 options under the Company's stock option plan to directors and officers of the Company. The options, which vested immediately, may be exercised at a price of \$0.10 per common share for a period of five years from the date of the agreement. The Company recorded \$28,188 in share-based compensation in the condensed interim statement of loss and comprehensive loss pursuant to these options.

The fair value of each stock option is estimated at the date of grant using the Black-Scholes options pricing model and the following average assumptions:

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September 30, 2018

Risk-free interest rate	2.33%
Expected life	3.67 years
Estimated stock price (1)	\$0.10
Expected volatility	100%
Dividend yield	0%

- 1) The estimated stock price was determined to be equal to the IPO price.
2) The estimated expected share price volatility of 100% is based on historical CPC entity data.

At September 30, 2018, the weighted average remaining contractual life of the outstanding options is 3.56 years.

At September 30, 2018, there were 675,000 stock options outstanding, 375,000 of which were issued pursuant to the Company stock option plan, entitling the holders thereof the right to purchase one common share for each option held as follows:

Number of options outstanding	Exercise price	Expiry Date
300,000	\$0.10	Aug 27, 2020
375,000	\$0.10	Aug 27, 2023
675,000		

7. Capital disclosures

The Company's capital consists of share capital. The Company's objective for managing capital is to maintain sufficient capital to identify, evaluate and complete an acquisition or other transaction as disclosed in Note 1 to these financial statements.

The Company sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

The Company's objectives when managing capital are:

- i. to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and,
- ii. to maintain investor, creditor and market confidence in order to sustain the future development of the business.

The Company is not subject to any externally or internally imposed capital requirements at period-end.

8. Financial instruments

The Company, as part of its operations, carries financial instruments consisting of cash and accounts payable and accruals. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

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Fair value

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The fair value of cash is determined on level 1 inputs. The carrying amount of cash and account payable and accruals approximates its fair value due to the short-term maturities of these items.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2018, the Company had a cash balance of \$304,940 to pay liabilities of \$2,174.

9. Financial instruments (continued)

Market Risk

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

i. Interest rate risk

The Company has cash balances and no interest-bearing debt.

ii. Foreign currency risk

The Company does not have assets or liabilities in foreign currency.

iii. Commodity risk

The Company is not exposed to commodity price risk.

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10. Related party disclosures

All related party transactions are carried out in the normal course of operation and are recorded at fair value.

The company has identified its directors and officers as its key management personnel.

The Company incurred the following related party transactions with officers and directors during the period ended September 30, 2018:

Transaction	Amount
Issuance of stock options	\$28,188
Professional services	\$1,000
Total	\$29,188

As at September 30, 2018, there was \$nil due and outstanding to related parties.