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No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "U.S. Securities Act") and, may not be reoffered, resold or transferred to, or for the account or benefit, of a U.S. Person (as that term is defined in Regulation S of the U.S. Securities Act) except pursuant to an effective registration statement under the U.S. Securities Act, and any applicable state securities laws, or pursuant to an available exemption from the registration requirements from the U.S. Securities Act and any applicable state securities laws. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities offered hereby in the United States to, or for the account or benefit, of a U.S. Person. See "Plan of Distribution".

PRELIMINARY PROSPECTUS

Initial Public Offering

October 31, 2018

SKYLEDGER TECH CORP.

Suite 410, 1040 West Georgia Street
Vancouver, B.C. V6E 4H1
(604) 617-5421

5,000,000 Common Shares at a price of \$0.10 per Common Share

Public Offering of \$500,000

Skyledger Tech Corp. (the "Company") is offering (the "Offering") to purchasers resident in British Columbia and Alberta (the "Offering Jurisdictions"), and elsewhere permitted by applicable law, through its agent, Mackie Research Capital Corporation (the "Agent") on a commercially reasonable efforts basis, 5,000,000 Common Shares (the "Common Shares") of the Company at a price of \$0.10 per Common Share for total gross proceeds of \$500,000. The offering price was determined by negotiation between the Agent and the Company. See "Plan of Distribution".

	Price to Public⁽¹⁾	Agent's Commission⁽¹⁾	Net Proceeds to the Company⁽²⁾
Per Common Share	\$0.10	\$0.008	\$0.092
Total	\$500,000	\$40,000	\$460,000

Notes:

- (1) The Agent shall receive a cash commission equal to 8% of the aggregate gross proceeds of the Offering (the "Agent's Commission") and a non-transferable option to purchase up to that number of Common Shares (the "Agent's Option") in the capital of the Company equal to 8% of the aggregate number of Common Shares sold under this Offering at a price of \$0.10 per Common Share for a period of twenty-four months following the Closing (as defined herein). The Agent's Option will be qualified under this prospectus. In addition, the Company has agreed to reimburse the Agent for all reasonable expenses incurred in connection with this Offering, and pay the Agent a work fee of \$20,000, plus applicable taxes (the "Work Fee") on Closing of the Offering. See "Plan of Distribution".
- (2) Before deducting the balance of the costs of this issue estimated at \$103,500, which includes legal and audit fees and other expenses of the Company, the Agent's expenses, legal fees, Work Fee, the listing fee payable to the Canadian Securities Exchange (the "Exchange") and the filing fees payable to the Commissions. See "Use of Proceeds".

The Agent (including any registered sub-agents who assist the Agent in the distribution of the Common Shares), as exclusive agent for the purposes of this Offering, conditionally offers on a commercially reasonable efforts basis the Common Shares, and if, as and when issued and delivered by the Company and accepted by the Agent in accordance with the terms and conditions contained in the agency agreement (the "Agency Agreement") dated ◆ between the Company and the Agent and subject to the approval of certain legal matters on behalf of the Company by O'Neill Law Corporation and on behalf of the Agent by Miller Thomson LLP. See "Plan of Distribution".

Subscriptions for the Common Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the Closing will occur on a date agreed upon by the Company and the Agent, but not later than the date that is 90 days after a receipt is issued for the final prospectus or if a receipt has been issued for an amendment to the final prospectus, within 90 days of issuance of such

receipt and in any event not later than 180 days from the date of receipt of the final prospectus. It is expected that the Common Shares will be issued as non-certified book-entry securities through CDS Clearing and Depository Services Inc. (“CDS”) or its nominee. Consequently, if delivered in book entry form, purchasers of Common Shares will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Common Shares were purchased.

The completion of the Offering is subject to a minimum subscription of Common Shares for aggregate gross proceeds of \$500,000. The Offering will not be completed and no subscription funds will be advanced to the Company unless and until the minimum subscription of \$500,000 has been raised. In the event that the minimum subscription is not attained by the end of the period of the Offering, all subscription funds that subscribers may have advanced to the Agent in respect of the Offering will be refunded to the subscribers without interest or deduction.

There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. See "Risk Factors".

The Company has applied to list its Common Shares on the Canadian Securities Exchange (the “Exchange”). Listing is subject to the Company fulfilling all of the requirements of the Exchange.

As of the date of this prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

An investment in the Common Shares should be considered highly speculative due to the nature of the Company’s business, its present stage of development and other risk factors. Investments in junior issuers involve a significant degree of risk. In the case of the Company, the price of cryptocurrency and government regulation of cryptocurrency may have an adverse impact of the operating results of the Company. Investors should not invest any funds in this Offering unless they can afford to lose their entire investment. See "Risk Factors".

Investors should consider an investment in the securities of the Company to be highly speculative and should review the risk factors outlined on page 30 of this prospectus.

The Company is not a related or connected issuer to the Agent (as such terms are defined in National Instrument 33-105 – *Underwriting Conflicts*). See “Relationship between the Company and Agent”.

The Agent’s position is as follows:

Agent’s Position	Maximum Size or Number of Securities Available	Exercise Period or Acquisition Date	Exercise Price or Average Acquisition Price
Agent’s Option ⁽¹⁾	400,000 Agent’s Options	Twenty Four (24) months from the Closing	\$0.10

Note:

(1) The Agent’s Option is qualified for distribution under this prospectus. See “Plan of Distribution”.

No person is authorized by the Company or the Agent to provide any information or to make any representations other than those contained in this prospectus in connection with the issue and sale of the securities offered pursuant to this prospectus.

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GLOSSARY OF DEFINED TERMS

The following is a glossary of certain terms used in this prospectus. Terms and abbreviations appearing in the documents attached as schedules to the prospectus may be defined separately and the terms and abbreviations defined below may not be used therein, except where otherwise indicated. Words below importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders.

“Agency Agreement”	the agency agreement dated ♦, 2018 between the Company and the Agent, on behalf of the Company and the Agent, on behalf of the Company, conditionally offer the Common Shares, on a commercially reasonable efforts basis.
“Agent”	Mackie Research Capital Corporation.
“Agent’s Commission”	the cash fee of 8% of the total gross proceeds of the Offering payable to the Agent on Closing of the Offering.
“Agent’s Option”	the non-transferable option to be granted to the Agent or its sub-agents, if any, to purchase up to a number of shares equal to 8% of the aggregate number of Common Shares sold under the Offering at a price of \$0.10 per Common Share, exercisable at any time up to the close of business 24 months from the Closing.
“Articles”	the articles of the Company.
“ASIC”	means an application specific integrated circuit customized for a particular use, such as, Bitcoin mining.
“ASIC Rigs”	has the meaning set forth in " <i>Description of the Business – Mining Equipment</i> ".
“BCA”	the <i>Business Corporations Act</i> (British Columbia).
“Bitcoin”	means bitcoin cryptocurrency, a digital currency created for use in peer-to-peer online transactions.
“Block”	packet of data containing information on past transactions, which in combination make up the blockchain network.
“Blockchain”	distributed ledger comprised of blocks that serves as a historical transaction record of all past transactions and can be accessed by anyone with appropriate permissions. Blocks are chained together using cryptographic signatures. See " <i>Description of the Business – Blockchain</i> ".
“Board”	the board of directors of the Company.
“CEO”	Chief Executive Officer.
“CFO”	Chief Financial Officer.
“Closing”	means closing of the Offering.
“Common Shares”	the common shares in the capital of the Company without par value.
“Company”	Skyledger Tech Corp., a British Columbia company incorporated under the BCA on November 29, 2017.
“Dreamberry”	means Dreamberry Studios Inc.
“ETH”	Ether cryptocurrency.
“Equipment Purchase Agreement”	means the equipment purchase agreement dated January 2, 2018 between the Company and NMNA whereby the Company purchased 20 Rigs for the purpose of crypto mining operations.
“Exchange”	Canadian Securities Exchange.
“Escrowed Securities”	shares escrowed subject to the terms of an escrow agreement dated ♦, 2018
“Facility”	means the Company’s facility located in Gibsons, British Columbia. See " <i>Description of the Business – Mining Facility</i> ".
“GPU”	A graphic processing unit, an application used in Bitcoin mining.
“Hash Rate”	a hash is the output of a hash function and, the hash rate is the speed at which a compute is completing an operation in the Bitcoin code.

“IFRS”	International Financial Reporting Standards.
“Listing”	the listing of the Common Shares on the CSE.
“Listing Date”	the date on which the Common Shares are listed for trading on the CSE.
“Mining”	a process in which individuals, often in collaboration and through the use of Rigs, solve complex, computation puzzles to confirm transactions to be added on a blockchain. Miners who successfully complete the mining process earn a reward in the form of cryptocurrency or other Blockchain coins or tokens. See <i>“Description of the Business – General”</i> .
“NI 46-201”	National Policy 46-201 - <i>Escrow for Initial Public Offerings</i> .
“NI 52-110”	National Instrument 52-110 – <i>Audit Committees</i> .
“NI 58-101”	National Instrument 58-101 – <i>Disclosure of Corporate Governance Practices</i> .
“NP 51-201”	National Policy 51-201 – <i>Disclosure Standards</i> .
“NMNA”	means New Margin American Enterprises Ltd.
“Offering”	the offering of 5,000,000 at a price of \$0.10 per Common Share pursuant to this prospectus.
“Offering Jurisdictions”	means British Columbia and Alberta.
“Rig”	a high-performance computer system used for cryptocurrency Mining. Each Rig is used to solve complex computation puzzles to confirm transactions on the Blockchain. See <i>“Description of the Business – General”</i> .
“SEDAR”	System for Electronic Document Analysis and Retrieval.
“Service Agreement”	the service agreement dated January 12, 2018 between the Company and Dreamberry whereby Dreamberry has agreed to provide the Company with operation and management services at the Facility.
“Stock Option Plan”	the stock option agreement dated June 11, 2018.
“Work Fee”	means the \$20,000 plus applicable taxes fee payable to the Agent.

CURRENCY

In this prospectus, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to "\$" are to Canadian dollars.

CAUTION REGARDING FORWARD LOOKING STATEMENTS

Certain statements contained in this prospectus constitute forward-looking statements. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this prospectus should not be unduly relied upon. These statements are current only as of the date of this prospectus. The Company does not have any policies or procedures in place concerning the updating of forward-looking information other than those required under applicable securities laws.

In particular, this prospectus contains forward-looking statements pertaining to the following:

- the business and operations of the Company;
- the Company's business objectives and discussion of trends affecting the business of the Company;
- the funds available to the Company and the principal purposes of those funds;
- anticipated revenues and cash flows from operations and funding requirements of the Company;
- capital, operating and general expenditures;
- expectations regarding the ability to raise capital;
- anticipated revenues to be realized by the Company from Bitcoin mining operations; and
- treatment under governmental regulatory regimes and expectations with respect to regulatory approvals.

The Company has based the forward-looking statements largely on the Company's current expectations, estimates, assumptions, and projections about future events and financial and other trends that the Company believes, as of the date of such statements, may affect its business, financial condition and results of operations. Such expectations, estimates, assumptions, and projections, many of which are beyond the Company's control, include, but are not limited to: management's expectations regarding the future business, objectives and operations of the Company; the Company's anticipated cash needs and the need for additional financing; the Company's ability to successfully complete future financings; the acceptance by the marketplace of new technologies and solutions; the Company's expectations regarding its competitive position; the Company's expectations regarding regulatory developments and the impact of the regulatory environment in which the Company operates; the Company's ability to attract and retain qualified management personnel and key employees; and anticipated trends and challenges in the Company's business and the markets in which it operates. Assumptions underlying the Company's working capital requirements are based on management's experience with other public companies in the cryptocurrency sector. Forward-looking statements pertaining to the Company's need for and ability to raise capital in the future are based on the projected costs of operating a cryptocurrency company and management's experience with raising funds in current market circumstances. Forward-looking statements regarding treatment by governmental authorities assumes no material change in regulations, policies, or the application of the same by such authorities.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this prospectus:

- the Company's ability to continue as a going concern;
- inability to generate funds for general working capital and continuing operations;
- reliance on liquidation of mined output (coins) for funds required;
- the Company's cryptocurrency inventory may be largely reduced in value as a result of flaws in the cryptocurrency code or the actions of malicious actors;
- regulatory changes or actions may alter or prohibit investment in the Company's cryptocurrency business and may result in a restriction in the use of cryptocurrencies;
- the current value of cryptocurrencies and the value of the Company's future holdings of cryptocurrencies may be overvalued and volatile as a result of momentum pricing;
- there may be fraud or security failures of the cryptocurrency exchange(s) on which the Company's cryptocurrencies are exchanged resulting in closures of such cryptocurrency exchange(s) or complete losses of the Company's cryptocurrency balance;
- banks may refuse to provide cryptocurrency-related services resulting in a decrease in the usefulness of cryptocurrency and reduction in the value of the Company's cryptocurrency inventory;

- impact of global events on the price of cryptocurrency;
- the future development and acceptance of cryptocurrencies by governmental authorities;
- acceptance of cryptocurrencies by the public;
- the Company's operations, investment strategies and profitability may be adversely affected by competition from other cryptocurrencies or financial vehicles;
- the Company may be subject to incorrect or fraudulent transactions resulting in its coins being lost or irretrievable;
- incorrect or fraudulent transactions may be irreversible;
- the number of coins awarded for solving a block in the blockchain may be decreased to a level where there is not an adequate incentive for the Company to continue mining;
- the sale of coins by other vehicles investing in coins or tracking cryptocurrency markets may negatively affect cryptocurrency prices and reduce the value of the Company's inventory;
- the introduction of new services and technologies may make the Company's hardware and equipment at its facilities obsolete and it may be cost-prohibitive to upgrade the Company's hardware and equipment to remain competitive;
- the Company's ability to manage its growth;
- competition from other cryptocurrency companies;
- electrical supply risk;
- container exposure;
- uncertainty in obtaining additional financing;
- risks associated with inability to obtain adequate insurance for operations;
- fluctuations in the currency markets and stock market volatility; disruptions to the credit markets and delays in obtaining financing;
- investment in Common Shares carries a high degree of risk;
- there may not be an active or liquid market for the Company's shares;
- the Company may never pay dividends;
- the Common Shares may experience significant price volatility;
- the costs associated with the Company being a public company and listed on the CSE;
- the Company's directors and officers may serve on the boards and as officers of other companies whose interests may conflict with that of the Company;
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada.

This list of factors should not be construed as exhaustive. All subsequent forward-looking information attributable to the Company herein is expressly qualified in its entirety by the cautionary statements contained in or referred to herein.

SUMMARY OF PROSPECTUS

The following is a summary of the principal features of the prospectus and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus. Purchasers should carefully consider, among other things, the matters discussed under "Risk Factors."

The Company

The Company was incorporated under the BCA on November 29, 2017 under the name "1143092 B.C. Ltd." and changed its name to "Skyledger Tech Corp." on December 21, 2017. The Company's head office and registered and records office are located in Vancouver, British Columbia.

The Company is not a reporting issuer in any jurisdiction and the Common Shares are not listed or posted for trading on any stock exchange. The Company has applied, concurrent with the filing of this prospectus, to list its Common Shares on the CSE. Listing will be subject to the Company fulfilling all of the listing requirements of the CSE.

See "*Corporate Structure*".

Principal Business

The Company's principal business is cryptocurrency Mining. The Company currently owns 20 ASIC Rigs, which are used to obtain rewards for confirming transactions on specific Blockchain applications. The Company's 20 ASIC Rigs were acquired pursuant to the Equipment Purchase Agreement and are currently operating and earning cryptocurrency rewards through Mining at the Facility in Gibsons, British Columbia.

The acquisition of the 20 ASIC Rigs pursuant to the Equipment Purchase Agreement, and the signing of the Service Agreement, is the Company's first step towards its goal of building a Blockchain Mining company through the development and ownership of cryptocurrency infrastructure, comprised of equipment and facilities required for Mining.

The Company plans to acquire additional ASIC Rigs (in addition to the 20 ASIC Rigs currently owned), with the proceeds of the offering.

See "*General Development of the Business*" and "*Description of the Business*".

The Offering

- Offering: The Company is offering 5,000,000 Common Shares at a price of \$0.10 per Common Share for minimum gross proceeds of \$500,000. The prospectus qualifies the distribution of the Common Shares and the Agent's Option. See "Plan of Distribution"
- Agent's Commission: Under the terms of the Agency Agreement, the Company will pay the Agent a cash commission equal to 8% of the total gross proceeds of the Offering. In addition to the Agent's Commission, the Company will issue to the Agent non-transferable options to purchase up to that number of Common Shares equal to 8% of the aggregate number of Common Shares sold under the Offering at a price of \$0.10 per Common Share for a period of 24 months from the date of Closing. The Company has also agreed to pay to the Agent a Work Fee of \$20,000, plus applicable taxes and pay for all reasonable expenses of the Agent in connection with the Offering. See "Plan of Distribution".
- Use of Proceeds: The estimated net proceeds of the Offering, after deducting the estimated balance of the expenses of the Offering of \$103,500 and the Agent's Commission of \$40,000, will be \$356,500. The Company plans to expand its operations by acquiring 100 ASIC Rigs. The Company anticipates the expansion will cost \$245,000. As at September 30, 2018, the Company had a working capital surplus of \$160,000. Accordingly, the Company anticipates on having available funds of approximately \$516,500 following Closing. See "Use of Proceeds".

Risk Factors

The activities of the Company are subject to risks inherent in the cryptocurrency industry as well as the risks normally encountered in a newly established business, including but not limited to:

- the Company's ability to continue as a going concern;
- the Company's ability to meet CSE requirements to list and maintain its listing on the CSE;
- inability to generate funds for general working capital and continuing operations;
- reliance on liquidation of mined output (coins) for funds required;
- the Company's cryptocurrency inventory may be largely reduced in value as a result of flaws in the cryptocurrency code or the actions of malicious actors;
- regulatory changes or actions may alter or prohibit investment in the Company's cryptocurrency business and may result in a restriction in the use of cryptocurrencies;
- the current value of cryptocurrencies and the value of the Company's future holdings of cryptocurrencies may be overvalued and volatile as a result of momentum pricing;
- there may be fraud or security failures of the cryptocurrency exchange(s) on which the Company's cryptocurrencies are exchanged resulting in closures of such cryptocurrency exchange(s) or complete losses of the Company's cryptocurrency balance;
- banks may refuse to provide cryptocurrency-related services resulting in a decrease in the usefulness of cryptocurrency and reduction in the value of the Company's cryptocurrency inventory;
- impact of global events on the price of cryptocurrency;
- the future development and acceptance of cryptocurrencies by governmental authorities;
- acceptance of cryptocurrencies by the public;
- the Company's operations, investment strategies and profitability may be adversely affected by competition from other cryptocurrencies or financial vehicles;
- the Company may be subject to incorrect or fraudulent transactions resulting in its coins being lost or irretrievable;
- incorrect or fraudulent transactions may be irreversible;
- the number of coins awarded for solving a block in the blockchain may be decreased to a level where there is not an adequate incentive for the Company to continue mining;
- the sale of coins by other vehicles investing in coins or tracking cryptocurrency markets may negatively affect cryptocurrency prices and reduce the value of the Company's inventory;
- the introduction of new services and technologies may make the Company's hardware and equipment at its facilities obsolete and it may be cost-prohibitive to upgrade the Company's hardware and equipment to remain competitive;
- the Company's ability to manage its growth;
- competition from other cryptocurrency companies;
- electrical supply risk;
- container exposure;
- uncertainty in obtaining additional financing;
- risks associated with inability to obtain adequate insurance for operations;
- fluctuations in the currency markets and stock market volatility; disruptions to the credit markets and delays in obtaining financing;
- investment in Common Shares carries a high degree of risk;
- there may not be an active or liquid market for the Company's shares;
- the Company may never pay dividends;
- the Common Shares may experience significant price volatility;
- the costs associated with the Company being a public company and listed on the CSE;
- the Company's directors and officers may serve on the boards and as officers of other companies whose interests may conflict with that of the Company;
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada.

An investment in the Company's securities is suitable only for those knowledgeable and sophisticated investors who are willing to risk a loss of their entire investment and who are able to understand the unique nature and risks of the Company, cryptocurrencies and Mining. Investors should consult with their professional advisors to assess an investment in the Company's securities.

There is currently no public market for the Common Shares and there can be no assurance that an active market for the Common Shares will develop or be sustained after the Listing. The value of the Common Shares is subject to volatility in market trends and conditions generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings.

See "*Risk Factors*".

Selected Financial Information

The following table summarizes selected financial information for the period from incorporation on November 29, 2017 to August 31, 2018 and should be read in conjunction with the audited financial statements for the period from incorporation on November 29, 2017 to August 31, 2018 and "Management's Discussion and Analysis", as included elsewhere in this prospectus.

	Period from incorporation (November 29, 2017) to August 31, 2018 (audited)
Revenue	\$29,118
Net income (Loss)	(118,596)
Income (Loss) per share (basic and diluted)	(0.01)
Working Capital Surplus	156,398
Assets	
Current assets	188,275
Long term assets	223,876
Total Assets	<u>412,151</u>
Liabilities	
Current liabilities	\$31,877
Shareholders' Equity	<u>380,274</u>
Total Liabilities and Shareholders' Equity	<u>\$412,151</u>

While the Company intends to spend its current working capital as stated above, there may be circumstances where, for sound business reasons, a re-allocation of funds may be necessary or advisable. The actual amount that the Company spends in connection with each of the intended uses of proceeds may vary significantly from the amounts specified above, and will depend on a number of factors, including those listed under the heading "Risk Factors".

See "*Use of Proceeds and Available Funds*".

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated pursuant to the BCA on November 29, 2017. On December 21, 2017, the Company changed its name to “Skyledger Tech Corp.” The Company’s head office is located at 410 – 1040 West Georgia St., Vancouver, British Columbia V6E 4H1 and its registered and records office is located at 704 - 595 Howe Street, Vancouver, BC V6C 2T5.

Intercorporate Relationships

The Company does not have any subsidiaries, past or present.

BUSINESS OF THE COMPANY

Overview

The Company is a Bitcoin mining company that gives shareholders access to the potential price appreciation of Bitcoin. The Company currently owns 20 ASIC Rigs, which are used to obtain rewards for confirming transactions on the Bitcoin Blockchain. The Company’s 20 ASIC Rigs were acquired pursuant to the Equipment Purchase Agreement and are currently operating and earning Bitcoin through Mining at the Facility in Gibsons, British Columbia.

The acquisition of the Rigs pursuant to the Equipment Purchase Agreement, and the signing of the Service Agreement, is the Company’s first step towards its goal of building a Bitcoin Mining company through the development and ownership of cryptocurrency infrastructure, comprised of equipment and facilities required for Mining.

The Company plans to acquire additional 100 ASIC Rigs (in addition to the 20 ASIC Rigs currently owned), with the proceeds of the Offering.

Three Year History

Since incorporation on November 29, 2017, the Company has taken the following steps to develop its business:

1. Sought and acquired cryptocurrency mining operations, including 20 Rigs, through the Equipment Purchase Agreement with NMNA. Under the terms of the Equipment Purchase Agreement the Company paid \$165,000 for 20 Antminer S9 Rigs.
2. Entered into Service Agreement with Dreamberry for the operation and management of the Facility and, in consideration of which, the Company has agreed to pay Dreamberry \$4,300 per month.
3. Raised aggregate gross proceeds of \$503,843 through the sale of 2,500,001 Common Shares and 24,567,103 units.
4. As of the date of this prospectus, the Company holds a total of 4.97 Bitcoin.

The Company’s principal business is cryptocurrency Mining. Mining is the process of confirming transactions to be added on a blockchain by solving complex, computation puzzles using high- performance computers referred to as Rigs. Mining is critical to the continuing functioning and security of the cryptocurrency network and, to incentivize this activity, a miner that verifies and solves a new block is awarded newly generated quantity of coins. The Company may exchange a portion of coins earned through its Mining operations for fiat currencies, such as Canadian dollars or US dollars in order to fund forecasted expenses and Rig acquisitions from time to time, while holding the remainder as inventory to benefit from price appreciation/volatility.

Details regarding the cryptocurrency market and Blockchain technologies, including cryptocurrency, keys and wallets, are provided below.

DESCRIPTION OF BUSINESS

Cryptocurrency Market

Cryptocurrencies first surfaced in 2009 with the debut of Bitcoin as the world's first decentralized cryptocurrency. In early 2010, the initial exchange rate for Bitcoin was 1 Bitcoin = US\$0.003. As of October 29, 2018, the trading price of one Bitcoin was over US \$6,300¹.

Since 2009, the market for cryptocurrencies has grown and cryptocurrencies have a market capitalization of approximately US\$203 billion as of the date of this prospectus.²

Blockchain

Background and History

Blockchain was discovered with the invention of the cryptocurrency Bitcoin in 2008 by a pseudonymous person or organization known as Satoshi Nakamoto. Satoshi Nakamoto sought to create a new digital currency, but one that was global and not controlled by any single authority.

Blockchain is often defined as a distributed ledger or database with decentralized control. The types of databases that could be implemented on the Blockchain are broad and include, among others, databases similar to a bank ledger that record statements of accounts or transactions, or any other digital record of asset ownership, such as an identity system, land registry or even the rights and obligations defined in a contract. In the traditional centralized model (i.e. one that does not include Blockchain technology), the master version of such ledgers are controlled by a bank, government or a trusted third party. Disputes are resolved by checking the master version, through a manual and often redundant reconciliation process. In the decentralized Blockchain model, the master ledger is not stored in one place or controlled by one entity. Every counterparty on the network receives an identical real-time copy of the ledger; the data in the ledger is tamper-proof using cryptography; new states of the ledger are agreed upon by consensus among all parties - with trust achieved through the application of economic game theory, as discussed below; and the entire process is automated using software.

Participants (also referred to as nodes or miners) on a Blockchain network connect their computer resources with each other via a common software protocol. The software appropriates the necessary processing power and storage for the network to run, and acts as a secure messaging system to enable transactions. The protocol is coded with specific rules to ensure the validity of transactions, and shares the ledger and all valid transactions to all participants on the network in real time. This ensures broad persistence of the data, and continuity in the event that any computers go off-line. In public Blockchains the software is open source and created by an open community of developers, while in closed Blockchains the software is created by private organizations.

The shared ledger is made tamper-proof using a cryptographic technique called hashing. A hashing algorithm is a mathematical transformation function with two key properties. First, it accepts any alphanumeric dataset as an input and produces a unique 256 bit code as an output. It is nearly impossible to find another data set that produces the same code. Second, the smallest change in the dataset results in a significant change in the unique code. Any tampering of the dataset can be detected by re-hashing the data and checking for a change in the unique code. Any user that runs the hash algorithm on the same strings will derive the same unique code. Thus, the data on the distributed ledger can be run through a series of hash algorithms to create a unique code, which ensures the entire ledger is immutable. Furthermore, whenever a new set or block of transactions is added to the ledger, it is appended with the code from the prior state of the ledger before it is hashed. This chain links both states of the ledger by combining them into a single unique code. Thus, tampering of any historical state of the ledger can be automatically detected by the Blockchain software protocol.

As new blocks of transactions are collected, the concepts of game theory are applied before the next block is hashed and chained to the ledger. This ensures that the data in the new block is trustworthy and that no participants on the network cheat. The process is commonly referred to as mining, particularly on the Bitcoin Blockchain, and in general terms is referred to as a consensus algorithm. Essentially, the miners are network nodes that compete to play a game, with the winner earning the right to record the next block of data to the Blockchain. The game requires a cost to play, to ensure miners have a vested interest in fair play. A reward is also offered to offset these costs and provide an incentive for miners

¹ CoinMarketCap, Cryptocurrency Market Capitalizations: <<https://coinmarketcap.com>>. – October 29, 2018

² CoinMarketCap, Cryptocurrency Market Capitalizations: <<https://coinmarketcap.com/charts/>>. – October 29, 2018

to participate. Once the winner is determined, the new block of data must match the versions held by the majority of nodes before the reward is provided. If consensus is not achieved, the reward is not given, and the game is played again. Therefore, the costs of cheating outweigh the benefits of playing the game fairly, and decentralized trust can be established. Notably, the game is also meritocratic. The number of times a miner can expect to win the game is based on the proportion of their costs incurred vs the total costs of all miners on the network. Thus, the incentive system is fair, and the rewards are shared proportionally.

In public, open source Blockchains, a token is created to capture the utility value of the underlying service the Blockchain is enabling and provides the incentive that powers the consensus algorithm. Users of the Blockchain must buy the tokens to use the service, with the value of the token determined by market forces of supply and demand. Demand increases with usage, while supply is set by the underlying protocol as determined by the consortium of developers creating the particular Blockchain. Tokens are also provided to the miner as their reward, with the prospects for value appreciation offering an economic incentive for miners to participate and for the consensus algorithm of the Blockchain to function. Tokens also incentivize the addition of processing power to the network, and creates a virtuous circle or network effect for the system to grow from the ground up. Notably, token supply may or may not be capped, and increases may be gradual or immediate, depending on how the particular Blockchain protocol is defined.

Bitcoin was the first and remains the simplest Blockchain protocol. In the Bitcoin network, counterparties connect their computers to a shared network via the Bitcoin software protocol. Accounts or wallets are represented by numeric addresses on the network, and coins are represented by unique and specially coded serial numbers. There are two kinds of parties on the Bitcoin network: nodes and miners. Nodes track and check the validity of all transactions. Miners collect groups of transactions into blocks, and compete to earn the right to add these blocks to the Blockchain. The consensus algorithm in Bitcoin is known as Proof-of-Work (PoW). Miners collect blocks of transactions and append the hash of the prior block to the dataset. Miners are then required to add a single additional number (called a “nonce” - number used only once) such that the resulting new hash starts with a certain number of zeros. Miners run the hash calculation over and over to guess the unique nonce that results in a hash with the required number of zeros. The network sets the number of zeros required based on the total processing power among all miners (known as the hash rate), such that the solution takes 10 minutes to find. The miner that finds the solution first earns the right to add their version of the block to the Blockchain. For their efforts, they receive all the transaction fees within the block, plus newly mined or minted Bitcoins, if they are available. The reward is set to halve every four years (next in 2020), and the maximum amount of Bitcoin that will ever be generated is capped at 21 million Bitcoin. To date, 17,352,675 Bitcoins have been mined by the global community. Considering that the reward is expected to be cut in half every four years, it is estimated that the supply limit will be reached in the year 2140. When the supply limit is reached, miners only receive the transaction fees as their reward.

For users, Bitcoin is valued as a fast and efficient borderless payment network, and valued for the potential as an inflation hedge, given its limited supply. If demand outpaces supply, the value of the coins appreciate. For miners, Bitcoin is valued for transaction fees and new Bitcoin rewards. Furthermore, these incentives ensure sufficient processing power is provided to the network, and creates a virtuous circle or network effect for the system to grow from the ground up.

Types of Blockchains

Open or public Blockchains: Open or public Blockchains are available to the general public, counterparties are unknown, and protocols are generally open-source and developed by a decentralized community or an open not-for-profit foundation. A token of value is required to drive the incentive and consensus mechanisms of the Blockchain. Examples include Bitcoin, Dash, Ethereum and Litecoin. See "*Description of the Business - Blockchain – Background and History*" above.

Closed or permissioned Blockchains: Closed or permissioned Blockchains are restricted to known counterparties, and development is more centralized or completely proprietary. Read and write permissions are assigned independently, and a token of value is not required for an incentive mechanism or consensus algorithm. Rather, counterparties share a common interest for trust, such as automation to lower costs. Examples include Chain, Hyperledger and Ripple, each which are working with major banks to automate back-office operations.

Distributed ledgers and databases: A distributed ledger type of Blockchain can be a simple record of transactions, a record of asset ownership, or a record of rights and obligations between counterparties. Bitcoin and similar payment networks are the simplest types of ledger-based Blockchains. Other examples include identity records (i.e. citizenship, shareholders), ownership registries (i.e. land, cars), supply chains, and systems to manage simple processes like licensing and voting. In some cases such as government-run Blockchain registries, tokens may only have nominal value or may not be required at all.

Smart contracts and distributed applications: In a smart contract, the obligations between counterparties (i.e. payments, approvals or notifications) are recorded and automatically executed by the Blockchain protocol. Ethereum is the second largest Blockchain protocol by market capitalization, and is a platform that enables smart contracts. Ethereum is essentially a distributed computer powered by Ether tokens, with a scripting language to allow for the creation of smart contracts and other tokenized Blockchain applications. The latter are referred to as decentralized applications (DAPPs) and are essentially applications that run autonomously using the decentralized consensus mechanisms of Blockchain. A simplified example of a smart contract is a power utility that creates a tokenized Blockchain network for a neighbourhood. Homeowners would pay monthly tokens to receive power, and in the event of a default, the smart contract could automatically trigger a shutdown and notify the customer's bank, the regulator and credit agencies as required. Furthermore, consumers that generate excess power could receive tokens as payment from the power authority for net power they contribute to the grid. More significantly, with Blockchain, this type of system can now be created as an open system by a consortium of miners, without the involvement of any central authority, power company or bank. This would be considered a type of distributed application. Smart contract platforms today include Tezos, Eos and Interbit, by BTL Group.

Blockchain systems offer significant advantages over traditional centralized systems, are disruptive to the status quo, and are potentially invaluable to society. The technology is also at its infancy and is rapidly evolving to address significant challenges that it is facing.

Blockchain protocols, while complex, are typically open source and available to all counterparties for scrutiny and evaluation. Participants are also generally free to join and exit at will. While limited regulations at this stage require participants to verify the quality of the protocol on their own, the rules governing protocols can be understood in advance, and can only change with the consensus of the majority of counterparties on the network.

Cryptographic hashing of transactions creates a tamper-proof record of the entire history of a Blockchain. This makes forging of records very unlikely. It also allows for the entire history of a given token to be tracked between addresses, albeit with the appropriate analytical software. Requirements to disclose ownership of network addresses are not ubiquitous, however. Hence Blockchains such as Bitcoin remain pseudonymous. While it may be possible to track the history of every coin through every address, it may not be possible to identify the address of owners without proper regulation.

With no centralized authority or control, Blockchain systems do not have a single source of failure or corruption. Furthermore, consensus algorithms are typically meritocratic, where rewards are distributed in proportion to relative investment in the system. This creates a flatter and more equitable system for shared value creation.

Similar to traditional peer-to-peer networks, the broader the distribution of nodes on the network, the more resilient the network is to infrastructure failures or data corruption. This also reduces the ability for single parties to control, manipulate or even shut the system down.

Blockchains are typically global peer-to-peer networks that are limited only by the reach of the internet, or by the particular rules embedded into each specific Blockchain protocol. This offers a large addressable market for growth and diversification. For bitcoin, this has been a double-edged sword. Bitcoin's global presence has supported its growth and persistence, but its borderless nature has caused concern for governments and central banks, since regulations for security, capital control, anti-money laundering are not yet in place.

As primarily open source protocols, Blockchains benefit from large, diverse groups of software developers which can accelerate the development of new capabilities. Open source software can often leapfrog traditionally developed software. The success of Android as the most pervasive mobile operating system, and the flexibility of Linux as an operating system deployed in PCs, web servers and cars, are good examples.

Blockchains, and Bitcoin in particular, have powerful built-in network effects. These are generally a consequence of the incentive mechanisms built into the consensus algorithms. Providing a reward to miners through a valuable and potentially appreciating token not only removes the incentive to cheat, but creates the incentive for token owners to recruit more users to the network. During periods of growing adoption, demand will outpace supply and tokens will appreciate, with the majority of the value accruing to the earlier users of the network.

Cryptocurrency

A cryptocurrency is a form of encrypted and decentralized digital currency, transferred directly between peers across the internet, with transactions being settled, confirmed and recorded in a distributed public ledger through Mining.

Cryptocurrency is generated in one of two ways, they are either newly created or “minted” through an Initial Coin Offering or “mined” which results in a new coin generated as a reward to incentivize miners for verifying transactions on the Blockchain. Mining Bitcoin (a cryptocurrency) is the only revenue generating activity of the Company.

Cryptocurrencies enable instant transfers to anyone, anywhere in the world. Transactions occurs via an open source, cryptographic protocol platform which uses peer-to peer technology to operate with no central authority. No single entity owns or operates the network, the infrastructure of which is collectively maintained by a distributed user base. Units of a cryptocurrency exist only as data on the internet. Whereas most of the world’s money currently exists in the form of electronic records managed by central authorities such as banks, units of a cryptocurrency exist as electronic records in a decentralized tamper- proof transaction database called a Blockchain. See "*Description of the Business – Blockchain*" above.

The value of a coin is determined by market supply and demand for the coins, the prices set in transfers as well as the number of merchants that accept the coins. Because coins are digital files that can be transferred without the involvement of intermediaries or third parties, there are little or no transaction costs in direct peer-to-peer transactions. Coins can be used to pay for goods and services or can be converted to fiat currencies, such as the US dollar, at rates determined by various exchanges.

Cryptocurrencies offer many advantages over traditional (also known as ‘fiat’) currencies, including:

- Acting as a fraud deterrent, as cryptocurrencies are digital and cannot be counterfeited or reversed arbitrarily by sender;
- Immediate settlement;
- Eliminate counterparty risk;
- No centralized intermediary required;
- Lower fees;
- Identity theft prevention;
- Accessible by everyone;
- Transactions are verified and protected through a confirmation process, which prevents the problem of double spending currencies;
- Decentralized - no central authority (government or financial institution); and
- Not bound by government imposed exchange rates.

Examples of some of the largest cryptocurrencies in terms of market capitalization today include Bitcoin, Ethereum, Ripple and Bitcoin Cash. As of October 2018, there were over 2,000 digital currencies in existence.³ See "*Description of the Business – Blockchain*" above and "*Description of the Business – Bitcoin*".

Keys to Cryptocurrency

A private key is a secret number that allows coins to be spent on a Blockchain protocol. Every digital currency wallet (see "*General Development of the Business – Cryptocurrency Wallets*" below) contains one or more private keys, which are saved in the wallet file. The private keys are mathematically related to all addresses generated for the wallet.

Because the private key is the "ticket" that allows someone to spend coins, it is important that these are kept secure. Private keys can be kept on computer files, but in some cases are also short enough that they can be printed on paper.

To be able to spend coins and unlock funds, the private key stored in one's wallet must match the public address the

³ CoinMarketCap, Cryptocurrency Market Capitalizations: <<https://coinmarketcap.com/all/views/all/>>.

currency is assigned to on the Blockchain. If public and private keys match, the balance of the receiving digital wallet will increase, and the sender's balance will decrease accordingly. Although the balance associated with the wallet is said to increase, there is no actual exchange of real coins or “storage” within the wallet, as one might expect given the function of a traditional fiat currency "pocket" wallet. The transaction is signified merely by a transaction record on the Blockchain. The wallet itself simply contains the private key which is required to “spend” the cryptocurrency. See "*General Development of the Business – Cryptocurrency Wallets*" below

Cryptocurrency Wallets

A cryptocurrency wallet is a software program that stores private and public keys (see "*General Development of the Business – Keys to Cryptocurrency*" above) and interacts with various Blockchains to enable users to send and receive digital currency and monitor their balance. Millions of people use cryptocurrency wallets, but there is considerable misunderstanding about how they work. Unlike traditional fiat currency "pocket" wallets, digital wallets don't store currency. In fact, currencies don't get stored in any single location or exist anywhere in any physical form. All that exists are records of transactions stored on the Blockchain.

When a new cryptocurrency wallet is opened, two sets of keys are created, a public key and a private key. The public key or address is only used to receive funds into a wallet and does not have to be kept secret as it is receive only access. The private keys allow the user to update and send cryptocurrencies on the blockchain. These must be kept in a safe place because if you lose your private keys you lose your funds. Receiving or transferring funds is effectively recording a transaction on the blockchain and linking a public key and private key to the respective funds which is unique to a wallet.

Receipt of funds into a cryptocurrency wallet is effectively documenting a permanent record on the blockchain that a specified unit of cryptocurrency belongs to an account or wallet. There is no actual movement into the cryptocurrency wallet, it is simply a record tying the fact that currency is owned by that account or private/public key combination.

To receive cryptocurrency into a wallet, users must provide their public key to a sender and the transaction will then be documented on the blockchain as belonging to that account or public/private key combination. The private key is not something that is publicly available but is encrypted within the blockchain so that when an owner inputs the code to sell the currency, the miners are able to verify that it belongs to the particular wallet or account.

For example, when wallet A sends funds to wallet B, the person who owns the funds in wallet A must input their private key to record the transaction. Once verified, the funds are sent to the public address for wallet B and recorded on the blockchain. The blockchain now has a record that these funds are linked with the account for wallet B and can only be spent by using the private key associated with wallet B.

There are several types of wallets that provide different ways to store keys. Each wallet will have its own private key and therefore transfers of funds between wallets of the same owner will result in a different private key associated with the funds. Given the importance of keeping the private key confidential, the type of wallet used becomes very important in order to protect the security of digital currency.

There are two main categories of wallets – a hot wallet and a cold wallet. A hot wallet is an electronic wallet that is always connected to the internet and more prone to hacks. A cold wallet is disconnected from the internet and considered more secure. Wallets can be further broken down into three distinct categories – software, hardware and paper. Software wallets can be in the form of a desktop, mobile or online wallet, and are discussed below, along with hardware and paper wallets.

- **Desktop wallets**, which are downloaded and installed on a PC or laptop. They are only accessible from the single computer on which they are downloaded. Desktop wallets offer one of the highest levels of security; however, if a computer is hacked or gets a virus, there is the possibility of hackers obtaining the private key resulting in a loss of funds.
- **Online wallets**, which run on the internet and are accessible from any computing device in any location. While they are more convenient to access, online wallets store private keys online and are controlled by a third party which makes them more vulnerable to hacking attacks and theft.
- **Mobile wallets**, which run on an "app" on a cell phone and are useful because they can be used anywhere, including retail stores. Mobile wallets are usually much smaller and simpler than desktop wallets because of the limited space available on a mobile phone.

- **Hardware wallets** differ from software wallets in that they store a user's private keys on a hardware device, such as a USB. Although hardware wallets make transactions online, they are stored offline which delivers increased security over the private key. Transactions using hardware wallets are relatively simple. Users simply plug in their hardware device to any internet-enabled computer or device, enter a pin, send currency and confirm. Hardware wallets make it possible to easily transact while also keeping private keys offline and away from danger.
- **Paper wallets** are easy to use and provide a very high level of security. While the term paper wallet can simply refer to a physical copy or printout of public and private keys, it can also refer to a piece of software that is used to securely generate a pair of keys which are then printed. Using a paper wallet is relatively straightforward. Transferring currency to a paper wallet is accomplished by the transfer of funds from your software wallet to the public address shown on the paper wallet. To withdraw or spend currency, funds are transferred from a paper wallet to a software wallet. This process, often referred to as "sweeping," can either be done manually by entering your private keys or by scanning the QR code on the paper wallet.

The level of security of wallets vary by type listed above and the service provider. A web server is an intrinsically riskier environment to keep currency compared to offline. Online wallets can expose users to possible vulnerabilities in the wallet platform which can be exploited by hackers to steal private keys and ultimately funds. Offline wallets, on the other hand, cannot be hacked because they simply aren't connected to an online network and don't rely on a third party for security.

Although online wallets have proven the most vulnerable and prone to hacking attacks, diligent security precautions need to be implemented and followed when using any wallet. No matter which wallet is used, loss of the private keys will lead to loss of the currency held. Similarly, if a wallet gets hacked, there is no way to reclaim lost currency or reverse the transaction.

Precautions can be taken to protect cryptocurrency wallets as follows:

- **Offline storage.** Only small amounts of currency for everyday use should be kept online with the remainder of available funds maintained in a high security environment. Cold or offline storage options such as paper or USB (hardware) protect against computer failures and allow for recovery in the event a computer is lost or stolen.
- **Regular software updates.** Keeping wallet, computer and mobile software up to date ensures the latest security enhancements available.
- **Additional security layers.** Set long and complex passwords and ensure any withdrawal of funds requires a password. Further, utilize wallets that have a good reputation and provide extra security layers like two-factor authentication and additional pin code requirements every time a wallet application gets opened.

The Company currently utilizes a Trezor cold storage hardware wallet. Trezor cannot be infected by malware and never exposes private keys which make it as safe as holding traditional paper money. Trezor is open source and transparent, with all technical decisions benefiting from wider community consultation. To use the Trezor wallet, the hardware, which resembles a USB, physically must be with the sender at the time digital currency is sent. This, therefore, makes Trezor best for investors who want to keep large amounts of digital currency highly secure.

From time to time, the Company will temporarily transfer currency from the Trezor wallet to an online wallet incorporated into the Gemini trading exchange in order to sell digital currencies. The Gemini exchange has a second set of private keys which differ from those maintained in the Trezor cold storage wallet. Given that the Gemini exchange wallet, and therefore private keys associated with coins stored on the platform, are connected to the internet, the Company will strictly limit the amount and duration of time any currency is stored on the exchange. The exchange will be used on a limited basis to sell coins. Once the transactions are completed, the Company will then immediately transfer funds to a cold storage wallet where private keys are kept offline and not connected to the internet. All funds from the cryptocurrency mining operations will be directed to the Trezor cold storage wallet and only transferred to the Gemini wallet if required to transfer to fiat currency on the exchange. See "*General Description of the Business – Cryptocurrency Exchanges*" below.

To ensure the safety and security of the Trezor wallet, it will be stored at a financial institution in a safety deposit box. In the event that the Trezor is lost or stolen, the wallet can be cancelled, and the private key can only be recovered using

the backup security code. This backup security code consists of 24 randomly generated words and will be stored in a safety deposit box at a different location than the Trezor wallet.

The Company will continuously evaluate and update processes and procedures, including its use of the Trezor cold storage wallet and the Gemini, to ensure a high level of cyber security.

Cryptocurrency Exchanges

An exchange is an online website where you can buy and sell cryptocurrencies. They are also some of the most popular options for hot wallets where cryptocurrency can be purchased and private keys stored directly by the exchange. Common exchanges include Gemini, Bittrex, Poloniex and Coinbase.

Private keys stored on an exchange are vulnerable in the event the exchange is hacked. The risk is very similar to online banking which is more prone to security breaches. Like banks that have an online presence, online wallets and exchanges go to extreme measures to ensure security; however, like any site connected to the internet it is not impenetrable. The safest way to store private keys is to have a device that is stored in a safe location that is not connected to the internet. Many online exchanges and wallets are starting to store the majority of their funds in cold wallets. The Company will utilize the Gemini Exchange for the purposes of buying or selling digital currency. Gemini also utilizes cold storage and multi-signatory technology to reduce cyber security risks. See "*General Description of the Business – Cryptocurrency Wallets*" above. To mitigate the risks associated with cyber security on the Gemini exchange, the Company will strictly limit the value of currency stored on the exchange and the duration of use. As mentioned in the preceding section, the Trezor cold wallet will be utilized to store the private key on an ongoing basis outside of what is temporarily necessary for purchase and sale transactions on the Gemini exchange.

Mining Equipment

Typically, Rigs are unique to the specific currency involved; however, many are capable of Mining more than one type. Miners generally utilize either Graphic Processing Units ("**GPU**") or Application Specific Integrated Circuit ("**ASIC**") Rigs for Mining. ASICs are efficient and consume drastically less power than GPUs; however, they can only be used to mine a singular coin and often come with a higher price point than GPUs. GPUs are great at complex calculations and capable of Mining more than one coin.

The Company owns an aggregate of 20 Antminer S9's manufactured by Bitmain, which are ASIC Rigs ("ASIC Rigs").

The Bitmain Antminer S9 model Rig is based on the 16nm process node. Each Bitmain Antminer S9 delivers 14 Terra Hash per second, a 0.098 J/GHs and employs 189 chips.

Currency Mined

The Company currently owns the 20 ASIC Rigs, which are used to mine Bitcoin. As the Company grows and additional Rigs are purchased, the Company intends to diversify hardware purchases to mine various currencies which will be determined based on the profitability and credibility of the respective coin, equipment costs and the business strategy of the Company.

Bitcoin

The Company decided to mine Bitcoin for many reasons; the two most significant reasons being network size and proven security. Both are substantial advantages over other digital currencies currently available. Bitcoin has an established history of being a store of value. Most coins try to create differentiation based on smaller use cases, such as smart contracts, anonymous transactions and predictive markets. Bitcoin has an enormous lead as a store of value over other coins because it has existed eight years without failure. The security of Bitcoin has been proven far longer than any of its newly created competitors.

Bitcoin is more accessible with exchanges, merchants and software solutions that support it. Bitcoin is far more liquid, with much larger volumes than all the other cryptocurrencies combined. Bitcoin has the largest developer ecosystem with more software and implementations. Bitcoin has the most entrepreneurs creating companies around the technology, dedication and creativity going toward making it the best overall solution and market leader. It is the genesis coin which all other coins have been based on.

Cyber Security

The Company's management team has developed a risk management policy for the Company as a commitment to continuously focus on cyber security as a key initiative. Key elements of the policy as well as initiatives already implemented are as follows:

1. **Wallet** – the Company will maintain private keys using a cold storage hardware wallet. This form of wallet is considered the most secure means of storage for private keys currently available in the marketplace as it is not connected to the internet. The Company will continuously evaluate new alternatives and will ensure that the private key is stored in the most secure environment available in the marketplace.
2. **Cryptocurrency Exchanges** – the Company will minimize the value and time that cryptocurrency is listed on a public exchange to reduce the risk associated with fund misappropriation resulting from the exchange being hacked. Any exchange used by the Company must comply with current best practices for cyber security including use of cold storage, two-factor authentication for login, and good public validation of security practices.
3. **Security Updates** – the Company will ensure that software updates and recommendations are implemented immediately. This includes updates related to the exchange, wallet as well as software installed on local computers including malware and anti-virus.
4. **Password protection** – passwords will be utilized for all electronic devices and online accounts and will adhere to best practices for effective passwords including storage, expiry, length, special characters, upper and lower case numbers.
5. **Dual factor authentication** – dual factor authentication will be utilized for wallets and online exchanges.

As a commitment to uphold cyber security and safeguarding of assets, the leadership team will continuously review and develop risk management processes around the receipt, storage and sale of coins. Software updates will occur regularly, electronic and physical controls will be constantly evaluated and maintained and continuous process improvements will be sought. Risk management processes and procedures will be reviewed by the advisory group, board of directors and the leadership team.

Mining Hash Rates and Difficulty

Difficulty is the measure of how hard it is to generate a new block in the Blockchain. Difficulty varies with the coin mined and fluctuates daily. Hash rate is the speed at which a computer is completing an operation in the cryptocurrency code. A higher hash rate is better when mining as it increases the opportunity of finding the next block and receiving the reward. Hash rates and difficulty are both key considerations that impact profitability in cryptocurrency mining. The Company monitors both of these factors when making decisions regarding acquisitions, machine operation and profitability forecasting.

Mining Facility

Determining where to set up a cryptocurrency mining facility is generally based on three key factors: (i) miners need to have access to low-cost electricity to run their operations profitably; (ii) miners need to have a sufficiently fast internet connection to quickly receive and broadcast data with other nodes on the network; and (iii) mining equipment must be kept from overheating to function optimally, which is why locations that have low temperature zones offer substantial advantages as cooling costs can be kept low. Mining facilities are mainly concentrated in locations where most of the key drivers discussed above are satisfied. Mining facilities are primarily located in North America, Northern and Eastern Europe as well as in China. In fact, China is the country that hosts most mining facilities and uses the highest power consumption of all countries for cryptocurrency mining. A zoom into China shows that mining facilities are concentrated in remote areas where both electricity and land are very cheap.

The Company's mining operations are carried out in a container located in Gibsons, British Columbia (the "Facility"). Canada is recognized as an area that offers all three key factors identified in the preceding paragraph including low cost of energy, high speed internet access and low temperatures in the equipment environment.

Specialized Skills and Knowledge

All aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge currently include the areas of blockchain technology, software development, finance and accounting. The Company has retained qualified consultants to conduct business equal to, or exceeding, industry standards.

Competitive Conditions

The Company competes with other users and/or companies that are mining cryptocurrencies and other potential financial vehicles, possibly including securities backed by or linked to cryptocurrencies through entities similar to the Company.

Many online companies exist that offer cryptocurrency mining services, as well as companies, individuals and groups that run their own mining farms. Miners can range from individual enthusiasts to professional mining operations with dedicated data centres, however, the vast majority of mining is now undertaken by mining pools.

A mining pool is created when cryptocurrency miners pool their processing power over a network and mine transactions together. Rewards are then distributed proportionately to each miner based on the work / hash power contributed. Mining pools allow miners to pool their resources so they can generate blocks quickly and receive rewards on a consistent basis instead of mining alone where rewards may not be received for long periods.

Other market participants in the cryptocurrency industry include investors and speculators, retail users transacting in cryptocurrencies, and service companies that provide a variety of services including buying, selling, payment processing and storing of cryptocurrencies.

The following table identifies examples of mining companies that exist today:

Competitor	Currency Mined	Location
Riot Blockchain Inc. (NASDAQ: RIOT)	Bitcoin	Not disclosed
Hive Blockchain Technologies Ltd. (TSXV: HIVE)	Ethereum	Iceland, Sweden
Hut 8 Mining. (TSXV: HUT)	Bitcoin	Canada
Hashchain Technology Inc. (TSXV: KASH)	Bitcoin and Dash	Canada

Business Cycle and Seasonality

The Company's business is not cyclical or seasonal; however, coin generation may vary depending on the level of difficulty involved in confirming transactions to be added to the blockchain. Difficulty levels and coin generation have an inverse relationship and fluctuate daily.

Changes to Contracts

No part of the Company's business is reasonably expected to be affected in the current financial year by either the renegotiation or termination of any contract.

Employees

As of the date of this prospectus, the Company has no employees.

Foreign Operations

All of the Company's business and operations are carried on in Canada.

Bankruptcy and Similar Procedures

There are no bankruptcies, receivership or similar proceedings against the Company, nor is the Company aware of any such pending or threatened proceedings. There has not been any voluntary bankruptcy, receivership or similar

proceedings by the Company during its last three financial years.

Reorganizations

The Company has not completed any material reorganization and no reorganization is proposed for the current financial year.

USE OF PROCEEDS AND AVAILABLE FUNDS

Funds Available

The net proceeds to be received by the Company from the Offering, after deducting the balance of the estimated expenses of the Offering of approximately \$103,500 and the Agent's Commission of \$40,000, will be \$356,500. As at September 30, 2018, the Company has a working capital of \$160,000. As a result, the Company estimates that the total funds available will be \$516,500.

Principal Purposes

The funds available will be used for the purposes listed below:

	<u>Amount (\$)</u>
Estimated general and administrative expenses for the 12 months following the Closing	100,000
Service Agreement Obligations for the 12 months following the Closing	51,600
Purchase of 100 ASIC Rigs and Expansion of Facility	245,000
Unallocated Working Capital to fund ongoing operations	<u>119,900</u>
Total	<u><u>516,500</u></u>

The Company expects to incur approximately \$100,000 in general and administrative costs on an annual basis to cover the expenses of operating as a public company over the next twelve (12) months. A breakdown of the estimated general and administrative costs for that period is as follows:

	<u>Annual (\$)</u>
Audit and Accounting Expenses	35,000
Legal Expenses	35,000
Regulatory Filing Fees	15,000
Transfer Agent	10,000
Miscellaneous	<u>5,000</u>
Total	<u><u>100,000</u></u>

The Company intends to spend its available funds on 100 ASIC Rigs. The Company anticipates the expansion will cost \$245,000. The Company has not determined a vendor for these assets and intends to pay fair market price for a full interest in these assets.

There may be circumstances, however, where, for sound business reasons, a reallocation of funds may be necessary. The Company has no plans to provide fees or salaries to any of its named directors and officers over the next twelve months.

Negative Operating Cash Flow

Since incorporation, the Company has had negative operating cash flow and incurred losses. The Company's negative operating cash flow and losses are expected to continue for the foreseeable future. The Company cannot predict when it will reach positive operating cash flow, if ever. Due to the expected continuation of negative operating cash flow, the Company will be reliant on future financings in order to meet its cash needs.

Business Objectives and Milestones

The business objectives the Company expects to achieve using the available funds are to: (i) complete the Offering; (ii) obtain a listing of the Common Shares on the Exchange; and (iii) expand the Facility.

The Company's business objectives of completing the Offering and listing on the Exchange will occur on the Closing of the Offering and the Listing Date. The cost of covering administrative costs for the first 12 months following listing is estimated at \$100,000. The Company's business objective of expanding its Facility is currently expected to occur over the course of approximately 12 months following the Closing date of the Offering. The cost of completing the expansion of the Facility and purchasing 100 ASIC Rigs is estimated at \$245,000. Unallocated funds will be added to the working capital of the Company.

DIVIDENDS OR DISTRIBUTIONS

The Company has not paid dividends since its incorporation. While there are no restrictions in the Company's articles or pursuant to any agreement or understanding which could prevent the Company from paying dividends or distributions, the Company has limited cash flow and anticipates using all available cash resources to fund working capital and grow its business. As such, there are no plans to pay dividends in the foreseeable future. Any decisions to pay dividends in cash or otherwise in the future will be made by the Board on the basis of the Company's earnings, financial requirements and other conditions existing at the time a determination is made.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table sets forth selected financial information with respect to the Company's audited financial statements for the period from incorporation to August 31, 2018. The selected financial information has been derived, except where indicated, from the audited financial statements for the period of incorporation to August 31, 2018. The following should be read in conjunction with the said financial statement and related notes that are included elsewhere in this prospectus, and the "Management Discussion Analysis" dated October 31, 2018.

Selected Financial Information

	Period from November 29, (date of incorporation) to August 31, 2018 (Audited) (\$)
Revenue	29,118
Cost of sales	(48,791)
Gross loss	(19,673)
Total expenses	(86,358)
Other income (expenses)	(12,565)
Total Loss and Comprehensive Loss	118,596
Basic and Diluted loss per share	(0.01)

Statement of Financial Position

	As at August 31, 2018 (Audited) (\$)
Assets	
Current assets	188,275
Non-current assets	223,876
Total Assets	412,151
Liabilities	

Current liabilities	31,877
Shareholders' Equity	380,274
Total Liabilities and Shareholders' Equity	412,151

Overview

This management discussion and analysis (“MD&A”) of results, operations and financial condition of the Company, describes the operating and financial results of the Company for the period from incorporation to August 31, 2018. This MD&A supplements, but does not form part of, the audited financial statements of the Company, and should be read in conjunction with the Company’s audited financial statements and related notes for the period from incorporation to August 31, 2018. The Company prepares and files its financial statements in accordance with IFRS. The currency referred to in this MD&A is in Canadian Dollars.

Period from Incorporation to August 31, 2018

Overall Performance

During the period from the date of incorporation on November 29, 2017 to August 31, 2018, the Company’s operated at a net loss of \$118,596. The Company’s activities included the acquisition of the Rigs as per the Equipment Purchase Agreement, the completion of the Service Agreement with Dreamberry, the raising of aggregate proceeds of \$503,843 through the issuance of shares and the successful mining of 2.89988058 Bitcoin. See “*Business of the Company – Three Year History*”.

Results of Operation

During the period from incorporation on November 29, 2017 to the period ending August 31, 2018 the Company reported a revenue of \$29,118. The revenue was received from the mining of 2.89988058 Bitcoin. The operating cost of the mining was \$48,791, resulting in an operating loss of \$19,673. The Company also recorded expenses of \$86,358.

Professional fees consist of legal fees in connection with our acquisition of the Rigs and this Offering, and accounting and audit fees in connection with the preparation of our audited financial statements.

During period from the date of incorporation to August 31, 2018, the Company completed the following equity financings: (i) the sale of one Common Share at a price of \$1 per share for proceeds of \$1, (ii) the sale of 2,500,000 Common Shares at price of \$0.005 per share for proceeds of \$12,500; (iii) the sale of 19,250,000 units at a price of \$0.02 per unit for proceeds of \$385,000 (of which 2,500,000 was repurchased by the Company at \$0.02 per unit), (iv) the sale of 1,000,000 units at a price of \$0.02 per unit for gross proceeds of \$20,000, (v) the sale of 817,103 units at a price of \$0.02 per unit for gross proceeds of \$16,342.06; (vi) the sale of 1,000,000 units at a price of \$0.02 per unit for gross proceeds of \$20,000 (vii) the sale of 1,000,000 units at a price of \$0.02 per share for gross proceeds of \$20,000, (viii) the sale of the sale of 1,250,000 units at a price of \$0.02 per share for gross proceeds of \$25,000, (ix) the sale of the sale of 250,000 units at a price of \$0.02 per share for gross proceeds of \$5,000, and (x) the sale of the sale of 2,500,000 units at a price of \$0.02 per share for gross proceeds of \$50,000. The Company used the proceeds from these equity financings: (i) to complete the Equipment Purchase Agreement at a cost of \$165,000; (ii) to satisfy its operating expenses for the period; and (iii) for general and administrative expenses.

Liquidity and Capital Resources

The Company reported working capital of \$156,398 and cash on hand of \$146,777 at August 31, 2018.

The Company anticipates having \$516,500 in available funds upon completion of the Offering. The Company estimates that the capital required to expand its operations will be \$245,000. In addition, the Company also anticipates that it will be required to incur approximately \$100,000 in general and administrative expenses. As a result, the Company anticipates that it will have \$119,900 in working capital for future operations. The Company does not anticipate incurring any other material capital expenditures.

The Company’s future capital requirements will depend upon many factors. The Company has limited capital resources

and has to rely upon the sale of equity securities for cash required to expand its operations, for acquisitions and to fund the administration of the Company. Since the Company operates at a loss, it must continue to rely upon the sales of its equity and debt securities to raise capital, which would result in further dilution to the shareholders. There is no assurance that financing, whether debt or equity, will be available to the Company in the amount required by the Company at any particular time or for any period and that such financing can be obtained on terms satisfactory to the Company.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Related Party Transactions

During the period from incorporation to August 31, 2018, the Company incurred legal fees of \$9,366 and legal fees related to share issue costs of \$4,973 to O'Neill Law Corporation. Mr. Hethey, a director of the Company, is a partner of O'Neill Law Corporation.

On April 3, 2018, the Company subscribed for a \$50,000 convertible loan issued by Hello Pal International Inc. ("Hello Pal"). The loan bears interest at a rate of 15% per annum and is due five years from the date of issue. Hello Pal is a related party due to a common director, Gunther Roehlig.

At the option of the Company, the loan may be converted into Hello Pal units at a price of \$0.115 per Hello Pal unit. Each unit will consist of one common share of Hello Pal and one share purchase warrant. Each warrant will entitle the holder to purchase one additional common share of Hello Pal at a price of \$0.115 per share for a period of five years from the date of issue.

During the period ended August 31, 2018, the loan was sold to third parties for proceeds of \$51,872.

During the period from incorporation to August 31, 2018, the Company incurred accounting fees of \$15,219 to Malaspina Consultants Inc. Mr. Anderson, CFO of the Company, is a director of Malaspina Consultants Inc.

The Company acquired \$214,813 of equipment from NMNA, a company controlled by James Liang, CEO and a director of the Company.

Changes in Accounting Policies

The following standards have not yet been adopted and are being evaluated to determine their impact on the Company's financial statements:

IFRS 9 Financial Instruments ("IFRS 9")

IFRS 9 was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is required to be applied for annual periods beginning on or after January 1, 2013. IFRS 9 has an effective date of January 1, 2018 with early adoption permitted.

IFRS 7 Financial Instruments: Disclosures ("IFRS 7")

IFRS 7 amended to require additional disclosure on transition from IAS 39 to IFRS 9. The Company does not expect any effect on its financial statements from the adoption of this standard.

IFRS 15 Revenue from Contract with Customers ("IFRS 15")

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 14 Customer Loyalty Programmes. IFRS 15 is effective for annual reporting periods beginning on or after January 1,

2018, with early adoption permitted.

IFRS 16 Leases (“IFRS 16”)

IFRS 16 established principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that leases and lessors provide relevant information that faithfully represents those transactions. This standard is effective for annual periods beginning on or after January 1, 2019. The Company is in the process of assessing the impact of this pronouncement.

The extent of the impact of adoption of these standards and interpretations on the financial statements of the Company has not been determined.

Based on its review of the above, management is of the opinion that the Company's current accounting policies and disclosures in its financial statements comply in all material respects with the requirements so far as they are applicable to its present operations.

Financial Instruments

The Company's financial instruments consist of cash, accounts receivable and accounts payables and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values unless otherwise stated.

Summary of Quarterly Results

Since incorporation, the Company has not prepared quarterly interim financial statements. As a result, the Company is unable to provide a summary of the quarterly results for the period from incorporation on November 29, 2017 to August 31, 2018.

Additional Disclosure for Venture Issuers without Significant Revenue

A breakdown of all material components of the general and administrative expenses of the Company is set forth in the audited financial statements for the period from incorporation to August 31, 2018.

Disclosure of Outstanding Security Data

The Company has one class of shares outstanding, being Common Shares. As of the date of this prospectus, 27,067,104 Common Shares are issued and outstanding. The Company also has 24,567,103 outstanding share purchase warrants exercisable at a price of \$0.10 per share for a period expiring between February 15, 2020 and June 22, 2020. See “Description of the Securities Distributed”.

DESCRIPTION OF SHARE CAPITAL

Authorized Capital

The authorized capital of the Company consists of an unlimited amount of Common Shares, of which 27,067,104 Common Shares are issued and outstanding as at the date of this prospectus, and an unlimited number of preferred shares, of which none are issued and outstanding.

Common Shares

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company and each Common Share shall confer the right to one vote in person or by proxy at all meetings of the shareholders of the Company. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Company, are entitled to receive such dividends in any financial year as the board of directors of the Company may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the

Company. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Warrants

As of the date of this prospectus, there are outstanding Warrants exercisable to acquire up to an aggregate of 24,567,103 Common Shares.

CONSOLIDATED CAPITALIZATION

The following table summarizes changes in the Company's capitalization as at August 31, 2018, as of the date of this prospectus, and following completion of the Offering:

	August 31, 2018	As at the date hereof	After giving effect to the Offering
Common Shares	27,067,104	27,067,104	32,067,104
Agent's Option	Nil	Nil	400,000
Options	Nil	Nil	Nil
Warrants ⁽¹⁾	Nil	24,567,103	24,567,103
Long Term Liabilities	Nil	Nil	Nil

Note:

- (1) Each warrant entitles the holder to purchase one additional Common Share at a price of \$0.10 per Common Share for a two year period from the date of issue.

OPTIONS TO PURCHASE SECURITIES

The Directors of the Company adopted a stock option plan on June 11, 2018 (the "Stock Option Plan"). The purpose of the Stock Option Plan is to advance the interests of the Company by encouraging the directors, officers, employees, management company employees and consultants of the Company, and of its subsidiaries and affiliates, if any, to acquire Common Shares in the share capital of the Company, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs. The Stock Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance will be 10% of the number of the Company's Common Shares issued and outstanding at the time such options are granted. The Stock Option Plan will be administered by the Company's Board of Directors, which will have full and final authority with respect to the granting of all options thereunder.

Options may be granted under the Stock Option Plan to such directors, officers, employees, management or consultants of the Company and its affiliates, if any, as the Board of Directors may from time to time designate. The exercise price of option grants will be determined by the Board of Directors, but after listing on the Exchange will not be less than the closing market price of the Common Shares on the Exchange less allowable discounts at the time of grant. The Stock Option Plan provides that the number of Common Shares that may be reserved for issuance to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued Common Shares, if the individual is a director, officer, employee or consultant, or 2% of the issued Common Shares, if the individual is engaged in providing investor relations services, on a yearly basis. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; or (iii) one year from the date of death or disability. Options granted under the Stock Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

As of the date of this prospectus, the Company has not granted any stock options.

PRIOR SALES

Since the date of its incorporation on November 29, 2017, the Company has issued the following securities:

Date Of Issue	Reason for Issue	Number and Class of Securities	Issue Price per Security
November 29, 2017	Allotment	1 Common Share	\$1.00
December 31, 2017	Allotment	2,500,000 Common Shares	\$0.005
February 15, 2018	Allotment	16,750,000 Units ⁽¹⁾⁽²⁾	\$0.02
March 31, 2018	Allotment	1,000,000 Units ⁽²⁾	\$0.02
April 15, 2018	Allotment	817,103 Units ⁽²⁾	\$0.02
April 19, 2018	Allotment	1,000,000 Units ⁽²⁾	\$0.02
April 30, 2018	Allotment	1,000,000 Units ⁽²⁾	\$0.02
May 14, 2018	Allotment	1,250,000 Units ⁽²⁾	\$0.02
May 16, 2018	Allotment	250,000 Units ⁽²⁾	\$0.02
June 22, 2018	Allotment	2,500,000 Units ⁽²⁾	\$0.02

Notes:

- (1) The amount excludes 2,500,000 repurchased by the Company at \$0.02 per unit.
- (2) Each Unit comprises of one common share and one non-transferrable warrant entitling the holder to purchase one additional Common Share at a price of \$0.10 per Common Share for a two year period from the date of issuance.

ESCROWED SECURITIES

In accordance with National Policy 46-201 - *Escrow for Initial Public Offerings* (previously defined as “NP 46-201”), all securities of an issuer owned or controlled by its principals are required to be placed in escrow at the time of the issuer’s initial public offering, unless the shares held by the principal or issuable to the principal upon conversion of convertible securities held by the principal collectively represent less than 1% of the voting rights attaching to the total issued and outstanding securities of the issuer after giving effect to the initial public offering. Upon completion of the Offering, the Company anticipates being an “emerging issuer” as defined in NP 46-201.

The following securities of the Company (the “Escrowed Securities”) are held by, and are subject to the terms of an escrow agreement dated ♦, 2018, among the Company, Computershare Investor Services Inc., as escrow agent, and the holders of the Escrowed Securities, being James Y. Liang, Charles Hethy and Gunther Roehlig (the “Escrow Agreement”):

Designation of Class	Number of Securities	Percentage of Common Shares Prior to Completion of the Offering	Percentage of Common Shares on Completion of the Offering
Common Shares	2,500,001	9.24%	7.80%

As the Company anticipates being an “emerging issuer” as defined in NP 46-201, the following automatic timed releases will apply to the Common Shares held by its principals who are subject to escrow:

On the Listing Date	1/10 of the escrow securities
6 months after the Listing Date	1/6 of the remaining escrow securities
12 months after the Listing Date	1/5 of the remaining escrow securities
18 months after the Listing Date	1/4 of the remaining escrow securities
24 months after the Listing Date	1/3 of the remaining escrow securities

30 months after the Listing Date	1/2 of the remaining escrow securities
36 months after the Listing Date	the remaining escrow securities

Assuming there are no changes to the escrow securities initially deposited and no additional escrow securities are deposited, this will result in a 10% release on the listing date (as defined by NP 46-201), with the remaining escrow securities being released in 15% tranches every 6 months thereafter.

Under NP 46-201, a “principal” is: (a) a person who has acted as a promoter of the Company within two years of the date of this prospectus; (b) a director or senior officer of the Company at the time of this prospectus; (c) a person that holds securities carrying more than 20% of the voting rights attached to the Company’s outstanding securities immediately before and immediately after the Company’s initial public offering; and (d) a person that: (i) holds securities carrying more than 10% of the voting rights attached to the Company’s outstanding securities immediately before and immediately after the Company’s initial public offering; and (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Company. A principal’s spouse and their relatives that live at the same address as the principal will be deemed principals and any securities of the Company held by such a person will be subject to the escrow requirements.

The automatic time release provisions under NP 46-201 pertaining to “established issuers” provide that 25% of each principal’s escrowed securities are released on the Listing Date, with an additional 25% being released in equal tranches at six month intervals over 18 months. If, within 18 months of the Listing Date, the Company meets the “established issuer” criteria, as set out in NP 46-201, the Escrowed Securities will be eligible for accelerated release according to the criteria for established issuers. In such a scenario that number of Escrowed Securities that would have been eligible for release from escrow if the Company had been an “established issuer” on the Listing Date will be immediately released from escrow. The remaining Escrowed Securities would be released in accordance with the time release provisions for established issuers, with all escrow securities being released 18 months from the Listing Date.

Under the terms of the Escrow Agreement, Escrowed Securities cannot be transferred by the holder unless permitted under the Escrow Agreement. Notwithstanding this restriction on transfer, a holder of Escrowed Securities may (a) pledge, mortgage or charge the Escrowed Securities to a financial institution as collateral for a loan provided that no Escrow Securities will be delivered by the escrow agent to the financial institution; (b) exercise any voting rights attached to the Escrow Securities; (c) receive dividends or other distributions on the Escrow Securities; and (d) exercise any rights to exchange or convert the Escrow Securities in accordance with the Escrow Agreement.

The Escrowed Securities may be transferred within escrow to: (a) subject to approval of the Company’s Board of Directors, an individual who is an existing or newly appointed director or senior officer of the Company or of a material operating subsidiary of the Company; (b) subject to the approval of the Company’s Board of Directors, a person that before the proposed transfer holds more than 20% of the voting rights attached to the Company’s outstanding securities; (c) subject to the approval of the Company’s Board of Directors, a person that after the proposed transfer will hold more than 10% of the voting rights attached to the Company’s outstanding securities and that has the right to elect or appoint one or more directors or senior officers of the Company or any of its material operating subsidiaries; (d) upon the bankruptcy of a holder of escrowed securities, the securities held in escrow may be transferred within escrow to the trustee in bankruptcy or other person legally entitled to such securities; (e) upon the death of a holder of escrowed securities, all securities of the deceased holder will be released from escrow to the deceased holder’s legal representative; (f) a financial institution that the holder pledged, mortgaged or charges to a financial institution as collateral for a loan on realization of such loan; and (g) a registered retirement savings plan (“RRSP”), registered retirement income fund (“RRIF”) or similar registered plan or fund with a trustee, where the annuitant of the RRSP or RRIF, or the beneficiaries of another plan or fund are limited to the holders spouse, children or parents, or if the holder is the trustee of such registered plan or fund, to the annuitant of the RRSP or RRIF, or a beneficiary of the other registered plan or fund or his or her spouse, children or parents.

In addition, tenders of Escrowed Securities pursuant to a business combination, which includes a take-over bid, issuer bid, statutory arrangement, amalgamation, merger or other reorganization similar to an amalgamation or merger, are permitted. Escrowed Securities subject to a business combination will continue to be escrowed if the successor entity is not an “exempt issuer”, the holder is a principal of the successor entity; and the holder holds more than 1% of the voting rights of the successor entities’ outstanding securities.

Under the terms of the Escrow Agreement, 10% of each escrowed shareholder’s shares (a total of 250,000 Common Shares) will be released from escrow on the Listing Date. The remaining 2,250,000 Common Shares will be held in

escrow immediately following the Listing Date and released pursuant to the terms of the Escrow Agreement.

PRINCIPAL SHAREHOLDERS

To the knowledge of the Company's directors and officers, no persons beneficially own, or control or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any of the Shares.

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth, for each of the Directors and executive officers of the Company, the name, municipality of residence, age, principal occupation, position held with the Company and the date on which the person became a Director.

Name, Municipality of Residence and Age	Principal Occupations during past five years	Position with the Company	Director or Officer Since	Securities Held	Percentage of Securities Held as of the Date of this Prospectus ⁽¹⁾	Percentage of Securities Held After Offering ⁽¹⁾
James Y. Liang, 31, Vancouver, B.C. ⁽²⁾	Consultant with New Margin Ventures.	Chief Executive Officer and Director	November 2017	1,250,000 Common Shares	4.62%	3.90%
Matthew Anderson, 35, Port Moody, B.C.	Accountant at Malaspina Consultants Inc., CFO of a number of public companies.	Chief Financial Officer	June 2018	Nil	Nil	Nil
Charles Hethey, 38, Port Moody, B.C. ⁽²⁾	Partner at O'Neill Law Corporation; Director of New Energy Metals Corp.	Director	November 2017	625,001 Common Shares	2.31%	1.95%
Gunther Roehlig, 51, Saltspring Island, B.C. ⁽²⁾	Chief Executive Officer, President and Director of Broome Capital Inc.; Director of Zinc One Resources Inc.; Director of New Energy Metals Corp. and Director of Hello Pal International Inc.	Director	November 2017	625,000 Common Shares	2.31%	1.95%
Total Securities				2,500,001 Common Shares	9.24%	7.80%

Note:

- (1) On an undiluted basis.
- (2) Member of the Audit Committee.

Term of Office

The directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are duly elected or appointed in accordance with the Company's Articles or until such director's earlier death, resignation or removal.

Management – Directors and Officers of the Company

Below is a brief description of each of the directors and executive officers of the Company including: names; ages; positions and responsibilities; relevant educational background; principal occupations or employment during the five years preceding the date of this prospectus; and relevant experience.

James Y. Liang (31) – CEO and Director

Mr. Liang has a Bachelor of Commerce from the University of British Columbia, obtained a Financial Risk Manager Certification from the Global Association of Risk Associates (GARP) and completed two levels of the CFA exams. Mr. Liang currently works with New Margin Ventures, which is a venture capital firm based in Hangzhou, China, and assists with the evaluation of a number of technology companies for the purpose of New Margin providing financing.

Mr. Liang will be responsible for the overall management of the Company. Mr. Liang will devote approximately 20% of his time to the Company or such greater amount of time as is necessary. Mr. Liang has not entered into a non-competition or non-disclosure agreement with the Company. Mr. Liang is an independent contractor of the Company.

Matthew Anderson (35) – CFO

Mr. Anderson holds a Bachelor of Commerce degree from McGill University and obtained his Chartered Professional Accountant designation in 2008 while articling at a large accounting firm. Matt is a Senior Consultant with Malaspina Consultants Inc., a private company that provides accounting and administrative infrastructure to junior public companies. He serves or has served as CFO of several junior public companies.

Mr. Anderson will be responsible for the accounting activities of the Company. Mr. Anderson will devote approximately 10% of his time to the Company or such greater amount of time as is necessary. Mr. Anderson has not entered into a non-competition or non-disclosure agreement with the Company. Mr. Anderson is an independent contractor of the Company.

Charles C. Hethey (38) – Director

Mr. Hethey is a securities lawyer in British Columbia and New York with over 10 years' experience. Mr. Hethey represents a number of U.S. and Canadian listed entities on the TSX Venture Exchange, Canadian Securities Exchange and U.S. OTC markets. In particular, Mr. Hethey's clients are active in a broad range of industries including mineral resources, oil and gas, industrial, green energy and technology. Mr. Hethey has significant experience in U.S. and Canadian corporate finance, mergers and acquisitions and securities compliance matters. Mr. Hethey is currently a director of New Energy Metals Corp. (TSXV: ENRG), a mineral exploration company with exploration projects in Quebec and Chile.

Mr. Hethey will serve as a member of the audit committee. Mr. Hethey will devote approximately 15% of his time to the Company or such greater amount of time as is necessary. Mr. Hethey has not entered into a non-competition or non-disclosure agreement with the Company. Mr. Hethey is an independent contractor of the Company and does not receive any fees from the Company as a result of being an independent contractor.

Gunther Roehlig (51) – Director

Mr. Roehlig has more than 15 years of experience in the financial and investment industry. In particular, Mr. Roehlig has experience in restructuring, managing and financing junior public companies. Most recently, Mr. Roehlig served as the president of Terra Ventures Inc., which held a 10% stake in the high-grade Roughrider uranium discovery owned by Hathor Exploration. In May 2011, Terra Ventures was acquired by Hathor Exploration – Hathor was then subsequently acquired by one of the world's largest mining companies Rio Tinto in late 2011. Mr. Roehlig is currently a director of Zinc One Resources Inc., Hello Pal International Inc., Broome Capital Inc., Yuntone Capital Corp., Plymouth Realty Capital Corp. and New Energy Metals Corp.

Mr. Roehlig will serve as a member of the audit committee. Mr. Roehlig will devote approximately 20% of his time to the Company or such greater amount of time as is necessary. Mr. Roehlig has not entered into a non-competition or non-disclosure agreement with the Company. Mr. Roehlig is an independent contractor of the Company.

Cease Trade Orders

To the knowledge of management of the Company, no director or executive officer of the Company, is or has been, within the ten years preceding the date of this prospectus, a director, chief executive officer, chief financial officer of any company that:

- (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of this prospectus, an “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to an exemption under securities legislation, and such order was in effect for a period of more than 30 consecutive days.

Bankruptcies

To the knowledge of management of the Company no director or executive officer of the Company, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, is or has been, with the ten years preceding the date of this prospectus:

- (a) a director or an executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets or made a proposal under any legislation relating to bankruptcy or insolvency; or
- (b) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the individual.

Penalties or Sanctions

To the knowledge of management of the Company, no director or officer of the Company, or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

Except as disclosed herein, to the knowledge of management of the Company, there are no existing material conflicts of interest between the Company and any Director or officer of the Company. Directors and officers of the Company may serve as directors and/or officers of other companies or have significant shareholdings in other cryptocurrency companies and, to the extent that such other companies may participate in ventures in which the Company may participate, certain Directors of the Company may have a conflict of interest in negotiating and conducting terms in respect of any transaction involving such companies. In the event that such conflict of interest arises at a meeting of the Board, a Director who has such a conflict is required to disclose such conflict and abstain from voting for or against the approval of such transaction.

The information as to ownership of securities of the Company, corporate cease trade orders or bankruptcies, penalties or sanctions, personal bankruptcies or insolvencies and existing or potential conflicts of interest has been provided by each insider of the Company individually in respect of himself or herself.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Company's executive compensation program during the most recently completed financial period ended August 31, 2018 was administered by the Company's board of directors. The board of directors was solely responsible for determining the compensation to be paid to the Company's executive officers and evaluating their performance. The board of directors has not adopted any specific policies or objective for determining the amount or extent of compensation for directors or officers.

Significant Elements

As of the date of this prospectus, the Company has not paid any compensation to its "Named Executive Officers", being the Chief Executive Officer, the Chief Financial Officer and the three other most highly compensated executive officers whose total compensation exceeds \$150,000. Although the Company does not intend on paying any compensation to its Named Executive Officers at this time, the significant elements of compensation for the Named Executive Officers may be a cash salary and stock options. The Company does not presently have a long-term incentive plan for its Named Executive Officers. There is no policy or target regarding allocation between cash and non-cash elements of the Company's compensation program. The board of directors reviews annually the total compensation package of each of the Company's executives on an individual basis.

Cash Salary

The Company's compensation payable to the Named Executive Officers is based upon, among other things, the responsibility, skills and experience required to carry out the functions of each position held by each Named Executive Officer and varies with the amount of time spent by each Named Executive Officer in carrying out his or her functions on behalf of the Company.

If the Company elects to pay compensation to its Named Executive Officers, the Chief Executive Officer's compensation will be determined by time spent on: (i) the Company's current Bitcoin mining operations; (ii) reviewing potential cryptocurrency mining operations that the Company may acquire and negotiating, on behalf of the Company, and (iii) new business ventures. The Chief Financial Officer's compensation will be primarily determined by time spent in reviewing the Company's financial statements.

Stock Options

The Company's stock option plan is intended to emphasize management's commitment to the growth of the Company. The grant of stock options, as a key component of the executive compensation package, enables the Company to attract and retain qualified executives. Stock option grants are based on the total of stock options available under the Stock Option Plan. In granting stock options, the board of directors reviews the total of stock options available under the Stock Option Plan and recommends grants to newly retained executive officers at the time of their appointment, and considers recommending further grants to executive officers from time to time thereafter. The amount and terms of outstanding options held by an executive are taken into account when determining whether and how new option grants should be made to the executive. The exercise periods are to be set at the date of grant. The stock option grants may contain vesting provisions in accordance to the Company's Stock Option Plan.

As of the date hereof, the Company has not granted any stock options. See "Options to Purchase Securities" above.

Employment and Consulting Agreements

The Company has not entered into formal employment or consulting agreements with its Chief Executive Officer and Chief Financial Officer.

Summary Compensation Table

No compensation was paid to, or earned by, the Company's Named Executive Officers since incorporation of the Company on November 29, 2017.

Incentive Plan Awards

There were no outstanding share based and option based awards to the Named Executive Officers since incorporation of the Company on November 29, 2017.

Director Compensation

No compensation paid to, or earned by, the Company's directors since incorporation of the Company on November 29, 2017.

Termination and Change of Control Benefits

There are no management or consulting agreements with any directors or officers of the Company, and no arrangements for the termination or change of control benefits.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

There is not currently, nor has there been since incorporation on November 29, 2017, any indebtedness of any Director, executive officer, senior officer, proposed nominee for election as Director or associate of any of them, to or guaranteed or supported by the Company either pursuant to an employee stock purchase program of the Company or otherwise, and no individual is or has been indebted to any other entity where the indebtedness is the subject of a guarantee, support agreement, letter of credit, or similar arrangement or understanding by the Company.

AUDIT COMMITTEES AND CORPORATE GOVERNANCE

Audit Committee

Audit Committee Charter

The Audit Committee's role is to act in an objective, independent capacity as a liaison between the auditors, management and the board of directors and to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations.

On June 11, 2018, the Board of Directors adopted a charter delineating the Audit Committee's responsibilities. The Audit Committee Charter is attached to this prospectus as Schedule "A".

Composition of Audit Committee

The following persons are members of our audit committee:

James Liang	Not Independent	Financially Literate
Charles Hethey	Independent	Financially Literate
Gunther Roehlig	Independent	Financially Literate

Relevant Education and Experience

All members of the Audit Committee have the ability to read, analyze and understand the complexities surrounding the issuance of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements, and have an understanding of internal controls. The members of the Audit Committee intend to maintain their currency by periodically taking continuing education courses.

The education and experience of each Audit Committee member that is relevant to the performance of his/her responsibilities as an Audit Committee member is as follows:

James Liang: Mr. Liang has a Bachelor of Commerce from the University of British Columbia, obtained a Financial Risk Manager Certification from the Global Association of Risk Associates (GARP) and completed two levels of the CFA exams. Mr. Liang currently works with New Margin Ventures, which is a venture capital firm based in HangZhou, China, and assists with the evaluation of a number of technology companies for the purpose of New Margin providing financing. Accordingly, Mr. Liang has the ability to understand financial statements relating to junior technology companies.

Charles Hethey: Mr. Hethey has represented numerous mineral exploration companies and advised them on their securities compliance obligations over the last 10 years. Further, Mr. Hethey is a director and a member of the audit committee of New Energy Metals Corp., a company listed on the TSX Venture Exchange. Accordingly, Mr. Hethey has the ability to understand financial statements relating to junior technology companies.

Gunther Roehlig: Mr. Roehlig has served as a director and officer of a number of junior mineral exploration companies listed on the TSX Venture Exchange. Accordingly, Mr. Roehlig has the ability to understand financial statements relating to junior technology companies.

Audit Committee Oversight

At no time since the commencement of the Company's most recent completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*) or in Sections 6.1.1(4), (5) and (6) of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. However, the Company's Audit Committee Charter states that Audit Committee must pre-approve all non-audit services, including the fees and terms thereof, to be performed for the Company by the Auditor.

External Auditor Fees

The aggregate fees billed to the Company for the services provided by the external auditor for the period ended August 31, 2018 are as follows:

	Period ended August 31, 2018
Audit Fees	\$20,000
Audit-Related Fees	-
Tax Fees	-
All Other Fees	-
Total	\$20,000

Exemption

The Company has relied upon the exemption provided by section 6.1 of NI 52-110, which exempts a venture issuer from the requirement to comply with the restrictions on the composition of its Audit Committee and the disclosure requirements of its Audit Committee as prescribed by NI 52-110.

Corporate Governance

Corporate governance relates to the activities of the board of directors, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are

appointed by the board of directors and who are charged with the day-to-day management of the Company. The board of directors is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

The Company’s corporate governance practices are summarized below:

Board of Directors

The Board of Directors is currently comprised of three members. The rules of the Exchange requires that a minimum of two directors be “independent” directors. An “independent” director is a director who has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the board of directors, reasonably interfere with the exercise of a director’s independent judgment. Gunther Roehlig and Charles Hethey are independent directors of the Company, as aside from Common Shares held by them, they have no ongoing interest or relationship with the Company other than serving as a director. James Liang is not an independent director because of his position as Chief Executive Officer of the Company.

Directorships

The following directors of the Company are directors of other reporting issuers:

Name of Director	Name of Reporting Issuer	Exchange
James Liang	None.	None.
Charles Hethey	New Energy Metals Corp.	TSX Venture Exchange
Gunther Roehlig	Zinc One Resources Inc.	TSX Venture Exchange
	Broome Capital Inc.	TSX Venture Exchange
	Darien Business Development Corp.	TSX Venture Exchange
	Hello Pal International Inc.	Canadian Securities Exchange
	New Energy Metals Corp.	TSX Venture Exchange
	Yuntone Capital Corp.	TSX Venture Exchange
	Plymouth Realty Capital Corp.	TSX Venture Exchange

Orientation and Continuing Education

The Board of Directors provides an overview of the Company’s business activities, systems and business plan to all new directors. New director candidates have free access to any of the Company’s records, employees or senior management in order to conduct their own due diligence and will be briefed on the strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing policies of the Company. The directors are encouraged to update their skills and knowledge by taking courses and attending professional seminars.

Ethical Business Conduct

The Board of Directors believes good corporate governance is an integral component to the success of the Company and to meet responsibilities to shareholders. Generally, the Board of Directors has found that the fiduciary duties placed on individual directors by the Company’s governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director’s participation in decisions of the Board of Directors in which the director has an interest have been sufficient to ensure that the Board of Directors operates independently of management and in the best interests of the Company.

The Board of Directors is also responsible for applying governance principles and practices, and tracking development in corporate governance, and adapting “best practices” to suit the needs of the Company. Certain of the directors of the Company may also be directors and officers of other companies, and conflicts of interest may arise between their duties. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies as applicable under the BCA.

Nomination of Directors

The Board of Directors has not formed a nominating committee or similar committee to assist the Board of Directors with the nomination of directors for the Company. The Board of Directors considers itself too small to warrant creation of such a committee; and each of the directors has contacts he can draw upon to identify new members of the Board of Directors as needed from time to time.

The Board of Directors will continually assess its size, structure and composition, taking into consideration its current strengths, skills and experience, proposed retirements and the requirements and strategic direction of the Company. As required, Directors will recommend suitable candidates for consideration as members of the Board of Directors.

Compensation

The Board of Directors reviews the compensation of its directors and Chief Executive Officer annually. Compensation of Directors and the Chief Executive Officer will be determined by the directors and the Chief Executive Officer taking into account the Company's business ventures and the Company's financial position.

Other Board Committees

The Company has established an Audit Committee. There are no other committees of the Board of Directors.

Assessments

The Board of Directors has not implemented a process for assessing its effectiveness. As a result of the Company's small size and the Company's stage of development, the Board of Directors considers a formal assessment process to be inappropriate at this time. The Board of Directors plans to continue evaluating its own effectiveness on an ad hoc basis.

The Board of Directors does not formally assess the performance or contribution of individual Board members or committee members.

PLAN OF DISTRIBUTION

Under the Agency Agreement, the Company has appointed the Agent on a commercially reasonable efforts basis to offer for sale 5,000,000 Common Shares of the Company at a price of \$0.10 per Common Share for total gross proceeds of \$500,000. The issue price of \$0.10 per Common Share was determined by negotiation between the Company and the Agent.

The completion of the Offering is subject to a minimum subscription of Common Shares for total gross proceeds of \$500,000. The Offering will not be completed and no subscription funds will be advanced to the Company unless and until the minimum subscription of \$500,000 has been raised. In the event that the minimum subscription is not attained by the end of the period of the Offering, all subscription funds that subscribers may have advanced to the Agent in respect of the Offering will be refunded to the subscribers without interest or deduction.

The Company has agreed not to, directly or indirectly, issue, sell or grant or agree to announce any intention to issue, sell or grant, any additional equity or quasi-equity securities for a period of 90 days after the Closing of the Offering without the prior written consent of the Agent, such consent not to be unreasonably withheld, except in conjunction with: (i) the grant or exercise of stock options and other similar issuances pursuant to the share incentive plan of the Company and other share compensation arrangements; (ii) obligations in respect of existing mineral property agreements; and (iii) the issuance of securities in connection with property or share acquisitions in the normal course of business.

Subscriptions for Common Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the Closing of the offering will occur on a date agreed upon by the Company and the Agent, but not later than the date that is 90 days after a receipt is issued for the final prospectus or if a receipt has been issued for an amendment to the final prospectus, within 90 days of issuance of such receipt and in any event not later than 180 days from the date of receipt of the final prospectus. It is expected that share certificates evidencing the Common Shares will be available for delivery on the Closing unless the Agent elects for delivery in electronic book entry form through CDS Clearing and Depository Services Inc. ("CDS") or

its nominee. If delivered in book entry form, purchasers of Common Shares will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Common Shares were purchased.

There is currently no market through which any of the securities of the Company, including the Common Shares, may be sold and purchasers and holders thereof may not be able to resell or dispose of any of the securities purchased, distributed or qualified under this prospectus.

The Company has agreed to indemnify the Agent and its respective directors, officers, employees, shareholders and agents against all liabilities arising directly or indirectly from the Agency Agreement. Notwithstanding the above, the indemnity does not include claims arising from negligence, dishonesty, or wilful misconduct of the Agent.

The obligations of the Agent under the Agency Agreement may be terminated at the Agent's discretion on the basis of its assessment of the state of financial markets and may also be terminated upon the occurrence of certain stated events. The Agent is not obligated to purchase any of the Common Shares under the Offering but may choose to do so in its sole discretion.

Agent's Commission

The Company has agreed to pay to the Agent the Agent's Commission equal to 8% of the aggregate gross proceeds of the Offering in consideration for its services in connection with the Offering. Such fee, together with all other expenses of the Offering, will be paid by the Company out of the proceeds of the Offering. The Company has also agreed to pay to the Agent a Work Fee of \$20,000 plus applicable taxes upon Closing of the Offering.

As additional compensation, on the Closing, the Company has agreed to grant to the Agent the Agent's Option exercisable to acquire that number of Common Shares that is equal to 8% of the number of Common Shares sold pursuant to this Offering at the price of \$0.10 per Common Share for a period twenty-four (24) months from the Closing. The Agent's Option will be qualified under this prospectus.

Listing of Common Shares on the Exchange

The Company has applied to list its Common Shares on the Exchange. Listing of the Common Shares is subject to the Company fulfilling all of the listing requirements of the Exchange.

As of the date of this prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

RISK FACTORS

An investment in the Common Shares should be considered highly speculative due to the nature of the Company's business and the present stage of development. An investment in the Common Shares should only be made by knowledgeable and sophisticated investors who are willing to risk and can afford the loss of their entire investment and who are able to understand the unique nature and risks of the Company, cryptocurrencies and Mining. Potential investors should consult with their professional advisors to assess an investment in the Company. In evaluating the Company and its business, investors should carefully consider, in addition to other information contained in this prospectus, the risk factors below. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with its operations.

The following are certain factors relating to the Company's business, which prospective investors should carefully consider before deciding whether to purchase Common Shares. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information set out elsewhere in this prospectus. These risks and uncertainties are not the only ones the Company is facing. Additional risks and uncertainties not presently known to the Company, or that the Company currently deems immaterial, may also impair operations. If any such risks actually occur, the business, financial condition, liquidity and results of operations could be materially adversely affected.

Risks Related to the Company's Business

Going-Concern Risk

The Company's audited financial statements have been prepared on a going-concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing equity or debt financing or in achieving profitability. The Company's audited financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

Negative Cash Flow

The Company has a limited history of operations, and no history of earnings, cash flow or profitability. The Company has had negative operating cash flow since the Company's incorporation, and the Company will continue to have negative operating cash flow for the foreseeable future. No assurance can be given that the Company will ever attain positive cash flow or profitability additional or that additional funding will be available for operations.

The Company may be required to sell its coins to pay for expenses

The Company may sell its coins to pay for expenses incurred, irrespective of then-current coin prices. Consequently, the Company's coins may be sold at a time when the price is low, resulting in a negative effect on the Company's profitability.

The Company's cryptocurrency inventory may be exposed to cybersecurity threats and hacks

As with any other computer code, flaws in the cryptocurrency codes have been exposed by certain malicious actors. Several errors and defects have been found and corrected, including those that disabled some functionality for users and exposed users' information. Discovery of flaws in or exploitations of the source code that allow malicious actors to take or create money have been relatively rare. A ETH hacking example occurred in late July of 2017, where an unknown hacker exploited a critical flaw in the Parity multi-signature wallet on the ETH network and drained three large wallets that had a combined total of over \$31 million worth of ETH. If left undetected, the hacker could potentially have stolen an additional \$150 million of ETH. The loss was limited to the \$31 million of ETH as white-hat hackers acted swiftly to protect the remaining accounts at risk. In January 2018 Coincheck was hacked which resulted in a US\$530 million loss to its customers. In June 2018 a Korean Bitcoin exchange known as Coinrail was targeted by hackers and stole nearly 30% of its virtual currencies. Bitcoin was not the target but Pundi and Astoncoin valued at US\$37 million was stolen.

Regulatory changes or actions may alter the nature of an investment in the Company or restrict the use of cryptocurrencies in a manner that adversely affects the Company's operations

As cryptocurrencies have grown in both popularity and market size, governments around the world have reacted differently to cryptocurrencies with certain governments deeming them illegal while others have allowed their use and trade. Ongoing and future regulatory actions may alter, perhaps to a materially adverse extent, the ability of the Company to continue to operate.

The effect of any future regulatory change on the Company or any cryptocurrency that the Company may mine is impossible to predict, but such change could be substantial and have a material adverse effect on the Company.

Governments may in the future curtail or outlaw the acquisition, use or redemption of cryptocurrencies. Ownership of, holding or trading in cryptocurrencies may then be considered illegal and subject to sanction. Governments may also take regulatory action that may increase the cost and/or subject cryptocurrency companies to additional regulation. For example, on July 25, 2017 the United States Securities and Exchange Commission released an investigative report that indicated that the United States Securities and Exchange Commission would, in some circumstances, consider the offer and sale of blockchain tokens pursuant to an initial coin offering subject to U.S. securities laws. Similarly, on August 24, 2017, the Canadian Securities Administrators released a notice which indicated that the Canadian Securities Administrators would, in some circumstances, consider the offer and sale of blockchain tokens pursuant to an initial coin offering subject to Canadian securities laws. In June 2018, the Canadian Securities Administrators published the CSA

Staff Notice 46-308 Securities implications for Offerings of Tokens to provide additional guidance on the applicability of securities laws to offering of coins or tokens.

Governments may in the future take regulatory actions that prohibit or severely restrict the right to acquire, own, hold, sell, use or trade cryptocurrencies or to exchange cryptocurrencies for fiat currency. By extension, similar actions by other governments, may result in the restriction of the acquisition, ownership, holding, selling, use or trading in the Common Shares. Such a restriction could result in the Company liquidating its Bitcoin inventory at unfavorable prices and may adversely affect the Company's shareholders.

The value of cryptocurrencies may be subject to momentum pricing risk

Momentum pricing typically is associated with growth stocks and other assets whose valuation, as determined by the investing public, accounts for anticipated future appreciation in value. Cryptocurrency market prices are determined primarily using data from various exchanges, over-the-counter markets, and derivative platforms. Momentum pricing may have resulted, and may continue to result, in speculation regarding future appreciation in the value of cryptocurrencies, inflating and making their market prices more volatile. As a result, they may be more likely to fluctuate in value due to changing investor confidence in future appreciation (or depreciation) in their market prices, which could adversely affect the value of the Company's Bitcoin inventory and thereby affect the Company's shareholders.

Cryptocurrency exchanges and other trading venues are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure

To the extent that cryptocurrency exchanges or other trading venues are involved in fraud or experience security failures or other operational issues, this could result in a reduction in cryptocurrency prices.

Cryptocurrency market prices depend, directly or indirectly, on the prices set on exchanges and other trading venues, which are new and, in most cases, largely unregulated as compared to established, regulated exchanges for securities, derivatives and other currencies. For example, during the past four years, a number of Bitcoin exchanges have been closed due to fraud, business failure or security breaches. In many of these instances, the customers of the closed Bitcoin exchanges were not compensated or made whole for the partial or complete losses of their account balances in such Bitcoin exchanges. While smaller exchanges are less likely to have the infrastructure and capitalization that provide larger exchanges with additional stability, larger exchanges may be more likely to be appealing targets for hackers and "malware" (i.e., software used or programmed by attackers to disrupt computer operation, gather sensitive information or gain access to private computer systems) and may be more likely to be targets of regulatory enforcement action.

Banks may not provide banking services, or may cut off banking services, to businesses that provide cryptocurrency-related services or that accept cryptocurrencies as payment

A number of companies that provide Bitcoin and/or other cryptocurrency-related services have been unable to find banks that are willing to provide them with bank accounts and banking services. Similarly, a number of such companies have had their existing bank accounts closed by their banks. Banks may refuse to provide bank accounts and other banking services to Bitcoin and/or other cryptocurrency-related companies or companies that accept cryptocurrencies for a number of reasons, such as perceived compliance risks or costs. The difficulty that many businesses that provide Bitcoin and/or other cryptocurrency-related services have and may continue to have in finding banks willing to provide them with bank accounts and other banking services may be currently decreasing the usefulness of cryptocurrencies as a payment system and harming public perception of cryptocurrencies or could decrease its usefulness and harm its public perception in the future. Similarly, the usefulness of cryptocurrencies as a payment system and the public perception of cryptocurrencies could be damaged if banks were to close the accounts of many or of a few key businesses providing Bitcoin and/or other cryptocurrency-related services. This could decrease the market prices of cryptocurrencies and adversely affect the value of the Company's cryptocurrency inventory.

The impact of geopolitical events on the supply and demand for cryptocurrencies is uncertain

Crises may motivate large-scale purchases of cryptocurrencies which could increase the price of cryptocurrencies rapidly. This may increase the likelihood of a subsequent price decrease as crisis-driven purchasing behavior wanes, adversely affecting the value of the Company's cryptocurrency inventory.

The possibility of large-scale purchases of cryptocurrencies in times of crisis may have a short-term positive impact on the price of Bitcoins. For example, in March 2013, a report of uncertainty in the economy of the Republic of Cyprus and

the imposition of capital controls by Cypriot banks motivated individuals in Cyprus and other countries with similar economic situations to purchase Bitcoins. This resulted in a significant short-term positive impact on the price of Bitcoins. However, as the purchasing activity of individuals in this situation waned, speculative investors engaged in significant sales of Bitcoins, which significantly decreased the price of Bitcoins. Crises of this nature in the future may erode investors' confidence in the stability of cryptocurrencies and may impair their price performance which would, in turn, adversely affect the Company's investments.

As an alternative to fiat currencies that are backed by central governments, cryptocurrencies, which are relatively new, are subject to supply and demand forces based upon the desirability of an alternative, decentralised means of buying and selling goods and services, and it is unclear how such supply and demand will be impacted by geopolitical events. Nevertheless, political or economic crises may motivate large-scale acquisitions or sales of Bitcoins either globally or locally. Large-scale sales of cryptocurrencies would result in a reduction in their market prices and adversely affect the Company's operations and profitability.

The further development and acceptance of the cryptographic and algorithmic protocols governing the issuance of and transactions in cryptocurrencies is subject to a variety of factors that are difficult to evaluate

The use of cryptocurrencies to, among other things, buy and sell goods and services and complete other transactions, is part of a new and rapidly evolving industry that employs digital assets based upon a computer-generated mathematical and/or cryptographic protocol. The growth of this industry in general, and the use of cryptocurrencies in particular, is subject to a high degree of uncertainty, and the slowing, or stopping of the development or acceptance of developing protocols may adversely affect the Company's operations. The factors affecting the further development of the industry, include, but are not limited to:

- Continued worldwide growth in the adoption and use of cryptocurrencies;
- Governmental and quasi-governmental regulation of cryptocurrencies and their use;
- restrictions on or regulation of access to and operation of the network or similar cryptocurrency systems;
- Changes in consumer demographics and public tastes and preferences;
- The maintenance and development of the open-source software protocol of the network;
- The availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies;
- General economic conditions and the regulatory environment relating to digital assets; and
- Negative consumer sentiment and perception of Bitcoins specifically and cryptocurrencies generally.

Acceptance and/or widespread use of cryptocurrency is uncertain

Currently, there is relatively small use of Bitcoins and/or other cryptocurrencies in the retail and commercial marketplace in comparison to relatively large use by speculators, thus contributing to price volatility that could adversely affect the Company's operations, investment strategies, and profitability.

As relatively new products and technologies, Bitcoin, the Bitcoin Network, and its other cryptocurrency counterparts have not been widely adopted as a means of payment for goods and services by major retail and commercial outlets. Conversely, a significant portion of cryptocurrency demand is generated by speculators and investors seeking to profit from the short-term or long-term holding of cryptocurrencies.

The relative lack of acceptance of cryptocurrencies in the retail and commercial marketplace limits the ability of end-users to use them to pay for goods and services. A lack of expansion by cryptocurrencies into retail and commercial markets, or a contraction of such use, may result in increased volatility or a reduction in their market prices, either of which could adversely impact the Company's operations, investment strategies, and profitability.

The Company's operations, investment strategies, and profitability may be adversely affected by competition from other methods of investing in cryptocurrencies

The Company competes with other users and/or companies that are mining cryptocurrencies and other potential financial vehicles, possibly including securities backed by or linked to cryptocurrencies through entities similar to the Company. Market and financial conditions, and other conditions beyond the Company's control, may make it more attractive to invest in other financial vehicles, or to invest in cryptocurrencies directly which could limit the market for the Company's shares and reduce their liquidity.

The Company's coins may be subject to loss, theft or restriction on access

There is a risk that some or all of the Company's coins could be lost or stolen. Access to the Company's coins could also be restricted by cybercrime (such as a denial of service attack) against a service at which the Company maintains a hosted online wallet. Any of these events may adversely affect the operations of the Company and, consequently, its investments and profitability.

The loss or destruction of a private key required to access the Company's digital wallets may be irreversible. The Company's loss of access to its private keys or its experience of a data loss relating to the Company's digital wallets could adversely affect its investments.

Cryptocurrencies are controllable only by the possessor of both the unique public and private keys relating to the local or online digital wallet in which they are held, which wallet's public key or address is reflected in the network's public Blockchain. The Company will publish the public key relating to digital wallets in use when it verifies the receipt of cryptocurrency transfers and disseminates such information into the network, but it will need to safeguard the private keys relating to such digital wallets. To the extent such private keys are lost, destroyed or otherwise compromised, the Company will be unable to access its coins and such private keys will not be capable of being restored by network. Any loss of private keys relating to digital wallets used to store the Company's Bitcoin could adversely affect its investments and profitability.

Incorrect or fraudulent coin transactions may be irreversible

Cryptocurrency transactions are irrevocable and stolen or incorrectly transferred coins may be irretrievable. As a result, any incorrectly executed or fraudulent coin transactions could adversely affect the Company's investments.

Coin transactions are not, from an administrative perspective, reversible without the consent and active participation of the recipient of the transaction. In theory, cryptocurrency transactions may be reversible with the control or consent of a majority of processing power on the network. Once a transaction has been verified and recorded in a block that is added to the Blockchain, an incorrect transfer of a coin or a theft of coin generally will not be reversible and the Company may not be capable of seeking compensation for any such transfer or theft. Although the Company's transfers of coins will regularly be made by experienced members of the management team, it is possible that, through computer or human error, or through theft or criminal action, the Company's coins could be transferred in incorrect amounts or to unauthorized third parties, or to uncontrolled accounts.

If the award of coins for solving blocks and transaction fees are not sufficiently high, miners may not have an adequate incentive to continue mining and may cease their mining operations

As the number of coins awarded for solving a block in the Blockchain decreases, the incentive for miners to continue to contribute processing power to the network will transition from a set reward to transaction fees. Either the requirement from miners of higher transaction fees in exchange for recording transactions in the Blockchain or a software upgrade that automatically charges fees for all transactions may decrease demand for the relevant coins and prevent the expansion of the network to retail merchants and commercial businesses, resulting in a reduction in the price of the relevant cryptocurrency that could adversely impact the Company's Ether inventory and investments.

In order to incentivize miners to continue to contribute processing power to the network, the network may either formally or informally transition from a set reward to transaction fees earned upon solving for a block. This transition could be accomplished either by miners independently electing to record on the blocks they solve only those transactions that include payment of a transaction fee or by the network adopting software upgrades that require the payment of a minimum transaction fee for all transactions. If transaction fees paid for the recording of transactions in the Blockchain become too high, the marketplace may be reluctant to accept network as a means of payment and existing users may be motivated to switch between cryptocurrencies or back to fiat currency. Decreased use and demand for coins may adversely affect their value and result in a reduction in the market price of coins.

If the award of coins for solving blocks and transaction fees for recording transactions are not sufficiently high to incentivize miners, miners may cease expending processing power to solve blocks and confirmations of transactions on the Blockchain could be slowed temporarily. A reduction in the processing power expended by miners could increase the likelihood of a malicious actor or botnet obtaining control in excess of 50 percent of the processing power active on the Blockchain, potentially permitting such actor or botnet to manipulate the Blockchain in a manner that adversely affects the Company's mining activities.

If the award of coins for solving blocks and transaction fees are not sufficiently high, miners may not have an adequate incentive to continue mining and may cease their mining operations. Miners ceasing operations would reduce collective processing power, which would adversely affect the confirmation process for transactions (i.e., decreasing the speed at which blocks are added to the Blockchain until the next scheduled adjustment in difficulty for block solutions) and make the network more vulnerable to a malicious actor or botnet obtaining control in excess of 50 percent of the processing power. Any reduction in confidence in the confirmation process or processing power of the network may adversely impact the Company's mining activities, inventory of coins, and future investment strategies.

The price of coins may be affected by the sale of coins by other vehicles investing in coins or tracking cryptocurrency markets

To the extent that other vehicles investing in coins or tracking cryptocurrency markets form and come to represent a significant proportion of the demand for coins, large redemptions of the securities of those vehicles and the subsequent sale of coins by such vehicles could negatively affect cryptocurrency prices and therefore affect the value of the inventory held by the Company.

Risk related to technological obsolescence and difficulty in obtaining hardware

To remain competitive, the Company will continue to invest in hardware and equipment required for maintaining the Company's mining activities. Should competitors introduce new services/software embodying new technologies, the Company recognizes its hardware and equipment and its underlying technology may become obsolete and require substantial capital to replace such equipment.

The increase in interest and demand for cryptocurrencies has led to a shortage of mining hardware as individuals purchase equipment for mining at home.

Equipment will require replacement from time to time. Shortages of graphics processing units may lead to unnecessary downtime as the Company searches for replacement equipment.

Failure to Manage Growth

The Company's failure to manage its growth successfully may adversely impact its operating results. The Company's ability to manage growth will require it to continue to build its operational, financial and management controls, contracting relationships, marketing and business development plans and controls and reporting systems and procedures. The Company's ability to deal with growth may have a material adverse impact on the business, financial conditional and results of operations on the Company.

Competition from other cryptocurrency companies

The Company competes with other cryptocurrency and distributed ledger technology businesses, including other business focused on developing substantial Bitcoin mining operations.

Electrical risks and back-up power

The container and its contents is substantially comprised of metal components, which increases the risk of an electrical short in the Company's equipment. The Company will maintain a supply of back-up and replacement parts on-site. In addition, the Company's operations consume a large amount of energy; accordingly, it is no practical or economical for the Company's operations to run on back-up generators in the event of a power outage.

Container Exposure

The Company's mining operations is housed in a container and the planned expansion will also be housed in containers. Containers are susceptible to excessive heat exposure, which may result in equipment malfunction and require equipment

to be replaced. The status of the air filters in the containers are manually tracked and replaced, requiring a dedicated monitoring schedule.

Uncertainty of Additional Funding

Further acquisitions of additional Rigs will require additional capital, the ongoing operation of the Facility will require ongoing operating costs, and the Company will require funds to operate as a public company. There is no assurance that the Company will be successful in obtaining any required financing(s) or that such financing(s) will be available on terms acceptable to the Company. Any future financing(s) may also be dilutive to the Company's existing shareholders.

Uninsured or Uninsurable Risks

The Company intends to insure its operations in accordance with technology industry practice. However, given the novelty of cryptocurrency mining and associated businesses, such insurance may not be available, uneconomical for the Company, or the nature or level may be insufficient to provide adequate insurance cover. The Company may become subject to liability for hazards against which the Company cannot insure or against which the Company may elect not to insure because of high premium costs or for other reasons. The payment of any such liabilities would reduce or eliminate the funds available for operations. Payments of liabilities for which the Company does not carry insurance may have a material adverse effect on the Company's financial position.

Risks Related to the Common Shares

Market Risk for Securities

There can be no assurance that an active trading market for the Common Shares will be established and sustained. Upon Listing, the market price for the Common Shares could be subject to wide fluctuations. Factors such as government regulation, interest rates, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the Company's securities. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

Speculative Nature of Investment Risk

An investment in the Common Shares carries a high degree of risk and should be considered as a speculative investment. The Company has no history of earnings, limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future.

Liquidity and Future Financing Risk

The Company will likely operate at a loss until its business becomes established and the Company may require additional financing in order to fund future operations and expansion plans. The Company's ability to secure any required financing to sustain operations will depend in part upon prevailing capital market conditions and business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to management. If additional financing is raised by issuance of additional Common Shares from treasury, control may change and shareholders may suffer dilution. If adequate funds are not available, or are not available on acceptable terms, the Company may be required to scale back its current business plan or cease operating.

Dividend Risk

The Company has not paid dividends in the past and does not anticipate paying dividends in the near future. The Company expects to retain earnings to finance further growth and, where appropriate, retire debt.

Share Price Volatility Risk

The Company has applied to list on the CSE the Shares. In the event of such listing, external factors outside of the Company's control, such as announcements of quarterly variations in operating results, revenues and costs, and sentiments toward stocks, may have a significant impact on the market price of the Shares. Global stock markets, including the CSE, have experienced extreme price and volume fluctuations from time to time. There can be no assurance that an active or liquid market will develop or be sustained for the Shares.

Increased Costs of Being a Publicly Traded Company

As the Company will have publicly-traded securities, significant legal, accounting and filing fees will be incurred that are not presently being incurred. Securities legislation and the rules and policies of the CSE require publicly listed companies to, among other things, adopt corporate governance policies and related practices and to continuously prepare and disclose material information, all of which will significantly increase legal, financial and securities regulatory compliance costs.

General Business Risks

Conflicts of Interest

Certain of the Company's directors and officers are, and may continue to be, involved in the cryptocurrency industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers may conflict with the Company's interests. Directors and officers of the Company with conflicts of interest will be subject to and must follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies. Notwithstanding this, there may be corporate opportunities which the Company is not able to procure due to a conflict of interest of one or more of the Company's directors or officers.

Tax Risk

The Company is subject to various taxes including, but not limited to the following: Canadian income tax; goods and services tax; provincial sales tax; land transfer tax; and payroll tax. The Company's tax filings will be subject to audit by various taxation authorities. While the Company intends to base its tax filings and compliance on the advice of its tax advisors, there can be no assurance that its tax filing positions will never be challenged by a relevant taxation authority resulting in a greater than anticipated tax liability.

PROMOTERS

James Liang, the Company's Chief Executive Officer and Director, took the initiative in the primary organization of the Company and accordingly is a promoter of the Company. Mr. Liang owns 1,250,000 Common Shares of the Company which is 4.62% of the Common Shares outstanding prior to giving effect to the Offering. See "Principal Shareholders" and "Directors and Executive Officers".

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

There are no legal proceedings outstanding, threatened or pending as of the date of this prospectus by or against the Company or to which it is a party or its business or any of its assets is the subject of, nor to the knowledge of the directors and officers of the Company are any such legal proceedings contemplated which could become material to a purchaser of the Company's securities.

Regulatory Actions

There have not been any penalties or sanctions imposed against the Company by a court relating to provincial or territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Company, and the Company has not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the Directors or executive officers of the Company, and no associate or affiliate of the foregoing persons, has, or has had, any material interest, direct or indirect, in any transaction or in any proposed transaction that has materially affected or will materially affect the Company or any of its subsidiaries.

RELATIONSHIP BETWEEN COMPANY AND AGENT

The Company is not a “related issuer” or a “connected issuer” of or to the Agent (as such terms are defined in National Instrument 33-105 – *Underwriter Conflicts*).

AUDITORS, TRANSFER AGENT AND REGISTRARS

The auditors of the Company are Hay & Watson Chartered Professional Accountants, located at 900 – 1450 Creekside Drive, Vancouver, B.C. V6G 5B3.

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc., located at 510 Burrard Street, 3rd Floor, Vancouver, B.C. Canada V6C 3B9.

ELIGIBILITY FOR INVESTMENT

In the opinion of Koffman Kalef LLP, tax counsel to the Company, based on the provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the “Tax Act”) in force as of the date hereof and all proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, the Common Shares issued pursuant to the Offering, if issued on the date hereof, will be qualified investments for a trust governed by a registered retirement savings plan (“RRSP”), a registered retirement income fund (“RRIF”), a registered education savings plan (“RESP”), a deferred profit sharing plan, a registered disability savings plan (“RDSP”) and a tax-free savings account (“TFSA”) as each of those terms is defined in the Tax Act (collectively, the “Plans”), provided that, on the date hereof, the Common Shares are unconditionally listed on a “designated stock exchange” within the meaning of Tax Act, which includes the Exchange, or the Company is a “public corporation” as defined in the Tax Act.

The Common Shares are not currently listed on a “designated stock exchange” and the Company is not currently a “public corporation”, as those terms are defined in the Tax Act. The Company has applied to list the Common Shares on the Exchange prior to the Closing of the Offering in order to have the Common Shares listed and prior to the issuance of the Common Shares on Closing. The Company must rely on the Exchange to unconditionally list the Common Shares on the Exchange prior to the issuance of the Common Shares on Closing, and to otherwise proceed in such manner as may be required to result in the Common Shares being listed on the Exchange at the time of their issuance on Closing. If the Common Shares are not unconditionally listed on the Exchange at the time of their issuance on Closing and the Company is not a “public corporation” for the purposes of the Tax Act on Closing, the Common Shares will not be qualified investments for the Plans at that time.

Notwithstanding that the Common Shares may be a qualified investment for a RRSP, RRIF, TFSA, RDSP, or RESP (each a “Registered Plan”), the annuitant of an RRSP or RRIF, the subscriber under an RESP or the holder of a TFSA or RDSP, as the case may be, (the “Controlling Individual”) will be subject to a penalty tax in respect of the Common Shares held in the Registered Plan if the Common Shares are a “prohibited investment” (as defined in the Tax Act) for the particular Registered Plan. The Common Shares will be a “prohibited investment” for a Registered Plan if the Controlling Individual (i) does not deal at arm’s length with the Company for purposes of the Tax Act, or (ii) has a “significant interest” (as defined in subsection 207.01(4) of the Tax Act) in the Company. Generally, a Controlling Individual will not be considered to have a “significant interest” in the Company provided that the Controlling Individual, together with persons with whom the Controlling Individual does not deal at arm’s length, does not own (and is deemed not to own pursuant to the Tax Act), directly or indirectly, 10% or more of the issued shares of any class of the Company or of any corporation related to the Company (for purposes of the Tax Act). In addition, the Common Shares will not be a “prohibited investment” if the Common Shares are “excluded property” as defined in the Tax Act for a Registered Plan. Purchasers of Common Shares should consult their own advisors to ensure the Common Shares would not be a prohibited investment in their particular circumstances.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only contracts which have been entered into by the Company as of the date hereof or which will be entered into prior to the Closing of this Offering and which are regarded presently as material are:

1. Equipment Purchase Agreement dated January 2, 2018 between the Company and NMNA. See “Business of the Company”.

2. Service Agreement dated January 12, 2018 between the Company and Dreamberry. See “Business of the Company”.
3. Stock Option Plan dated June 11, 2018. See “Description of the Securities Distribution”.
4. Escrow Agreement dated ♦, 2018 among the Company, Computershare Investor Services Inc., and James Liang, Charles Hethey and Gunther Roehlig. See “Escrowed Securities”.
5. Agency Agreement dated ♦, 2018 between the Company and Mackie Research Capital Corporation See “Plan of Distribution”.
6. Registrar and Transfer Agent Agreement dated November 25, 2018 between the Corporation and Computershare Investor Services Inc.
7. Registered and Records Office Agreement dated November 29, 2017 between the Corporation and Camlex Management Inc.

EXPERTS

The following persons or companies whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company are named in this prospectus as having prepared or certified a report, valuation, statement or opinion in this prospectus:

- The audited financial statements included in this prospectus have been subject to audit by Hay & Watson Chartered Professional Accountants, and their audit report is included herein. Hay & Watson is independent in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

In addition, certain legal matters relating to the Offering will be passed upon on behalf of the Company by O’Neill Law Corporation.

Except for 625,000 Common Shares owned by Mr. Hethey, who is a director of the Company and a partner of O’Neill Law Corporation, none of the foregoing persons or companies have held, received or is to receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of its associates or affiliates when such person or company prepared the report, valuation, statement or opinion aforementioned or thereafter.

RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages, if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission are exercised by the purchaser within the time limit prescribed by securities legislation of the purchaser’s province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province for the particulars of these rights or consult with a legal adviser.

FINANCIAL STATEMENTS

Audited financial statements of the Company for the period from incorporation to August 31, 2018 are included in this prospectus.

SKYLEDGER TECH CORP.

FINANCIAL STATEMENTS
AUGUST 31, 2018
(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Skyledger Tech Corp.

We have audited the accompanying financial statements of Skyledger Tech Corp., which comprise the statement of financial position as at August 31, 2018 and the statements of loss and comprehensive loss, changes in equity and cash flows for the period from incorporation, November 29, 2017, to August 31, 2018, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Skyledger Tech Corp. as at August 31, 2018, and its financial performance and its cash flows for the period from incorporation, November 29, 2017, to August 31, 2018 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 to the financial statements which describe certain material uncertainties regarding the entity's ability to continue as a going concern.

Chartered Professional Accountants
Vancouver, British Columbia
October *, 2018

Skyledger Tech Corp.
Statement of Financial Position
As at August 31, 2018
(Expressed in Canadian Dollars)

	Notes	2018 \$
Assets		
Current assets		
Cash		146,777
Accounts receivable		1,457
Prepaid expenses		386
Digital currency	7	<u>39,655</u>
		188,275
Equipment	6	208,053
Deferred financing fees	12	<u>15,823</u>
		412,151
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities		<u>31,877</u>
		31,877
Equity Attributable to Shareholders		
Share capital	8	498,870
Deficit		<u>(118,596)</u>
		380,274
		412,151

Nature of operations and going concern (Note 1)
Subsequent events (Note 12)

Approved by the Board of Directors on _____, 2018:

"Gunther Roehlig" Director
Gunther Roehlig

"James Liang" Director
James Liang

Skyledger Tech Corp.

Statement of Loss and Comprehensive Loss

For the period from incorporation (November 29, 2017) to August 31, 2018

(Expressed in Canadian Dollars)

	Notes	For the period from incorporation (November 29, 2017) to August 31, 2018 \$
Revenues	7	29,118
Cost of sales		(48,791)
Gross loss		(19,673)
Expenses		
Depreciation	6	34,557
Office and miscellaneous		7,216
Professional fees		44,585
Total expenses		(86,358)
Loss before other income (expense)		(106,031)
Other income (expense)		
Interest income		1,898
Unrealized loss on change in fair value of digital currency	7	(14,463)
Total other income (expense)		(12,565)
Net loss and comprehensive loss for the period		(118,596)
Loss per share – basic and diluted		(0.01)
Weighted average number of shares outstanding – basic and diluted		17,473,008

The accompanying notes are an integral part of these financial statements

Skyledger Tech Corp.

Statement of Cash Flows

For the period from incorporation (November 29, 2017) to August 31, 2018

(Expressed in Canadian Dollars)

	For the period from incorporation (November 29, 2017) to August 31, 2018 \$
<hr/>	
Cash Provided From (Used In)	
Operating Activities	
Loss for the period	(118,596)
Items not affecting cash:	
Depreciation	34,557
Unrealized loss on change in fair value of digital currency	14,463
Funds used in operations before working capital items	<u>(69,576)</u>
Net change in working capital items	
Receivables	(3,329)
Digital currency	(29,118)
Prepaid expenses	(386)
Accounts payable and accrued liabilities	<u>31,877</u>
	<u>(70,532)</u>
Investing Activities	
Purchase of equipment	(242,610)
Loan provided	(50,000)
Proceeds on sale of loan	<u>51,872</u>
	<u>(240,738)</u>
Financing Activities	
Shares issued on private placement of shares, net of issue costs	473,870
Deferred financing fees	<u>(15,823)</u>
	<u>458,047</u>
Increase in cash	146,777
Cash – beginning of the period	<u>-</u>
Cash – end of the period	<u>146,777</u>
Cash paid for interest	<u>-</u>
Cash paid for income taxes	<u>-</u>
Non-cash transaction:	
Receipt of digital currency as a private placement subscription	<u>25,000</u>

Skyledger Tech Corp.

Statement of Changes in Equity

For the period from November 29, 2017 (date of incorporation) to August 31, 2018

(Expressed in Canadian Dollars)

	Common Shares #	Share Capital \$	Deficit \$	Total \$
Balance – November 29, 2017 (date of incorporation)	-	-	-	-
Issued during the period:				
On incorporation	1	1	-	1
Issued pursuant to private placements of shares	2,500,000	12,500	-	12,500
Issued pursuant to private placements of units	24,567,103	491,342	-	491,342
Less: Issue costs – cash	-	(4,973)	-	(4,973)
Net loss for the period	-	-	(118,596)	(118,596)
Balance – August 31, 2018	27,067,104	498,870	(118,596)	380,274

Skyledger Tech Corp.

Notes to the Financial Statements

For the period from incorporation (November 29, 2017) to August 31, 2018

(Expressed in Canadian Dollars)

1. Nature of operations and going concern

Skyledger Tech Corp. (the "Company" or "Skyledger") was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on November 29, 2017. On December 21, 2017, shareholders of the Company approved the change of the Company's name from 1143092 B.C. Ltd. to Skyledger Tech Corp. The Company's corporate head office is located at Suite 410 - 1040 West Georgia Street, Vancouver, British Columbia, Canada. The Company's principal business is cryptocurrency mining.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months. Carrying values as shown in these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

At August 31, 2018, the Company had not yet achieved profitable operations and expects to incur further losses in the development of its business. At August 31, 2018, the Company had working capital of \$156,398. The Company will need additional financing to continue to develop its business and to continue its operations. These factors give rise to material uncertainties which may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

Management believes that the use of the going concern assumption is appropriate for these financial statements. Management believes that the Company will be able to obtain additional financing, through the issuance of either shares or debt to fund continuing operations. There is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

2. Basis of presentation and significant accounting policies

These financial statements have been prepared using 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"). The financial statements have been prepared on a historical cost basis.

Unless otherwise stated, all dollar amounts are in Canadian dollars.

These financial statements for the period ended August 31, 2018 were approved and authorized for issue by the board of directors on _____, 2018.

The significant accounting policies used in the preparation of these financial statements are as follows:

Cash and cash equivalents

Cash and equivalents include cash on hand, deposits held with banks and short-term highly liquid investments with original maturities of less than 90 days.

Digital Currency

Bitcoins are indefinite life intangible assets, because they do not expire or deteriorate over time and the Company expects to obtain benefits from its cryptocurrencies indefinitely, and are initially recognised at cost. Bitcoins are subsequently measured at fair value by reference to the quoted price in an active Bitcoin market, less any subsequent accumulated impairment losses. Increases in the carrying amount of Bitcoins on revaluation are recognised in profit and loss to the extent that revaluation decreases were previously recorded in profit and loss, otherwise revaluation increases are credited to other comprehensive income. Decreases that offset previous increases are recognised as other comprehensive income to the extent of

Skyledger Tech Corp.

Notes to the Financial Statements

For the period from incorporation (November 29, 2017) to August 31, 2018

(Expressed in Canadian Dollars)

any credit balance previously recognised; all other decreases are recognised in profit and loss. On disposal of Bitcoins, the cumulative revaluation surplus associated with those Bitcoins is transferred directly to retained earnings.

Property and Equipment

The Company depreciates the cost of property and equipment over their estimated useful lives at the following annual rates:

Computer equipment	4 years	Straight line basis
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Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL and derivative assets are measured at fair value with unrealized gains and losses recognized through profit or loss.

Financial assets classified as loans and receivables and held-to-maturity are measured at amortized cost using the effective interest method less any allowance for impairment. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary or a significant or prolonged decline in the fair value of that investment below its cost.

Transaction costs associated with FVTPL financial assets are expensed as incurred while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives are also classified as FVTPL unless they are designated as effective hedging instruments. Transaction costs on financial liabilities classified as FVTPL are expensed as incurred. Fair value changes on financial liabilities classified as FVTPL are recognized through profit or loss.

De-recognition of financial assets and liabilities

Financial assets are de-recognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

Skyledger Tech Corp.

Notes to the Financial Statements

For the period from incorporation (November 29, 2017) to August 31, 2018

(Expressed in Canadian Dollars)

Financial liabilities are de-recognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability de-recognized and the consideration paid and payable is recognized in profit or loss.

Revenue recognition

The Company recognizes revenue received from the provision of transaction verification services within the Bitcoin network, commonly termed “cryptocurrency mining”. As consideration for these services, the Company receives Bitcoin from the Bitcoin network. Revenue is measured based on the fair value of the coins received. The fair value is determined using the spot price of the coin on the date of receipt, based on the hourly volume weighted average from www.coindesk.com. The coins are recorded on the statement of financial position, as digital currency, at their fair value and re-measured at each reporting date. Gains or losses on the sale of coins for traditional (fiat) currencies are included in profit and loss.

There is currently no specific definitive guidance in IFRS or alternative accounting frameworks for the accounting for the production and mining of digital currencies and management has exercised significant judgement in determining appropriate accounting treatment for the recognition of revenue for mining of digital currencies. Management has examined various factors surrounding the substance of the Company’s operations and the guidance in IAS 18, Revenues, including the stage of completion being the completion and addition of a block to a blockchain and the reliability of the measurement of the digital currency received. In the event authoritative guidance is enacted by the IASB, the Company may be required to change its policies which could result in a change in the Company’s financial position and earnings.

Earnings per share

Basic earnings or loss per share represents the income or loss for the period, divided by the weighted average number of common shares outstanding during the period. Diluted earnings or loss per share represents the income or loss for the period, divided by the weighted average number of common shares outstanding during the period plus the weighted average number of dilutive shares resulting from the exercise of stock options, warrants and other similar instruments where the inclusion of these would not be anti-dilutive.

Foreign currencies

The financial statements for the Company are prepared using its functional currency. Functional currency is the currency of the primary economic environment in which an entity operates. The functional and presentation currency of the Company is Canadian dollars.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

Income tax

Income tax on the income or loss for the periods presented comprises current and deferred tax. Income tax is recognized in income or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Skyledger Tech Corp.

Notes to the Financial Statements

For the period from incorporation (November 29, 2017) to August 31, 2018

(Expressed in Canadian Dollars)

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Company does not provide for temporary differences relating to investments in subsidiaries, associates, and joint ventures to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable income will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issuance of common shares are recognized as a deduction from equity.

3. Accounting standards issued but not yet effective

The following new IFRSs have not been early adopted in these financial statements. Management does not intend to adopt these standards prior to the effective date and has not yet assessed the effect on the Company's future results and financial position of adopting these standards:

- (i) IFRS 9, *Financial Instruments* (New; to replace IAS 39, *Financial Instruments: Recognition and Measurement*, and IFRIC 9, *Reassessment of Embedded Derivatives*).
- (ii) IFRS 15, *Revenue from Contracts with Customers*.
- (iii) IFRS 16, *Leases*.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable and/or are not expected to have a significant impact on the Company's financial statements.

4. Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions based on current available information that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenue 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. However, actual results could differ from those estimated. By their very nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of future periods could be material.

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgments which have a significant effect on the amounts recognized in the financial statements:

Skyledger Tech Corp.

Notes to the Financial Statements

For the period from incorporation (November 29, 2017) to August 31, 2018

(Expressed in Canadian Dollars)

- (i) *Going concern* – The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves management's judgement. Factors considered by management are disclosed in Note 1.
- (ii) *Digital currency valuation* – Digital currencies consist of cryptocurrency denominated assets (Note 7) and are included in current assets. Digital currencies are carried at their fair value determined by the spot rate based on the hourly volume weighted average from www.coindesk.com. The digital currency market is still a new market and is highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices for digital currencies would have a significant impact on the Company's profit and loss and financial position.
- (iii) *Property and equipment* – In assessing the valuation of property and equipment, management makes estimates on the expected economic lives of and net cash flows from property and equipment.
- (iv) *Income taxes* – In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

5. Loan receivable

	Debt \$	Conversion feature \$	Total \$
Balance, November 29, 2017 (date of incorporation)	-	-	-
Loan issued	42,523	7,477	50,000
Accrued interest	1,872	-	1,872
Proceeds from sale of loan to third parties	(44,395)	(7,477)	(51,872)
Balance, August 31, 2018	-	-	-

On April 3, 2018, the Company subscribed for a \$50,000 loan issued by Hello Pal International Inc. ("Hello Pal"). The loan bore interest at a rate of 15% per annum and was due five years from the date of issue.

At the option of the Company, the loan could have been converted into Hello Pal units at a price of \$0.115 per Hello Pal unit. Each unit consisted of one common share of Hello Pal and one share purchase warrant. Each warrant entitled the holder to purchase one additional common share of Hello Pal at a price of \$0.115 per share for a period of five years from the date of issue.

At the date that the loan was issued, the fair value of the debt component was determined to be \$42,523 using the net present value model with a discount rate of 20%. The fair value of the conversion feature was determined to be \$7,477.

On July 20, 2018, the Company sold the loan to third parties for proceeds of \$51,872.

Skyledger Tech Corp.

Notes to the Financial Statements

For the period from incorporation (November 29, 2017) to August 31, 2018

(Expressed in Canadian Dollars)

6. Equipment

	Computer equipment \$	Total \$
Cost		
Balance, November 29, 2017 (date of incorporation)	-	-
Additions (Note 9)	242,610	242,610
Balance, August 31, 2018	242,610	242,610
Accumulated depreciation		
Balance, November 29, 2017 (date of incorporation)	-	-
Depreciation	34,557	34,557
Balance, August 31, 2018	34,557	34,557
Carrying amount		
Balance, November 29, 2017 (date of incorporation)	-	-
Balance, August 31, 2018	208,053	208,053

7. Digital currency

	Number of Bitcoin	Bitcoin \$	Total \$
Balance, November 29, 2017 (date of incorporation)	-	-	-
Received from mining activity	2.89988058	29,118	29,118
Received as payment for share subscription	1.43086080	25,000	25,000
Unrealized loss on change in fair value of digital currency	-	(14,463)	(14,463)
Balance, August 31, 2018	4.33074138	39,655	39,655
Carrying amount			
Balance, November 29, 2017 (date of incorporation)	-	-	-
Balance, August 31, 2018	4.33074138	39,655	39,655

The carrying amount of digital currency has been revalued at August 31, 2018. Had the cost model been used, the carrying amount would have been \$54,118.

8. Share capital

a) Authorized:

An unlimited number of common shares without par value.

b) Issued:

During the period ended August 31, 2018, the Company completed the following share and unit ("Unit") issues. Each Unit was composed of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$0.10 per common share for a two year period from the date of issue. The Company paid legal fees of \$4,973 for the private placements.

Skyledger Tech Corp.

Notes to the Financial Statements

For the period from incorporation (November 29, 2017) to August 31, 2018

(Expressed in Canadian Dollars)

- i) On November 29, 2017, the Company was incorporated and the Company issued 1 common share to the founding shareholder for proceeds of \$1;
- ii) On December 31, 2017, the Company completed a seed round of financing raising gross proceeds of \$12,500 by the issuance of 2,500,000 shares at \$0.005 per share;
- iii) On February 15, 2018, the Company completed a private placement of \$360,000 through the issuance of 18,000,000 units at a price of \$0.02 per unit;
- iv) On March 31, 2018, the Company completed a private placement of \$20,000 through the issuance of 1,000,000 units at a price of \$0.02 per unit;
- v) On April 15, 2018, the Company completed a private placement of \$16,342 through the issuance of 817,103 units at a price of \$0.02 per unit;
- vi) On April 19, 2018, the Company completed a private placement of \$20,000 through the issuance of 1,000,000 units at a price of \$0.02 per unit;
- vii) On April 30, 2018, the Company completed a private placement of \$20,000 through the issuance of 1,000,000 units at a price of \$0.02 per unit;
- viii) On May 14, 2018, the Company completed a private placement of \$25,000 through the issuance of 1,250,000 units at a price of \$0.02 per unit;
- ix) On May 16, 2018, the Company completed a private placement of \$5,000 through the issuance of 250,000 units at a price of \$0.02 per unit;
- x) On June 6, 2018, 2,500,000 units previously issued were returned to treasury and cancelled. \$50,000 of subscription proceeds were returned; and
- xi) On June 22, 2018, the Company completed a private placement of \$50,000 through the issuance of 2,500,000 units at a price of \$0.02 per unit.

c) Warrants:

A summary of warrants outstanding as of August 31, 2018 and the changes for the period then ended is presented below:

	Number of warrants	Weighted average exercise price \$	Weighted average remaining life (Years)
Balance outstanding – November 29, 2017 (date of incorporation)	-	-	-
Issued	24,567,103	0.10	1.54
Balance outstanding – August 31, 2018	24,567,103	0.10	1.54

At August 31, 2018, the Company had 24,567,103 warrants outstanding entitling the holder to purchase one common share at a price of \$0.10 per common share for a two year period from the date of issuance. The weighted average fair value of these warrants was \$nil per warrant. The following share purchase warrants were outstanding entitling the holder thereof the right to purchase one common share for each warrant held:

Skyledger Tech Corp.

Notes to the Financial Statements

For the period from incorporation (November 29, 2017) to August 31, 2018

(Expressed in Canadian Dollars)

Number	Exercise Price	Expiry Date
16,750,000	\$0.10	February 15, 2020
1,000,000	\$0.10	March 31, 2020
1,000,000	\$0.10	April 9, 2020
817,103	\$0.10	April 15, 2020
1,000,000	\$0.10	April 30, 2020
1,250,000	\$0.10	May 14, 2020
250,000	\$0.10	May 16, 2020
2,500,000	\$0.10	June 22, 2020
<u>24,567,103</u>		

d) Basic and diluted loss per share:

During the period ended August 31, 2018, potentially dilutive common shares totaling 24,567,103 were not included in the calculation of basic and diluted loss per share because their effect was anti-dilutive.

9. Related party transactions

During the period ended August 31, 2018, the Company incurred the following expenditures charged by directors and officers of the Company and/or companies they owned or significantly influenced by directors and officers:

	2018 \$
Accounting fees	15,219
Legal fees	9,366
Share issue costs	4,973
	<u>29,558</u>

The loan receivable (Note 5) was a related party transaction as Hello Pal has a common director.

The Company acquired computer equipment for \$214,813 (Note 6) from a company controlled by a director of the Company.

10. Income taxes

A reconciliation between the Company's income tax provision computed at statutory rates to the reported income tax expense (recovery) for the period ended August 31, 2018 is as follows:

Skyledger Tech Corp.

Notes to the Financial Statements

For the period from incorporation (November 29, 2017) to August 31, 2018

(Expressed in Canadian Dollars)

	2018
Statutory tax rate	27.00%
Loss for the period before income taxes	\$ (118,596)
Expected income tax recovery	(32,021)
Net effect of deductible or non-deductible items	2,562
Unrecognized tax benefit	29,459
Income tax expense (recovery)	-

The significant components of the Company's deferred income tax assets and liabilities as at August 31, 2018 are as follows:

	2018
	\$
Tax loss carry forwards	19,054
Share issuance costs	1,075
Equipment	9,330
Total unrecognized deferred income tax assets	29,459

Deferred tax assets have not been recognized as the Company may not have sufficient taxable profit in the future to utilize the deferred deductions available for tax purposes.

At August 31, 2018, the Company had non capital losses in Canada of approximately \$70,500 which may be available to offset future income for tax purposes which expire in 2038.

11. Financial instruments

a) Management of capital:

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, to pursue the development of its assets and to maintain a flexible capital structure that optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of amounts attributable to shareholders, net of cash.

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 its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

The Company is dependent on the capital markets as its primary source of operating capital and the Company's capital resources are largely determined by the investment appetite in the cryptocurrency market and its ability to compete for investor support in this market.

The Company is not subject to any capital requirements imposed by a regulator.

Skyledger Tech Corp.

Notes to the Financial Statements

For the period from incorporation (November 29, 2017) to August 31, 2018

(Expressed in Canadian Dollars)

b) Classification of financial instruments:

The Company's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities. The Company designated its cash and accounts receivable as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities and measured at amortized cost.

c) Fair Value of Financial Instruments:

The Company classified its fair value measures within a fair value hierarchy, which reflects the significance of inputs used in making the measurements as defined in IFRS 7 – Financial Instruments: Disclosures.

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs which are supported by little or no market activity.

As at August 31, 2018, the Company had no financial instruments measured at fair value on a recurring basis. The carrying amounts of cash, accounts receivable and accounts payable and accrued liabilities approximate their fair values due to the short-term maturities of these instruments.

d) Financial instruments risk exposure:

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash held with banks and financial institutions as well as accounts receivable. The Company's cash is held at a major Canadian financial institution. Accounts receivable consist of Goods and Services Tax receivable from the government of Canada. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has no interest bearing financial assets or liabilities.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions on the due date. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

12. Subsequent events

On _____, the Company filed a prospectus (the "Prospectus") in connection with an initial public offering (the "Offering"). The Company has agreed to offer 5,000,000 common shares of the Company at a price of \$0.10 per share for gross proceeds of \$500,000. In connection with the Offering, the Company entered into an Agency Agreement with Mackie Research Capital Corporation (the "Agent"). The Company will pay the Agent a cash commission of 8% of the gross proceeds of the Offering and will pay a work fee of \$20,000 plus GST along with the Agent's reasonable expenses. In addition, the Company has also agreed to grant non-transferable options to the Agent entitling the Agent to purchase 8% of the number of common shares sold under the Offering at a price of \$0.10 per share for a period of 24 months from the date of closing of the Offering. As of August 31, 2018, \$15,823 has been recorded as deferred financing fees related to the Offering.

SCHEDULE "A"

Audit Committee Charter

I. MANDATE

The Audit Committee (the "Committee") of the Board of Directors (the "Board") of Skyledger Tech Corp. (the "Company") shall assist the Board in fulfilling its financial oversight responsibilities. The Committee's primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. The quality and integrity of the Company's financial statements and other financial information;
2. The compliance of such statements and information with legal and regulatory requirements;
3. The qualifications and independence of the Company's independent external auditor (the "Auditor"); and
4. The performance of the Company's internal accounting procedures and Auditor.

II. STRUCTURE AND OPERATIONS

A. Composition

The Committee shall be comprised of three or more members.

B. Qualifications

Each member of the Committee must be a member of the Board.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement.

C. Appointment and Removal

In accordance with the Articles of the Company, the members of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

D. Chair

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all meetings of the Committee.

E. Meetings

The Committee shall meet as frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Company.

At each meeting, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Company's financial statements in a manner consistent with Section III of this Charter.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

III. DUTIES

A. Introduction

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Company's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

B. Powers and Responsibilities

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below, namely, the Committee shall:

Independence of Auditor

- 1) Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Company.
- 2) Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.
- 3) Require the Auditor to report directly to the Committee.
- 4) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Company.

Performance & Completion by Auditor of its Work

1. Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, including resolution of disagreements between management and the Auditor regarding financial reporting.
2. Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Company's shareholders of the existing, Auditor for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company.
3. Recommend to the Board the compensation of the Auditor.
4. Pre-approve all non-audit services, including the fees and terms thereof, to be performed for the Company by the Auditor.

Internal Financial Controls & Operations of the Company

1. Establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Preparation of Financial Statements

1. Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
2. Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.
3. Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
4. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
5. Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:
 - 5) The adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the Auditor, internal auditor or management.
 - 6) The management inquiry letter provided by the Auditor and the Company's response to that letter.
 - 7) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

Public Disclosure by the Company

1. Review the Company's annual and interim financial statements, management discussion and analysis (MD&A) and earnings press releases before the Board approves and the Company publicly discloses this information.
2. Review the Company's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.
3. Review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process of the Company's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Manner of Carrying Out its Mandate

1. Consult, to the extent it deems necessary or appropriate, with the Auditor, but without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.

2. Request any officer or employee of the Company or the Company's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.
3. Meet, to the extent it deems necessary or appropriate, with management, any internal auditor and the Auditor in separate executive sessions.
4. Have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or other consultants to advise the Committee advisors.
5. Make regular reports to the Board.
6. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
7. Annually review the Committee's own performance.
8. Provide an open avenue of communication among the Auditor, the Company's financial and senior management and the Board.
9. Not delegate these responsibilities.

C. Limitation of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditor.

CERTIFICATE OF THE COMPANY

Dated: October 31, 2018

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia and Alberta.

"James Liang"

James Liang
Chief Executive Officer

"Matthew Anderson"

Matthew Anderson
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Gunther Roehlig"

Gunther Roehlig
Director

"Charles Hethey"

Charles Hethey
Director

CERTIFICATE OF PROMOTER

Dated: October 31, 2018

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia and Alberta.

"James Liang"

James Liang

CERTIFICATE OF THE AGENT

Dated: October 31, 2018

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia and Alberta.

MACKIE RESEARCH CAPITAL CORPORATION

“Jovan Stupar”

Jovan Stupar
Managing Director