

Quantum Blockchain Technologies Ltd.
Interim Financial Statements
As at and for the nine months ended September 30, 2020

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING INTERIM FINANCIAL STATEMENTS

The accompanying 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 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 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.
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT
(Unaudited - In Canadian Dollars)

| | Notes | September 30 2020 \$ | December 31 2019 \$ |
|---|-------|----------------------------|---------------------------|
| Assets | | | |
| Current assets | | | |
| Cash | 5 | 222,361 | 260,896 |
| Accounts receivable | | 662 | - |
| Prepaid expenses | | 2,575 | 950 |
| Total assets | | 225,598 | 261,846 |
| Liabilities | | | |
| Current liabilities | | | |
| Accounts payable and accruals | | 5,700 | 9,629 |
| Shareholders' Equity | | | |
| Share capital | 6 | 318,557 | 318,557 |
| Contributed surplus | | 45,350 | 45,350 |
| Deficit | | (144,009) | (111,690) |
| Total shareholders' equity | | 219,898 | 252,217 |
| Total liabilities and shareholders' equity | | 225,598 | 261,846 |

See accompanying notes to the financial statements.

Approved on behalf of the Board of Directors

"Keith Erickson"

Keith Erickson
Director

"Roger Jewett"

Roger Jewett
Director

QUANTUM BLOCKCHAIN TECHNOLOGIES LTD.
INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED
(Unaudited - In Canadian Dollars)

| | Notes | Three Months Ended | | Nine Months Ended | |
|--|-------|--------------------|-----------------|-------------------|-----------------|
| | | September 30 | | September 30 | |
| | | 2020 | 2019 | 2020 | 2019 |
| | | \$ | \$ | \$ | \$ |
| Expenses: | | | | | |
| Professional fees | | 11,905 | 6,317 | 17,124 | 11,614 |
| Transfer agent fees | | 1,575 | 1,550 | 5,100 | 4,772 |
| Filing and exchange fees | | 1,300 | 1,300 | 4,952 | 1,819 |
| Consulting fees | | 917 | 900 | 3,917 | 4,687 |
| General and administrative | | 766 | 320 | 1,226 | 812 |
| | | 16,463 | 10,387 | 32,319 | 23,704 |
| Net loss and comprehensive loss | | (16,463) | (10,387) | (32,319) | (23,704) |
| Net loss per share | | | | | |
| Basic and diluted | | - | - | - | - |
| Weighted average number of shares | | | | | |
| Basic and diluted | 6 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |

See accompanying notes to the financial statements.

QUANTUM BLOCKCHAIN TECHNOLOGIES LTD.
INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020
(Unaudited - In Canadian Dollars)

| | Note | Share Capital \$ | Contributed Surplus \$ | Deficit \$ | Shareholders' Equity \$ |
|-----------------------------------|------|------------------------|------------------------------|------------------|-------------------------------|
| At incorporation February 5, 2018 | | - | - | - | - |
| Net loss | | | | (75,958) | (75,958) |
| Share issuance | 6 | 318,557 | | | 318,557 |
| Share-based payments | | | 45,350 | | 45,350 |
| As at December 31, 2018 | | 318,557 | 45,350 | (75,958) | 287,949 |
| Net loss | | | | (35,732) | (35,732) |
| As at December 31, 2019 | | 318,557 | 45,350 | (111,690) | 252,217 |
| Net loss | | | | (32,319) | (32,319) |
| As at September 30, 2020 | | 318,557 | 45,350 | (144,009) | 219,898 |

See accompanying notes to the financial statements.

QUANTUM BLOCKCHAIN TECHNOLOGIES LTD.
INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE AND NINE MONTHS ENDED
(Unaudited - In Canadian Dollars)

| | Notes | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---|-------|------------------------------------|----------------|-----------------------------------|-----------------|
| | | 2020 | 2019 | 2020 | 2019 |
| | | \$ | \$ | \$ | \$ |
| Cash flows from (used in): | | | | | |
| Operating activities | | | | | |
| Net loss | | (16,463) | (10,387) | (32,319) | (23,704) |
| Change in non-cash working capital: | | | | | |
| Prepaid expenses | | 1,600 | 450 | (1,625) | (1,600) |
| Accounts receivable | | 450 | 704 | (662) | (386) |
| Accounts payable and accruals | | (1,114) | 3,468 | (3,929) | (5,838) |
| Cash flows used in operating activities | | (15,527) | (5,765) | (38,535) | (31,528) |
| Decrease in cash | | (15,527) | (5,765) | (38,535) | (31,528) |
| Cash, beginning of period | | 237,888 | 274,663 | 260,896 | 300,426 |
| Cash, end of period | | 222,361 | 268,898 | 222,361 | 268,898 |

See accompanying notes to the financial statements.

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

As at and for the nine months ended September 30, 2020

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 29, 2018, the Company 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 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 interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") in effect for the fiscal period beginning January 1, 2019.

These interim financial statements should be read in conjunction with the Company's audited financial statements for the period ended December 31, 2019, 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 3, 2020.

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.

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

As at and for the nine months ended September 30, 2020

2. Basis of preparation (continued)

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 which is included in bank balances that are readily convertible into cash.

Deferred financing costs

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

Share-based payments

The Company applies a fair value based method of accounting to all share-based payments. Employee and director stock options are measured at the fair value of each tranche on the grant date and recognized over its respective vesting period. Non-employee stock options are measured based on the service provided to the reporting date and at their then-current fair values. The cost of stock options is presented as share-based compensation expense when applicable with a corresponding credit to contributed surplus. On the exercise of stock options share capital is credited for consideration received and for fair value amounts previously credited to contributed surplus. The Company uses the Black-Scholes option pricing model to estimate the fair value of share-based payments.

Taxes

Tax expense comprises current and deferred tax. Tax is recognized in the statement of net loss and comprehensive loss except to the extent it relates to items recognized in other comprehensive income or directly in equity.

Current tax

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the statement of financial position and their corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial

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

As at and for the nine months ended September 30, 2020

3. Significant accounting policies (continued)

recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Financial Instruments

Classification and measurement of financial instruments

The Company measures its financial assets and financial liabilities at fair value on initial recognition, which is typically the transaction price unless a financial instrument contains a significant financing component. Subsequent measurement is dependent on the financial instrument's classification which in the case of financial assets, is determined by the context of the Corporation's business model and the contractual cash flow characteristics of the financial asset. Financial assets are classified into two categories: (1) measured at amortized cost and (2) fair value through profit and loss ("FVTPL"). Financial liabilities are subsequently measured at amortized cost, other than financial liabilities that are measured at FVTPL or designated as FVTPL where any change in fair value resulting from an entity's own credit risk is recorded as other comprehensive income ("OCI"). The Corporation does not employ hedge accounting for its risk management contracts currently in place.

Amortized cost

The Company classifies its cash and accounts payable and accrued liabilities measured at amortized cost. The contractual cash flows received from the financial assets are solely payments of principal and interest and are held within a business model whose objective is to collect the contractual cash flows. These financial assets and financial liabilities are subsequently measured at amortized cost using the effective interest method.

Impairment of financial assets

The measurement of impairment of financial assets is based on expected credit losses. Accounts receivable that are considered collectible within one year or less are not considered to have a significant financing component and a lifetime expected credit loss ("ECL") is measured at the date of initial recognition of the receivable.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables. In estimating the lifetime expected loss provision, the Company will consider historical industry default rates as well as credit ratings of major customers. The Company does not currently have any financial assets subject to this approach.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Accounting standards adopted

The Company has adopted IFRS 16 effective January 1, 2019. IFRS 16 Leases 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 adoption of this standard did not have an impact on the Company's December 31, 2019 financial statements.

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

As at and for the nine months ended September 30, 2020

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.

Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Stock-based compensation

Stock-based compensation is subject to the estimation of the fair value of the award at the date of grant using the Black-Scholes pricing model which is based on significant assumptions such as volatility, dividend yield, expected term and forfeitures.

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.

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

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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 | 3,000,000 | 300,000 |
| Share issuance costs | | (106,443) |
| As at June 30, 2020 | 5,500,000 | 318,557 |

All of the common shares issued at \$0.05 per share are held in escrow until the 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, 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.

Share issuance costs for the period from February 5, 2018 (date of incorporation) to December 31, 2018 were \$106,443 in relation to the IPO which occurred on August 29, 2018. Of the \$106,443 in share issuance costs, \$14,745 in fair value 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.

Quantum Blockchain Technologies Ltd.
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6. Share capital (continued)

A summary of the stock option activity follows:

| | Number of options | Weighted avg. exercise price |
|---------------------------------|----------------------|---------------------------------|
| Outstanding, February 5, 2018 | - | - |
| Granted | 675,000 | \$0.10 |
| Exercised | - | - |
| Outstanding, December 31, 2019 | 675,000 | \$0.10 |
| Granted | - | - |
| Exercised | - | - |
| Expired | (300,000) | \$0.10 |
| Outstanding, September 30, 2020 | 375,000 | \$0.10 |

Agent Options

On August 29, 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 29, 2020. The Company recorded the fair value of \$14,745 in share issuance costs pursuant to these options. The fair value was estimated at the issuance date based on the Black-Scholes option pricing model, using the following weighted average assumptions:

| | |
|---------------------------|------------------|
| Risk-free interest rate | 2.21% |
| Expected life | 2.0 years |
| Estimated stock price (1) | \$0.10 |
| Expected volatility (2) | 91% |
| Dividend yield | 0% |

1) The estimated stock price was determined to be equal to the IPO price.

2) The estimated expected share price volatility is based on historical CPC peer group data.

The agent options expired on August 29, 2020.

On August 29, 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 \$30,605 in share-based compensation pursuant to these options.

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

As at and for the nine months ended September 30, 2020

6. Share capital (continued)

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:

| | |
|---------------------------|------------------|
| Risk-free interest rate | 2.33% |
| Expected life | 5.0 years |
| Estimated stock price (1) | \$0.10 |
| Expected volatility (2) | 116% |
| Dividend yield | 0% |

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

As at September 30, 2020, there were 375,000 stock options outstanding and exercisable as follows:

| Number of options outstanding | Exercise price | Expiry Date |
|----------------------------------|-------------------|----------------|
| 375,000 | \$0.10 | Aug 29, 2023 |
| 375,000 | | |

At September 30, 2020, the weighted average remaining contractual life of the outstanding options is 2.92 years.

7. Income taxes

The tax recovery differs from the amount that would be computed by applying the expected tax rates to the loss before taxes. The reasons for the difference are as follows:

| | 2019 | 2018 |
|--------------------------|-------------------|------------|
| Loss before taxes | \$(35,732) | \$(75,958) |
| Statutory tax rate | 26.5% | 27% |
| Expected tax recovery | (9,470) | (20,509) |
| Stock-based compensation | - | 8,263 |
| Tax asset not recognized | 9,470 | 12,246 |
| Tax recovery | - | - |

The Company has gross timing differences related to the following:

| | | |
|--------------------------|------------------|-----------|
| Share issue costs | \$63,400 | \$85,000 |
| Loss carry-forwards | 124,000 | 67,000 |
| Total timing differences | \$187,400 | \$152,000 |

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

As at and for the nine months ended September 30, 2020

7. Income taxes (continued)

As at December 31, 2019, the Company's loss carry-forward balance is available to reduce future years' income for tax purposes. These losses, if not fully utilized, will expire in 2038.

8. 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.

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 future development of the business.

The Company is not subject to any externally or internally imposed capital requirements at period-end other than the requirements of the Exchange.

9. 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.

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 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 as its' cash is held with a major Canadian financial institution.

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, 2020, the Company had a cash balance of \$222,361 to pay liabilities of \$5,700.

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

As at and for the nine months ended September 30, 2020

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.

10. Related party transactions

Transactions with related parties are incurred in the normal course of business.

During the three months ended September 30, 2020 the Company incurred \$917 (2019 - \$3,917) in consulting fees for services provided by a company controlled by a director of the company. As at September 30, 2020 \$900 (2019 - \$750) is included in accounts payable and accruals.

11. Non-binding Letter of Intent

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.

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

Quantum Blockchain Technologies Ltd.
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(Unaudited - In Canadian Dollars)

As at and for the nine months ended September 30, 2020

11. Non-binding Letter of Intent (continued)

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.
