

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 year ended December 31, 2019 and for the period from February 5, 2018 to December 31, 2018, 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 March 23, 2020, should be read in conjunction with the Company's audited financial statements and related notes of the Company for the year 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 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.

**Quantum Blockchain Technologies Ltd.
Management’s Discussion and Analysis
For the Year Ended December 31, 2019**

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 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, 18 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 Company 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 Company become a “Reporting Issuer” in each of the provinces of Alberta and British Columbia.

For the year ended December 31, 2019, 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 December 31, 2019.

	Dec. 31 2019	Sept. 30 2019	June 30 2019	March 31 2019	Dec. 31 2018	Sept. 30 2018	June 30 2018	March 31 2018
CAD (\$)								
Total assets	\$261,846	\$271,834	\$278,753	\$296,160	\$301,376	\$309,765	\$116,699	\$90,041
Total liabilities	9,629	7,589	4,121	15,165	13,427	2,174	3,560	-
Net working capital	252,217	264,245	274,632	280,995	287,949	307,591	113,139	90,041
Revenue	-	-	-	-	-	-	-	-
Net Loss	(12,033)	(10,382)	(6,363)	(6,954)	(31,618)	(42,038)	(1,902)	(400)
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	250,000	-	-

**Quantum Blockchain Technologies Ltd.
Management's Discussion and Analysis
For the Year Ended December 31, 2019**

There are no significant variances in the quarterly periods shown above, with the exception of Q3 2018 which included a one-time share based compensation costs and Q4 2018 which included year end audit and legal fees.

RESULTS OF OPERATIONS

During the period ended December 31, 2019 the Company incurred a loss of \$35,732 (2018 - \$75,958) which relates entirely to the costs of operating a public company including filing and exchange fees, professional fees, consulting fees and transfer agent fees.

The loss in 2019 is lower than in 2018 due to additional listing fees and share-based compensation costs in 2018.

Although the Company had had many discussions with prospective acquisition targets, including signing a letter of intent with one party that was later terminated, a definitive agreement has not yet been completed. Management will continue to seek an acquisition target in 2020.

OUTSTANDING SHARE DATA

Common shares

As at December 31, 2019, 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 3,000,000 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 Company 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
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 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

**Quantum Blockchain Technologies Ltd.
Management's Discussion and Analysis
For the Year Ended December 31, 2019**

\$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) and cash IPO related expenses of approximately \$76,000, the Company raised total net proceeds of \$304,995.

As at December 31, 2019 the Company had cash of \$260,896, accounts payable of \$9,629 and net working capital of \$252,217. 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

On August 29, 2018, the Company issued 375,000 stock options to directors and officers of the Corporation. In addition, during the year ended December 31, 2019 the Company incurred approximately \$8,055 (2018 - \$nil) in consulting fees for services provided by a company controlled by a director of the Company. As at December 31, 2019 \$2,000 (2018 - \$nil) is included in accounts payable and accruals.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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 December 31, 2019, the Company had a cash balance of \$260,896 to pay liabilities of \$9,629.

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.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

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 December 31, 2019 financial statements.

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.

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 Company'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 Company in the event that actual results differ from assumptions made.

CAPITAL RISK MANAGEMENT

The Company's capital currently consists of common shares. The Company defines capital as total shareholders' equity which was \$252,217 at December 31, 2019. The Company's 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.