

FIRST COIN CAPITAL CORP.

Condensed Interim Financial Statements

For the three months ended March 31, 2018

(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

First Coin Capital Corp.
Interim Condensed Statements of Financial Position
(Unaudited - Prepared by Management)
(Expressed in Canadian dollars)

	Notes	March 31, 2018	December 31, 2017
ASSETS			
Current assets			
Cash and cash equivalents		\$ 427,072	\$ 980,389
Accounts receivable	4	122,096	32,439
Security deposits		2,640	19,497
Prepaid expenses		2,782	9,924
		554,590	1,042,249
Loan to First Block Capital Inc.	5, 14	166,709	248,966
Security deposits	15(d)	142,286	-
Capital assets	6	26,294	18,010
Intellectual property	7	1	1
Investment	8	710	-
		\$ 890,590	\$ 1,309,226
LIABILITIES			
Accounts payable and accrued liabilities	14(c)	225,372	122,855
Total liabilities		225,372	122,855
SHAREHOLDERS' EQUITY			
Share capital	9	2,125,100	2,125,100
Contributed surplus	9	240,848	100,618
Deficit		(1,700,730)	(1,039,347)
Total shareholders' equity		665,218	1,186,371
		\$ 890,590	\$ 1,309,226

Approved and authorized for issue by the Company's director on August 10, 2018.

"signed"

Frans Tjallingii

First Coin Capital Corp.
Interim Condensed Statements of Comprehensive Loss
(Unaudited - Prepared by Management)
(Expressed in Canadian dollars)

		For the three months ended March 31, 2018
	Notes	
Revenue	\$	84,503
Expenses		
Accounting and audit		25,475
Depreciation		1,623
Legal fees		173,130
Marketing		24,761
Office and administration		14,964
Rent		27,469
Salaries and benefits	11	310,931
Stock based compensation		140,230
Technology services		3,000
Travel		42,046
Operating expenses		(763,629)
Loss from operations		(679,126)
Interest income		4,375
Loss at inception of loan to First Block Capital Inc.	5	-
Accretion of loan to First Block Capital Inc.	5	13,368
Loss on acquisition of intellectual property	7	-
Net loss and comprehensive loss	\$	(661,383)
Net loss per share (Basic and Diluted)	\$	(0.05)
Weighted average number of shares outstanding (Basic and Diluted)		12,175,000

The accompanying notes are an integral part of these condensed interim financial statements.

First Coin Capital Corp.**Interim Condensed Statement of Changes in Shareholders' Equity**

(Unaudited - Prepared by Management)

(Expressed in Canadian dollars)

	Notes	Common Shares Issued		Contributed Surplus	Deficit	Shareholders' Equity
		Number	Amount			
At incorporation, September 14, 2017	9(b)(i)	10,000,000	\$ 100	\$ -	\$ -	\$ 100
Issued in exchange for intellectual property	7	253,750	253,750	-	-	253,750
Private placement shares subscribed	9(b)(ii)	1,896,250	1,921,250	-	-	1,921,250
Share issue costs	9(b)(ii)	25,000	(50,000)	-	-	(50,000)
Stock based compensation	9(c)	-	-	100,618	-	100,618
Net loss for the period		-	-	-	(1,039,347)	(1,039,347)
Balance at December 31, 2017		12,175,000	\$ 2,125,100	\$ 100,618	\$ (1,039,347)	\$ 1,186,371
Stock based compensation		-	-	140,230	-	140,230
Net loss for the period		-	-	-	(661,383)	(661,383)
Balance at March 31, 2018		12,175,000	\$ 2,125,100	\$ 240,848	\$ (1,700,730)	\$ 665,218

The accompanying notes are an integral part of these condensed interim financial statements.

First Coin Capital Corp.
Interim Condensed Statements of Cash Flows
(Unaudited - Prepared by Management)
(Expressed in Canadian dollars)

Three months ended
March 31, 2018

Cash provided by (used in):	
Operating activities	
Net loss	\$ (661,383)
Items not affecting cash:	
Depreciation	1,623
Loss on acquisition of intellectual property	-
Loss on loan to First Block Capital Inc.	-
Accretion and interest income on loan to First Block	(17,743)
Share-based payment	-
Share issue costs	-
Stock based compensation	140,230
Change in non-cash operating working capital	
Accounts receivable	(89,657)
Security deposits	(125,429)
Prepaid expenses	7,142
Accounts payable and accrued liabilities	96,199
Due to (from) related parties	6,318
Cash flow used in operating activities	(642,700)
Investing activities	
Purchase of capital assets	(9,907)
Investment	(710)
Cash flow used in investing activities	(10,617)
Financing activities	
Repayment (issuance) of loan to First Block Capital Inc.	100,000
Proceeds from common shares subscribed	-
Cash flow from financing activities	100,000
Increase in cash	
	(553,317)
Cash, beginning of period	980,389
Cash and cash equivalents, end of period	\$ 427,072

The accompanying notes are an integral part of these condensed interim financial statements.

First Coin Capital Corp.

Notes to the Condensed Interim Financial Statements
For the three-month period ended March 31, 2018
(Expressed in Canadian dollars - Unaudited)

1. Nature of business

First Coin Capital Corp. (the “Company” or “First Coin”) was incorporated under the Business Corporations Act (British Columbia) on September 14, 2017. The head office and principal address of the Company is Suite 400 – 208 Robson Street, Vancouver, BC, V6B 6A1. The Company’s registered and records office address is Unit 2 – 683 Dease Road, Kelowna, BC, V1X 4A4.

First Coin is a technology services company engaged in the business of helping established companies access the emerging digital currency asset class. It does so by enabling the issue of tokens or coins that will trade against other cryptocurrencies or against fiat currency. These coins are intended for use within a client company's business ecosystem and to help fund the expansion of their businesses. First Coin provides technical, analytical, legal compliance and marketing services to develop successful Initial Coin Offerings (“ICO’s”) and other token generation events.

On February 14, 2018, the Company entered into an Arrangement Agreement (the Arrangement) with Bradmer Pharmaceuticals Inc. (Bradmer) and Galaxy Digital LP to combine their respective assets and businesses by way of a plan of arrangement under the provisions of the Business Corporations Act (Ontario), effective July 31, 2018. Bradmer is a company listed on the NEX Board of the TSX Venture Exchange and Galaxy Digital LP is a newly formed New York limited partnership.

The plan of arrangement was completed by way of a reverse takeover of Bradmer by Galaxy Digital, with First Coin shareholders holding 1.8% of the continuing entity, Galaxy Digital Holdings LP (Galaxy Digital). Following the transaction, on August 1, 2018, Galaxy Digital became listed on the TSX-V under the trading symbol GLXY. The First Coin business will continue as a subsidiary of Galaxy Digital. This transaction is further described in Note 15.

Prior to the Arrangement, the Company, together with Galaxy Digital and Bradmer, undertook a private placement of approximately 61.0 million subscription receipts at a price of C\$5.00 per subscription receipt for gross proceeds of approximately C\$305 million. GMP Securities L.P. acted as sole agent on the offering. The net proceeds of the offering will be used by Galaxy Digital to provide growth capital to continue building an institutional merchant banking business in the digital asset, cryptocurrency and blockchain sectors.

These condensed interim financial statements are prepared using International Financial Reporting Standards that are applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

First Coin Capital Corp.

Notes to the Condensed Interim Financial Statements
For the three-month period ended March 31, 2018
(Expressed in Canadian dollars - Unaudited)

If the going concern assumption was not appropriate for these financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported loss and the balance sheet classifications used, and such adjustments would be material. As at March 31, 2018, the Company had not yet achieved profitable operations, has an accumulated deficit of \$1,700,731 since its inception and expects to incur further losses in the development of its business. However, pursuant to the Arrangement, the Company together with Galaxy Digital and Bradmer completed a private placement of approximately \$305 million.

On May 14, 2018, Galaxy Digital advanced U.S. \$750,000 to the Company (Note 15), to enable the Company to execute on its business plan. Management is of the opinion the Company's ability to continue as a going concern is dependent upon its ability to achieve profitable operations and obtain continued financial support from its parent company, Galaxy Digital, effective August 1, 2018.

2. Basis of Presentation

(a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting, using the same accounting policies and methods of application as the audited financial statements from the period from incorporation at September 14, 2017 to December 31, 2017 of the Company, except for the new IFRS policies adopted as at January 1, 2018 (Note 3) which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB). Certain information and note disclosure have been omitted or condensed.

These condensed interim financial statements should be read in conjunction with the audited financial statements of the Company from the period from incorporation at September 14, 2017 to December 31, 2017. No comparative information has been included for the March 31, 2018 statement of comprehensive loss and statement of cash flows as the Company was incorporated September 14, 2017.

These condensed interim financial statements were approved by the Company's Director on August 10, 2018.

First Coin Capital Corp.

Notes to the Condensed Interim Financial Statements
For the three-month period ended March 31, 2018
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3. Adoption of New IFRS Pronouncements

The Company adopted the new IFRS pronouncements listed below as at January 1, 2018, in accordance with the transitional provisions outlined in the respective standards described below.

IFRS 9 – Financial Instruments

In November 2009, as part of the IASB project to replace IAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Instruments, that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013, new general hedging requirements were added to the standard. In July 2014, the final version of IFRS 9 was issued, which adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics. The Company has assessed the classification and measurement of its financial instruments and deemed the expected credit loss of its financial assets to be insignificant. As such, the implementation of IFRS 9 did not have a material impact on the condensed interim financial statements.

IFRS 15 – Revenue

In May 2014 the IASB approved IFRS 15, Revenue from Contracts with Customers, which specifies how and when entities recognize revenue, as well as requires entities to provide users of financial statements with more informative, relevant disclosures. IFRS 15 supersedes IAS 18, Revenue, IAS 11, Construction Contracts, and a number of revenue related interpretations. IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers, with certain exceptions, for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

Application of IFRS 15 is mandatory for annual periods beginning on or after January 1, 2018. The Company has reviewed the implications of the adoption of IFRS 15 against its customer contracts and concluded the timing and amount of revenue recognized by the Company did not change from the adoption of IFRS 15.

First Coin Capital Corp.

Notes to the Condensed Interim Financial Statements
For the three-month period ended March 31, 2018
(Expressed in Canadian dollars - Unaudited)

Standards issued or amended but not yet effective

A number of new standards, amendments to standards and interpretations applicable to the Company are not yet effective for the three months ended March 31, 2018 and have not been applied in preparing these condensed interim financial statements. The new and revised standards are as follows:

IFRS 16 Leases

IFRS 16 Leases was issued in January 2016 and is effective for periods beginning on or after January 1, 2019. The new standard eliminates the classification of leases as either operating or finance leases. It provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Management is currently reviewing the impact that adoption of the new standard will have on the Company's financial statements.

4. Accounts receivable

	March 31, 2018	December 31, 2017
Trade receivable	\$86,796	\$10,500
GST recoverable	35,300	13,118
Due from First Block Capital Inc. (Note 14(c))	-	8,821
	<u>\$122,096</u>	<u>\$32,439</u>

5. Loan to First Block Capital Inc.

Pursuant to a promissory note dated November 30, 2017, the Company loaned \$350,000 to First Block Capital Inc., a related party (Note 14(c)), for 24 months. The loan is unsecured, bears interest at 5% compounded annually, and is repayable in full plus interest on its maturity date of November 30, 2019. The loan was initially recorded at its estimated fair value using a presumed market interest rate of 20% to reflect the risk profile attached to the loan.

During the three months ended March 31, 2018, First Block Capital Inc. repaid \$100,000 towards the loan.

At March 31, 2018 the loan is carried at \$166,709 (December 31, 2017 - \$248,966), which is valued at its amortized cost using the effective interest method plus interest accrued.

First Coin Capital Corp.

Notes to the Condensed Interim Financial Statements
For the three-month period ended March 31, 2018
(Expressed in Canadian dollars - Unaudited)

6. Capital assets

	Computer equipment	Furniture and fixtures	Total
Cost:			
Balance, at incorporation	\$ -	\$ -	\$ -
Additions	18,181	-	18,181
Balance, December 31, 2017	\$ 18,181	\$ -	\$ 18,181
Additions	8,687	1,220	9,907
Balance, March 31, 2018	\$ 26,868	\$ 1,220	\$ 28,088
Accumulated depreciation:			
Balance, at incorporation	\$ -	\$ -	\$ -
Depreciation for the period	\$ (171)	\$ -	\$ (171)
Balance, December 31, 2017	\$ (171)	\$ -	\$ (171)
Depreciation for the period	(1,623)	-	(1,623)
Balance, March 31, 2018	\$ (1,794)	\$ -	\$ (1,794)
Net book value			
December 31, 2017	\$18,010	-	\$18,010
March 31, 2018	\$ 25,074	\$ 1,220	\$ 26,294

7. Intellectual property

On September 22, 2017, the Company acquired intellectual property from Data Chain Records Inc. (DCR) in exchange for First Coin providing investors in DCR the opportunity to (i) convert their investment in DCR to an investment in First Coin or (ii) receive cash equal to their original investment in DCR. The transaction was recorded at its exchange value of \$272,500 to reflect the value of common shares subscribed and cash payable to acquire the intellectual property. Given the status of development of the intellectual property, the future economic benefit of the asset is indeterminable. Therefore, the company recorded a loss of \$272,499 on acquisition of the intellectual property during the period ended December 31, 2017.

The intellectual property is carried on the statement of financial position at a nominal amount of \$1 (December 31, 2017 - \$1).

8. Investment

During the three months ended March 31, 2018, the Company acquired a 35% interest in a newly formed entity, NFCD Exchange Inc. (“NFCD”) for consideration of \$710. Founders and employees of the Company hold a further 21% of NFCD. As of March 31, 2018, NFCD had not commenced operations. On May 6, 2018, the Company surrendered its shares in NFCD.

9. Share capital

(a) Authorized share capital

The authorized capital of the company consists of unlimited common shares without par value.

(b) Common shares issued

	Note	Shares	Amount \$
Issued at incorporation	(i)	10,000,000	100
Acquisition of intellectual property	7	253,750	253,750
Private placement	(ii)	1,896,250	1,921,250
Share issue costs in connection with private placement	(ii)	25,000	(50,000)
Balance December 31, 2017 and March 31, 2018		12,175,000	\$2,125,100

(i) Founders' shares

On incorporation, the Corporation issued 10,000,000 common shares for nominal cash value of \$100 to the Founders of First Coin, of which 7,500,000 shares were placed in escrow. The shares will be released from escrow over the applicable vesting period at a straight-line daily rate in accordance with the Founders' Share Vesting Agreements. The shares will be fully released from escrow as follows:

- 6,000,000 over the 24 month period September 14, 2017 to September 13, 2019
- 1,500,000 over the 36 month period September 14, 2017 to September 13, 2020.

The status of the escrowed shares is as follows:

Founders shares placed in escrow at incorporation, September 14, 2017	7,500,000
Released in accordance with vesting schedule	(1,034,616)
Shares held in escrow, December 31, 2017	6,464,384
Released in accordance with vesting schedule	(924,658)
Shares held in escrow, March 31, 2018	5,539,726

The transaction described in Note 1 results in immediate vesting of 1,895,890 shares held in escrow at March 31, 2018.

First Coin Capital Corp.

Notes to the Condensed Interim Financial Statements
For the three-month period ended March 31, 2018
(Expressed in Canadian dollars - Unaudited)

(ii) Private placement

During the period ended December 31, 2017, the Company raised gross proceeds of \$1,896,250 by way of a private placement where 1,896,250 common shares were subscribed for at a price of \$1.00 per common share. The shares were issued on October 17, 2017.

A finder's fee of 25,000 common shares at a fair value of \$1.00 per common share and a cash fee of \$25,000 were incurred in connection with the private placement. Share issue costs of \$50,000 consist of a cash fee of \$25,000 and non-cash fee of \$25,000.

During the three months ended March 31, 2018, there was no share capital activity.

(c) Employee stock option plan

The Company has an incentive stock option plan (the Plan), which provides that the Board of Directors of the Company may from time to time, at its discretion, and in accordance with the terms and conditions of the Plan, grant to qualified directors, officers, employees, consultants and contractors, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. The purpose of the Plan is to incentivize such individuals to contribute toward the long term goals of the Company.

The options vest on a cumulative basis over a three-year period from the date of grant with 8.333% of the options vesting on each three-month anniversary of the grant date. The table below summarizes stock options issued and outstanding for the period from incorporation at September 14, 2017 to March 31, 2018. All options have an exercise price of \$1.00 per share.

	Number of Options
Stock options granted	645,275
Balance, December 31, 2017	645,275
Stock options granted	73,050
Balance, March 31, 2018	718,325

As at March 31, 2018, the following stock options are outstanding and exercisable:

Number of Options		
Outstanding	Exercisable	Expiry Date
487,000	40,582	November 3, 2022
97,400	8,116	November 14, 2022
60,875	5,073	November 27, 2022
73,050	-	January 22, 2023
718,325	53,771	

During the period ended March 31, 2018, the Company recorded a share-based payment of \$140,320 (December 31, 2017 - \$100,618) for stock options granted and vested. All stock options have an exercise price of \$1.00 per option and vesting as described above. The stock options were valued using the Black-Scholes option pricing model with the following assumptions at the date of grant:

- During the period ended December 31, 2017 the Company granted 645,275 stock options with a term of 5 years, expected volatility of 190%, risk-free annual interest rate of 1.62%, expected annual dividend yield of \$nil and expected life of 3 years. The stock options were valued at \$624,454 in total, of which \$126,563 is included in operating expenses for the three-month period ended March 31, 2018 (\$100,618 – period ended December 31, 2017).
- During the three-month period ended March 31, 2018 the Company granted 73,050 stock options with a term of 5 years, expected volatility of 186%, risk-free annual interest rate of 2.03%, expected annual dividend yield of \$nil and expected life of 3 years. The stock options were valued at \$70,463 in total, of which \$13,667 is included in operating expenses for the three-month period ended March 31, 2018 (\$nil – period ended December 31, 2017).

10. Capital management

The Company is in a start-up phase and considers items included in shareholders' equity as capital. The Company's capital management objectives are to maintain its ability to continue as a going concern and support its ongoing operations such that it can provide returns to shareholders and benefits to other stakeholders.

The Company manages its capital structure and adjustments it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. The Company does not expect to enter into debt financing arrangements. The Company is not subject to externally imposed capital requirements. In the management of capital, the company defines capital that it manages as the aggregate of its equity of \$665,218.

First Coin Capital Corp.

Notes to the Condensed Interim Financial Statements
For the three-month period ended March 31, 2018
(Expressed in Canadian dollars - Unaudited)

11. Investment tax credits and government assistance

Salaries and benefits for the three-months ended March 31, 2018 are recorded net of \$6,416 received from the Government of Canada in connection with the Industrial Research Assistance Program. The Company was approved for the program to cover salary costs up to a maximum of \$20,000 for the period January 2, to June 30, 2018.

12. Commitments

(a) Compensation costs

As at March 31, 2018, the Company has signed employment agreements with nine employees for monthly salary and benefit costs of approximately \$87,000. Employees are entitled to 3 weeks annual vacation and provided extended health and dental benefits.

(b) Severance pay

Employment agreements, including a provision for severance pay, are in place for three of the Company's founders. If the individuals are terminated without cause or due to a change in control, the Company incurs the following obligations, based on salaries at March 31, 2018:

- Terminated without cause – obligation ranging from \$30,000 to \$135,000 in total; or
- Change of control - obligation ranging from \$60,000 to \$270,000 in total.

13. Financial instruments and risk management

(a) Fair value of financial instruments

Financial instruments are recorded at fair value on the statements of financial position are classified using a fair value hierarchy, which prioritizes the inputs used in measuring fair values as follows:

- Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – valuation techniques based on inputs that are other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices); and

First Coin Capital Corp.

Notes to the Condensed Interim Financial Statements
For the three-month period ended March 31, 2018
(Expressed in Canadian dollars - Unaudited)

- Level 3 - valuation techniques with unobservable market inputs (involves assumptions and estimates by management of how market participants would price the assets or liabilities).

In evaluating fair value information, considerable judgement is required to interpret the market data used to develop the estimates. The use of different market assumptions and valuation techniques may have a material effect on the estimated fair value amounts.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and a loan to First Block Capital Inc. The carrying values of the Company's financial instruments approximate their fair values as at March 31, 2018 and December 31, 2017 due to their short-term nature, except for the loan receivable from First Block Capital Inc. which is valued at its amortized cost using the effective interest method plus interest accrued.

(b) Financial instruments risk

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board mitigates these risks by assessing, monitoring and approving the Company's risk management processes:

(i) Credit Risk

Financial instruments that potentially expose the Company to a concentration of credit risk consist of cash, accounts receivables and the loan receivable from First Block Capital Inc.; the carrying amount of these items represents the maximum credit exposure of the Company.

The risk for cash and cash equivalents is mitigated by placing it with a high credit quality financial institution. Accounts receivable consist of trade accounts receivable and other receivables.

Credit risk from the balances due from First Block Capital Inc. arise from the possibility that principal and/or interest due may become uncollectible. The Company mitigates this risk by managing and monitoring the underlying business relationships, including reliance on directors of the Company who are also minority shareholders of First Block Capital Inc.

(ii) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising additional funding through external financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

First Coin Capital Corp.

Notes to the Condensed Interim Financial Statements
For the three-month period ended March 31, 2018
(Expressed in Canadian dollars - Unaudited)

(iii) Foreign Exchange Rate Risk

As some of the Company's financial instruments and transactions are denominated in currencies other than the Canadian dollar, the Company is exposed to foreign exchange rate risk. The Company held cash in U.S. dollars at March 31, 2018, resulting in a net US dollar exposure of \$75,600 (December 31, 2017 - \$9,862). With other variables unchanged, a 10% weakening of the Canadian dollar against the U.S. dollar would result in a reduction in other comprehensive loss of approximately \$9,700 (December 31, 2017 - \$1,200) from the translation of our foreign activities. The inverse effect would result if the Canadian dollar strengthened by 10% against the U.S. dollar.

At March 31, 2018 and December 31, 2017, the Company had no hedging agreements in place with respect to foreign exchange rates as its U.S. dollar bank account is a natural hedge against the short term note payable.

(iv) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Cash and cash equivalents bear interest at market rates. The Company's loan receivable has a fixed rate of interest and therefore exposes the Company to a limited interest rate fair value risk.

14. Related party transactions

Payments to related parties were made in the normal course of operations and are measured at exchange value. Amounts due to related parties are unsecured, non-interest bearing and due on demand.

(a) Goods and Services

The Company incurred the following transactions with related parties:

Description	Three months ended March 31, 2018	Period ended December 31, 2017
• Financial consulting fees paid to the CFO of the Company	\$11,500	\$16,125
• Acquisition of intellectual property from Data Chain Records, whose sole shareholder is also a director of the Company (Note 4)	-	\$272,500

(b) Compensation of key management personnel

The Company's key management personnel have the authority and responsibility for planning, directing and controlling the activities of the Company and consists of the Company's executive management team. The comprehensive loss for the period ended March 31, 2018 includes \$151,023 (December 31, 2017 - \$118,240) paid or accrued to key management as compensation expense and stock-based compensation, of which \$35,000 (December 31, 2017 - \$36,058) was paid to the CEO and \$23,523 (December 31, 2017 - \$16,125) paid or accrued to the CFO.

(c) Related party balances

The following related party amounts were included in (i) accounts receivable and (ii) accounts payable and accrued liabilities:

Description	March 31, 2018	December 31, 2017
(i) (Payable to) receivable from First Block Capital, a company with two minority shareholders who are also directors, co-founders and shareholders of the Company	\$(6,318)	\$8,821
(ii) Payable to the CFO	\$2,100	\$4,725

As described in Note 5, the Company loaned \$350,000 to First Block Capital Inc., a company where two shareholders with significant influence over First Block Capital Inc. are also directors, co-founders and shareholders of First Coin Capital Corp. The balance payable to the Company at December 31, 2017, including interest is \$351,454.

15. Subsequent events

a) Transaction with Bradmer Pharmaceuticals Inc.

As described in Note 1, the Company entered into an arrangement agreement with Bradmer and Galaxy Digital to combine their respective assets and businesses by way of a plan of arrangement under the provisions of the Business Corporations Act (Ontario), to form a new entity.

On July 31, 2018, in connection with the transaction described in Note 1, Sean Clark and Marc van der Chijs, resigned as directors of the Company. Therefore, effective August 1, 2018 First Block Capital Inc. ceased to be related to the Company.

First Coin Capital Corp.

Notes to the Condensed Interim Financial Statements
For the three-month period ended March 31, 2018
(Expressed in Canadian dollars - Unaudited)

(b) Loan from Galaxy

Pursuant to a promissory noted dated May 14, 2018, Galaxy Digital LP, a Cayman Islands limited partnership, loaned US\$750,000 to the Company. The loan is unsecured, bears interest at 5% per annum and is repayable by May 20, 2020.

(c) Loan to and investment in IPowow

Pursuant to a promissory noted dated May 23, 2018, the Company loaned \$250,000 to iPowow International Corporation. The loan plus accrued interest is repayable on the earlier of May 21, 2020 or an event of default. The loan is secured by a general security agreement dated May 23, 2018. The loan bears interest at 12% per annum, payable quarterly. If iPowow is unable to repay the quarterly interest out of its cash flow, interest will accrue at 14% per annum. If iPowow has an event of default, interest will be calculated at 16% per annum. As of the report date, the loan was in good standing.

(d) Office lease

Effective April 1, 2018, the Company entered into a sub-lease for permanent office premises at #400 – 208 Robson Street, Vancouver, BC, V6B 6A1 at a monthly cost of \$23,797.62 for basic rent plus the Company's share of operating costs and property taxes. The lease expires September 29, 2020. As at March 31, 2018, aggregate future minimum annual lease payments for the term of the lease will be as follows:

Year ending:	
2018	\$203,980
2019	279,532
2020	<u>215,318</u>
	<u>\$698,830</u>

A security deposit of \$144,926 was paid to the landlord as of March 31, 2018. A total security deposit of \$285,201 was paid at the commencement of the lease at April 2018 and will be applied against gross rent for the last twelve months of the lease, from October 1, 2019 to September 29, 2020.