

MANAGEMENT'S DISCUSSION & ANALYSIS

This Management's Discussion & Analysis ("MD&A") is intended to provide readers with the information that management ("Management") of Quantum Blockchain Technologies Ltd. ("Quantum" or the "Corporation") believes is required to gain an understanding of the financial results of the Corporation for the period from February 5, 2018 to December 31, 2018, and to assess the Corporation's future prospects. Accordingly, certain sections of this report contain forward-looking statements and forward-looking information (collectively, "Forward-Looking Information" as defined under applicable Canadian securities laws), which are based on current plans and expectations. See under the heading "Special Note Regarding Forward-Looking Information".

This MD&A, presented and dated as of April 15, 2019, should be read in conjunction with the Corporation's audited financial statements and related notes of the Corporation for the period ended December 31, 2018. All currency amounts in the accompanying financial statements and this MD&A are in Canadian dollars unless otherwise noted.

Special Note Regarding Forward Looking Information

Certain statements in this MD&A, other than statements of historical fact, may include Forward-Looking Information that involves various risks and uncertainties. These can include, without limitation, statements based on current expectations involving a number of risks and uncertainties. These risks and uncertainties may have a material impact on future prospects and may cause actual results to differ from information contained herein. There can be 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. These forward-looking statements are based on the estimates and opinions of Management on the dates they are made and are expressly qualified in their entirety by this notice. Since actual events and results could differ materially, the reader is cautioned not to place undue reliance on any Forward-Looking Information. The Corporation assumes no obligation to update Forward-Looking Information should circumstances or Management's estimates or opinions change, except as required by law. See "Caution Regarding Forward-Looking Information" and "Risk Factors".

DESCRIPTION OF THE BUSINESS

Quantum 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 29, 2018, the Corporation completed 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 TSX Venture Exchange. The common shares commenced trading on September 4, 2018 under the trading symbol QBC.P.

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Prior to the IPO, the Corporation issued seed stock of 2,500,000 common shares at a price of \$0.05 per share to the founders of the Corporation. These shares are held in escrow until completion of a Qualifying Transaction. 10% of the common shares held in escrow will be released on the issuance of the Final Exchange Bulletin and an additional 15% will be released on the dates 6 months, 12 months, 24 months, 30 months and 36 months following the initial release.

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

RISKS AND UNCERTAINTIES

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.

SELECTED FINANCIAL INFORMATION

The Corporation was incorporated on February 5, 2018 and was not yet a “Reporting Issuer” pursuant to applicable securities legislation. On June 15, 2018, the date of the final receipt for the Prospectus was issued by the Alberta and British Columbia Securities Commissions, the Corporation become a “Reporting Issuer” in each of the provinces of Alberta and British Columbia.

For the period ended December 31, 2018, the Corporation reported no discontinued operations and declared no cash dividends.

SUMMARY OF QUARTERLY RESULTS

The following table presents selected audited financial data for the last three quarters up to December 31, 2018.

CAD (\$)	Three Months Ended December 31, 2018 (\$)	Three Months Ended September 30, 2018 (\$)	Three Months Ended June 30, 2018 (\$)	Period from February 5, 2018 to March 31, 2018 (\$)
Total assets	301,376	309,765	116,699	90,041
Total liabilities	13,427	2,174	3,560	-
Net working capital	287,949	307,591	113,139	90.041
Revenue	-	-	-	-
Net Loss	(22,059)	(42,038)	(1,902)	(9,959)
Basic loss per share	(0.02)	(0.03)	-	-
Fully diluted loss per share	(0.02)	(0.03)	-	-
Weighted average shares outstanding (basic and fully diluted)	3,000,000	3,000,000	-	-

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RESULTS OF OPERATIONS

During the period ended December 31, 2018 the Corporation incurred a loss of \$75,958 which relates primarily to share-based compensation as well as regulatory, filing and transfer agent fees and professional fees associated with the IPO.

OUTSTANDING SHARE DATA

Common shares

As at December 31, 2018, the Corporation had 2,500,000 common shares outstanding that were issued to the founders of the Corporation at a price of \$0.05 per share.

On August 29, 2018, the Corporation issued 3,000,000 common shares at the price of \$0.10 per common share pursuant to the IPO for gross proceeds of \$300,000.

As a result of the closing of the IPO, the Corporation now has 5,500,000 common shares issued and outstanding (2,500,000 of which are subject to escrow restrictions), 300,000 common shares reserved for issuance upon the exercise of agent's options granted upon completion of the IPO (the "**Agent's Options**") and 375,000 common shares reserved for issuance upon the exercise of stock options.

Stock options

The Corporation's stock options are summarized as follows:

Description	Number outstanding	Exercise Price	Expiry Date
Broker options	300,000	\$0.10	August 29, 2020
Officer and Director options	375,000	\$0.10	August 29, 2023
Total	675,000		

LIQUIDITY AND CAPITAL RESOURCES

On August 29, 2018, the Corporation completed an initial public offering ("IPO") as a Capital Pool Company pursuant to Policy 2.4 of the TSX Venture Exchange. At closing, the Corporation received gross proceeds of \$300,000, representing the issuance of 3,000,000 common shares of the Corporation at an issuance price of \$0.10, less expenses retained by the agent of \$44,005, for net proceeds of \$255,995.

After considering seed share investment of \$125,000 (2.5 million shares at \$0.05), cash IPO related expenses of approximately \$76,000, monthly operating costs since the IPO and accounts payable of \$13,427, the Corporation has net working capital of \$288,000 at December 31, 2018. Management considers this to be sufficient for the Corporation to meet its ongoing obligations.

OFF-BALANCE SHEET ARRANGEMENTS

As at the date of this report, the Corporation had no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

On August 29, 2018, the Corporation issued 375,000 stock options to directors and officers of the Corporation. In addition, during the period ended December 31, 2018, the Corporation received professional services from a director in the amount of \$1,750. There was a \$nil balance due to/from directors or officers at December 31, 2018.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Corporation is exposed to various risks in relation to financial instruments. These risks can include credit risk, interest rate risk, custody risk, currency risk, and liquidity risk. The Corporation's risk management function is performed by Management, with input from the Board of Directors. The Corporation seeks to minimize the effects of the identified risks by focusing on actively securing short to medium-term cash flows and minimizing exposures to capital markets. The Corporation does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Fair value of financial instruments.

The estimated fair value of the Corporation's financial instruments approximates the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of accounts receivable and accounts payable and accrued liabilities approximate their fair value because of the near term to maturity of these instruments.

Credit risk

Credit risk arises from the possibility that the entities to which the Corporation provides services may experience financial difficulty and be unable to fulfill their obligations. The Corporation is currently in a pre-production phase and has no active accounts receivable or revenue from sales of product. The Corporation intends to manage its credit risk through a credit assessment process and through extensive credit monitoring and collections processes.

The Corporation's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at the reporting date and presented in the statement of financial position.

Interest rate risk

The Corporation does not have any bank indebtedness or long-term debt financing available to it as at December 31, 2018. As such, the Corporation does not have significant exposure to interest rate risk from variable interest rates.

Custody risk

Custody risk is the risk of loss of cash and cash equivalents held in custody caused by the insolvency or negligence of the custodian. To mitigate this risk, the Company uses a Tier 1 Canadian Chartered Bank as its custodian.

Currency risk

The Corporation may be subject to foreign currency risk due to some of its cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities potentially being denominated in foreign currencies. Therefore, there is a small risk of earnings fluctuations arising from changes in and the degree of volatility of foreign exchange rates arising on foreign monetary assets and liabilities.

As at December 31, 2018, the Corporation's cash and cash equivalents were all denominated in Canadian currency, and virtually all of the accounts payable and accrued liabilities were denominated in Canadian currency.

Commodity risk

The Corporation is not exposed to commodity price risk.

Liquidity risk

Liquidity risk is the risk that the Corporation may not have cash available to satisfy financial liabilities as they become due. The Corporation actively monitors its financing obligations, as well as its cash and cash equivalents, to ensure that it has sufficient available funds to meet current and foreseeable future financial requirements at a reasonable cost. As at December 31, 2018, the Corporation had a cash balance of \$300,426 to pay liabilities of \$13,427.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

There were no new accounting standards or amendments adopted during the period ended December 31, 2018.

Accounting standards issued but not yet applied are disclosed in Note 3 to the Corporation's audited financial statements for the period ended December 31, 2018. The Corporation is currently assessing and quantifying the effect the impact of adoption of new accounting standards and does not believe the standards would have an impact on the Corporation based on current operations.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the accompanying financial statements requires Management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The accompanying financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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Critical Judgements

Critical accounting judgements are accounting policies that have been identified as being complex or involving subjective judgements or assessments.

Key Sources of Estimation Uncertainty

Due to the limited nature of the Corporation's operations since incorporation on February 5, 2018, Management has not yet been required to make significant assumptions about the future that could result in a material adjustment to the carrying amounts of assets and liabilities of the Corporation in the event that actual results differ from assumptions made.

CAPITAL RISK MANAGEMENT

The Corporation's capital currently consists of common shares. The Corporation defines capital as total equity which was \$287,949 at December 31, 2018. Its principal source of cash is from the issuance of common shares. The Corporation's capital management objectives are to safeguard its ability to continue as a going-concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets.

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares.

Subsequent to the IPO, proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or business for future investment, with the exception that not more than 30% of the gross proceeds from the issuance of shares issued in the IPO may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Corporation. These restrictions apply until the completion of a Qualifying Transaction.