

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 "Company") believes is required to gain an understanding of the financial results of the Company for the period ended June 30, 2020, and to assess the Company'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 August 27, 2020, should be read in conjunction with the Company's unaudited interim financial statements as at and for the period ended June 30, 2020 and the audited financial statements and related notes of the Company for the period ended December 31, 2019. 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 Company 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 Company 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 TSX Venture Exchange. The common shares commenced trading on September 4, 2018 under the trading symbol QBC.P.

Quantum Blockchain Technologies Ltd.
Management’s Discussion and Analysis
For the Six Months to June 30, 2020

Prior to the IPO, the Company issued seed stock of 2,500,000 common shares at a price of \$0.05 per share to the founders of the Company.

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

For the interim period ended June 30, 2020, the Company reported no discontinued operations and declared no cash dividends.

SUMMARY OF QUARTERLY RESULTS

The following table presents selected audited financial data for the three-month periods indicated up to June 30, 2020

	June 30 2020	March 31 2020	Dec. 31 2019	Sept. 30 2019	June 30 2019	March 31 2019	Dec. 31 2018	Sept. 30 2018
CAD (\$)								
Total assets	\$243,175	\$260,195	\$261,846	\$271,834	\$278,753	\$296,160	\$301,376	\$309,765
Total liabilities	6,814	14,532	9,629	7,589	4,121	15,165	13,427	2,174
Net working capital	236,631	245,663	252,217	264,245	274,632	280,995	287,949	307,591
Revenue	-	-	-	-	-	-	-	-
Net Loss	(9,252)	(6,554)	(12,033)	(10,382)	(6,363)	(6,954)	(31,618)	(42,038)
Basic loss per share	-	-	-	-	-	-	-	(.17)
Fully diluted loss per share	-	-	-	-	-	-	-	(.17)
Weighted average shares outstanding (basic and fully diluted)	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	250,000

RESULTS OF OPERATIONS

During the three-month period ended June 30, 2020 the Company incurred a loss of \$9,252 (2019 - \$6,363) which relates primarily to professional fees, transfer agent fees and filing and exchange fees. During the six-month period ended June 30, 2020 the Company incurred a loss of \$15,856 (2019 - \$13,317) which relates primarily to professional fees, transfer agent fees and filing and exchange fees.

OUTSTANDING SHARE DATA

Common shares

As at June 30, 2020, the Company had 2,500,000 common shares outstanding that were issued to the founders of the Company at a price of \$0.05 per share.

On August 29, 2018, the Company issued 3 million 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 Company 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 Company's stock options are summarized as follows:

Description	Number outstanding	Exercise Price	Expiry Date
Agent 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 Company completed an initial public offering ("IPO") as a Capital Pool Company pursuant to Policy 2.4 of the TSX Venture Exchange. At closing, the Company received gross proceeds of \$300,000, representing the issuance of 3,000,000 common shares of the Company 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, cumulative cash operating costs of approximately \$69,000, and working capital items, the Company has net working capital of \$236,000 at June 30, 2020. Management considers this to be sufficient for the Company to meet its ongoing obligations.

OFF-BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

During the three-months ended June 30, 2020, the Company received consulting services from a director in the amount of \$2,250 (2019 - \$3,037). There was a \$900 balance due to directors or officers at June 30, 2020 (2019 - \$750).

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company 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 Company's risk management function is performed by Management, with input from the Board of Directors. The Company 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 Company 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 Company'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 Company provides services may experience financial difficulty and be unable to fulfill their obligations. The Company is currently in a pre-production phase and has no active accounts receivable or revenue from sales of product. The Company intends to manage its credit risk through a credit assessment process and through extensive credit monitoring and collections processes.

The Company'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 Company does not have any bank indebtedness or long-term debt financing available to it as at June 30, 2020. As such, the Company 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 Company 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 June 30, 2020, the Company'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.

Liquidity risk

Liquidity risk is the risk that the Company may not have cash available to satisfy financial liabilities as they become due. The Company 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.

ACCOUNTING ESTIMATES

The preparation of the accompanying 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. 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.

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.

Stock options

The Company records stock-based payments based on management's judgement of the expected exercise date of options which is impacted by the timing of completion of the qualifying transaction.

CAPITAL RISK MANAGEMENT

The Company's capital currently consists of common shares. The Company defines capital as total equity which was \$236,361 as at June 30, 2020. Its principal source of cash is from the issuance of common shares. The Company'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 Company 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 Company 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 Company. These restrictions apply until the completion of a Qualifying Transaction.

SUBSEQUESNT EVENTS

On July 25, 2020, Quantum signed a non-binding letter of intent (the "LOI") with Ocumetics Technology Corp. ("Ocumetics"), a corporation incorporated under the Business Corporations Act (British Columbia). The LOI outlines the general terms and conditions pursuant to which Quantum and Ocumetics propose to combine their respective businesses (the "Transaction"). If approved, the Transaction will constitute Quantum's Qualifying Transaction and a Reverse Takeover under the policies of the TSX Venture Exchange (the "Exchange"). Upon closing of the transaction, the resulting issuer expects to list as a Tier 2 Life Sciences Issuer. The Transaction is an arm's length transaction.

The transaction will be structured as determined following a review of all relevant legal, regulatory and tax matters. The LOI contemplates Quantum and Ocumetics entering into a definitive agreement with respect to the Transaction on terms customary for transactions of this nature.

Quantum Blockchain Technologies Ltd.
Management's Discussion and Analysis
For the Six Months to June 30, 2020

The Transaction is expected to require the security holders of Ocumetics to exchange all securities of Ocumetics for common shares of Quantum on the basis of three common shares in the share capital of Quantum for each share of Ocumetics (regardless of class) issued and outstanding at the time of the completion of the Proposed Transaction, or 78,150,000 common shares, based upon the capital of Ocumetics expected to be issued and outstanding at the time of closing. Each warrant that is issued and outstanding in the capital of Ocumetics will be exchanged for three warrants of Quantum having the same or similar terms.

The LOI provides that, concurrent with the completion of the Transaction, Quantum will complete a private placement of securities at a price per security to be determined in the context of the market and for gross proceeds of approximately \$2,000,000 (the "Private Placement"). Warrants may be issued under the Private Placement.

Upon closing of the Transaction, it is estimated that the current common shareholders of Quantum will own approximately 6% of the shares of Quantum, that the former shareholders of Ocumetics will own approximately 80% and that the subscribers under the Private Placement will own 14%. These percentages will change if warrants are issued under the Private Placement.

In connection with the Transaction, it is contemplated that Quantum will change its name to a name chosen by Ocumetics and accepted by Alberta Registries and the Exchange. It is also contemplated that the board of directors of Quantum post-Transaction will consist of four directors, one of whom is to be a nominee of Quantum and three of whom shall be nominees of Ocumetics.

The LOI provides that completion of the Transaction will be subject to a number of conditions, including: the completion of the Private Placement, approval by the Quantum shareholders of the proposed name change, approval by the Ocumetics shareholders of the Transaction and approvals from the Exchange, securities regulators and third parties as may be required. The LOI may be terminated if Quantum is not satisfied with the results of its due diligence, upon a breach of any binding provisions of the LOI, if one party can demonstrate that there exists either a circumstance or set of circumstances beyond the control of both parties that would make completion of the Transaction impossible or commercially unreasonable, or if the Transaction is not completed by December 15, 2020, unless such date is extended by the parties. Finders' fees may be paid in connection with the Transaction.