

Blockchain Holdings Ltd.

Unaudited Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2019 and 2018
(Expressed in United States dollars)

NOTICE TO READER

Under National Instrument 51-102, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by management, and were not reviewed by the Company's independent auditor.

Blockchain Holdings, Ltd.
Unaudited Condensed Consolidated Interim Statements of Financial Position

(expressed in United States dollars)

	Notes	As at March 31, 2019	As at December 31, 2018
Assets			
Current assets:			
Cash and cash equivalents		\$ 464	\$ 508,195
Prepayment		8,722	19,681
Total current assets		9,187	527,876
Non-current assets			
Investment in Airbeam	6 and 8	390,196	-
Total non-current assets		390,196	-
Total assets		\$ 399,383	\$ 527,876
Liabilities and shareholders' equity			
Current liabilities:			
Accounts payable and accrued liabilities	4 and 6	\$ 76,266	\$ 228,326
Total current liabilities		76,266	228,326
Total liabilities		\$ 76,266	\$ 228,326
Shareholders' equity			
Share capital	5	10,391,030	10,222,879
Other reserves	5	1,513,866	1,513,866
Accumulated Other Comprehensive Loss		(28,762)	(28,762)
Deficit		(11,553,018)	(11,408,433)
		323,116	299,550
Total liabilities and shareholders' equity		\$ 399,383	\$ 527,876

The notes to the condensed consolidated interim financial statements are an integral part of these statements.

signed on its behalf by:

signed "James Passin"

 Director

signed "Wayne Lloyd"

 Director

Blockchain Holdings, Ltd.
Unaudited Consolidated Statements of Comprehensive Loss

(expressed in United States dollars)

	Notes	Three months ended March 31, 2019	Three months ended March 31, 2018
Operating expenses			
Bank charges		830	9,739
General and administrative	7	19,070	3,203
Management fees	6	50,528	15,000
Professional fees	6	80,543	56,007
Regulatory and transfer agent fees		13,174	6,163
		<u>(164,144)</u>	<u>(90,112)</u>
Accretion expense			(30,267)
Foreign exchange loss		(624)	7,390
Gain on settlement of debt	6	20,183	-
Recovery of payables		-	40,148
Net loss and comprehensive loss for the year		<u>\$ (144,585)</u>	<u>\$ (72,841)</u>
Loss per common share:			
Basic and diluted		<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Weighted average number of common shares outstanding:			
Basic and diluted		<u>19,829,191</u>	<u>6,530,235</u>

The notes to the condensed consolidated interim financial statements are an integral part of these statements

Blockchain Holdings, Ltd.
Unaudited Condensed Consolidated Interim Statements of Changes in Equity

(expressed in United States dollars)

	Number of common shares (#)	Share Capital	Reserves			Accumulated Other Comp Income (Loss)	Deficit	Attributable to Equity Holders of the Parent	Non - Controlling Interest	Shareholders' equity
			Share based payment reserve	Loans						
Balance at December 31, 2017	6,530,235	\$ 8,049,254	\$ 1,334,269	\$ 79,337	\$ (28,762)	\$ (9,975,943)	\$ (527,202)	\$ (355,632)	\$ (882,834)	
Obligation to issue shares	-	-	-	-	-	-	34,500	-	34,500	
Amortization of imputed interest	-	-	-	-	-	-	(7,003)	-	(7,003)	
Total comprehensive loss for the period	-	-	-	-	-	(72,841)	(72,841)	-	(72,841)	
Balance at March 31, 2018	6,530,235	\$ 8,049,254	\$ 1,334,269	\$ 79,337	\$ (28,762)	\$ (10,048,784)	\$ (572,546)	\$ (355,632)	\$ (928,178)	
Balance at December 31, 2018	19,784,875	\$ 10,222,879	\$ 1,513,866	\$ -	\$ (28,762)	\$ (11,408,433)	\$ 299,550	\$ -	\$ 299,550	
Private placement	443,156	168,151	-	-	-	-	168,151	-	168,151	
Total comprehensive loss for the period	-	-	-	-	-	(144,585)	(144,585)	-	(144,585)	
Balance at March 31, 2019	20,228,031	\$ 10,391,030	\$ 1,513,866	\$ -	\$ (28,762)	\$ (11,553,018)	\$ 323,116	\$ -	\$ 323,116	

The notes to the condensed consolidated interim financial statements are an integral part of these statements.

Blockchain Holdings, Ltd.
Unaudited Condensed Consolidated Interim Statements of Cash Flows

(expressed in United States dollars)	Note	Three months ended March 31, 2018	Three months ended March 31, 2018
Cash flow from operating activities			
Loss for the period		\$ (144,585)	\$ (72,841)
Adjustments to reconcile loss to net cash used in operating activities:			
Accretion		-	30,267
Recovery of accounts payable		-	(40,148)
Interest expense		-	8,822
Loans for services provided		-	16,483
Gain on settlement of debt	6	(20,182)	
Change in non-cash working capital balances:			
Prepayments		10,959	2,894
Deposits received		-	(8,050)
Accounts payable and accrued liabilities		(131,878)	(50,717)
Total cash used in operating activities		(285,686)	(113,290)
Cash flows from financing activities			
Proceeds from loans			8,619
Share subscription deposits		-	34,500
Issuance of shares	5	168,151	-
Total cash provided from financing activities		168,151	43,119
Cash flows from investing activities			
Investment in Airbeam	6 and 8	(390,196)	-
Total cash used in investing activities		(390,196)	-
Effect of foreign exchange on cash		-	(17,892)
Total decrease in cash during the period		\$ (507,731)	\$ (88,063)
Cash and cash equivalents - Beginning of the period		508,195	223,086
Cash and cash equivalents - End of the period		\$ 464	\$ 135,023
Cash interest payments made during the period		\$ -	\$ -

The notes to the condensed consolidated interim financial statements are an integral part of these statements.

Blockchain Holdings Ltd.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2019 and 2018
(Expressed in United States dollars)

1. CORPORATE INFORMATION

Blockchain Holdings Ltd. [the “Company”] is listed on the Canadian Securities Exchange (the “CSE”) under the symbol “BCX”. The Company is currently proposing a change of business to develop broad-based indexing products and blockchain tracking.

The registered office of the Company is Sea Meadow House, Blackburne Highway, PO Box 116, Road Town, Tortola, British Virgin Islands.

2. BASIS OF PREPARATION

(a) Statement of compliance

These Financial Statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting. The Financial Statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting except for cash flow information.

Certain comparative figures have been reclassified to conform to the restated financial statement presentation for the current period. Since the unaudited Financial Statements do not include all disclosures required by IFRS for annual consolidated financial statements, they should be read in conjunction with the Company’s audited annual consolidated financial statements for the year ended December 31, 2018.

The policies set out were consistently applied to all the periods presented unless otherwise noted below. The preparation of condensed interim consolidated financial statements in accordance with IAS 1 requires the use of certain critical accounting estimates, judgements, and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These Financial Statements were authorized for issue by the Board of Directors on May 29, 2019 and have been prepared under the historical cost convention, except for certain financial instruments. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Certain comparative figures have been reflected to conform to the restated financial statement presentation for the current period.

Blockchain Holdings Ltd.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2019 and 2018
(Expressed in United States dollars)

2. BASIS OF PREPARATION (continued)

(b) Going concern

The assessment of the Company's ability to continue as a going concern and ability to fund potential projects, involves significant judgements based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

The Company's business involves a high degree of risk and there can be no assurance that current business development activity will ultimately result in profitable operations. The Company's continued existence is dependent upon its ability to secure future customers and the achievement of profitable operations, or the ability of the Company to raise additional financing.

3. STANDARDS, AMENDMENTS AND INTERPRETATIONS

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for annual periods beginning after January 1, 2018, or later periods.

The following new IFRSs will not have a material effect on the Company's future results and financial position.

- IFRS 9 *Financial Instruments (New; to replace IAS 39, IFRIC 9 and earlier versions of IFRS 9);*
- IFRS 15 *Revenue from Contracts with Customers (New; to replace IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31); and*
- IFRS 16 *Leases (New, to replace IAS 17, IFRIC 4, SIC 15 and SIC 27).*

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

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2019	December 31, 2018
	\$	\$
Trade payables	19,489	123,062
Accrued liabilities	56,777	105,264
	<u>76,266</u>	<u>228,326</u>

Blockchain Holdings Ltd.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2019 and 2018
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5. SHARE CAPITAL

Authorized share capital

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

Issued share capital

On February 19, 2019, the Company completed a private placement of 445,570 common shares at a price of CDN\$0.50 per share for total proceeds of \$ CDN 222,786.

Stock options

The continuity of the number of share purchase options outstanding is as follows:

	Number	Weighted average exercise price
Balance, December 31, 2017	250,000	2.40
Cancelled	(102,500)	2.40
Forfeited	(65,000)	2.40
Granted	1,500,000	0.15
Outstanding, December 31, 2018	1,582,500	\$ 0.27
Expired	(70,000)	2.50
Outstanding, March 31, 2019	1,512,500	0.21

On January 8, 2019, the 70,000 options exercisable at \$2.50 per share expired unexercised.

As at March 31, 2019, the following options were outstanding:

Number of options		Expiry date	Exercise price	Weighted remaining contractual life (years)
<i>Outstanding</i>	<i>Exercisable</i>			
12,500	12,500	December 3, 2020	\$ 2.00	1.93
1,500,000	1,500,000	October 15, 2023	\$ 0.20	4.76
1,512,500	1,512,500			

Blockchain Holdings Ltd.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2019 and 2018
(Expressed in United States dollars)

6. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers. The Company incurred the following transactions with directors and key management personnel during the periods ended March 31, 2019 and 2018 was as follows:

	March 31, 2019		March 31, 2018	
Management fees	\$	50,528	\$	31,346
Professional fees		13,389		
	\$	63,917	\$	31,346

As at March 31, 2019, there is a balance of \$nil (March 31, 2018: \$nil) accrued as payable to the Company's Chief Financial Officer ("CFO") and \$nil (March 31, 2018: \$15,834) accrued as payable to the Company's former CFO.

As at March 31, 2019, there is a balance of \$nil (March 31, 2018: \$nil) accrued as payable to the Company's Chief Executive Officer and \$nil (March 31, 2018: \$74,298) accrued or payable to the Company's former Chief Executive Officer.

On February 22, 2019, the Company settled debts of \$15,834 and \$108,812 through cash payments of \$11,083 and \$76,169 respectively pursuant to debt settlement agreements.

On February 27, 2019, the Company entered into a share purchase to purchase 21,000,000 shares of Airbeam 60 GHz Holdings Ltd. ("Airbeam") including its 60-gigahertz portfolio of gigabit-class wireless infrastructure assets for a total purchase price of \$2,520,000. As at the March 31, 2019, the Company had paid \$390,196 towards the purchase price. Airbeam is related due to a director in common.

Related parties include the Board of Directors, close family members, key management personnel, significant shareholders and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

7. GENERAL AND ADMINISTRATIVE EXPENSES

	March 31, 2019		March 31, 2018	
Insurance	\$	10,559	\$	2,895
Meals and entertainment		217		216
Office supplies		6,543		92
Travel		1,751		-
	\$	19,070	\$	3,203

Blockchain Holdings Ltd.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2019 and 2018
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8. SUBSEQUENT EVENTS

On May 13, 2019, the Company closed the first tranche of its private placement financing issuing 2,010,000 common shares at CAD\$0.50 per share for gross proceeds of CAD\$1,005,000.

In addition, the Company paid an additional \$493,000 towards the share purchase of Airbeam for total payments of \$883,196.

BLOCKCHAIN HOLDINGS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

THREE MONTHS ENDED MARCH 31, 2019 AND 2018

**BLOCKCHAIN HOLDINGS LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
THREE MONTHS ENDED MARCH 31, 2019**

Cautionary Statements

Forward-Looking Information

Except for statements of historical fact relating to Blockchain Holdings Ltd. ("Blockchain" or "Company"), certain statements contained in this MD&A constitute forward-looking information, future oriented financial information or financial outlooks (collectively "forward looking information") within the meaning of Canadian securities laws. Forward-looking information may relate to this document and other matters identified in the Company's public filings, Blockchain Holdings Ltd.'s future outlook and anticipated events or results and in some cases, can be identified by terminology such as "may", "will", "could", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "projects", "predict", "potential", "targeted", "possible", "continue", "objective" or other similar expressions concerning matters that are not historical facts and include, access to sufficient capital resources, the timing and amount of future development projects, the timing of cash flows, capital and operating expenditures, the timing of receipt of permits, employee relations, availability of financing and any and all other timing, development, operational, financial, economic, legal, regulatory and political factors that may influence future events or conditions. Such forward-looking statements are based on a number of material factors and assumptions, including, but not limited in any manner, those disclosed in any other of Blockchain Holdings, Ltd.'s public filings, availability and final receipt of required approvals, licenses and permits, ability to acquire sufficient working capital to complete technology development projects, access to adequate services and supplies, economic conditions, foreign currency exchange rates, interest rates, access to capital and debt markets and associated cost of funds, availability of a qualified skilled work force, positive employee relations, lack of social opposition and legal challenges, and the ability to settle disputes. While Blockchain Holdings Ltd. considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in other Blockchain Holdings Ltd.'s filings. Forward-looking statements are based upon management's beliefs, estimate and opinions on the date the statements are made and other than as required by law, Blockchain Holdings Ltd. does not intend and undertakes no obligation to update any forward-looking information to reflect, among other things, new information or future events.

The following management's discussion and analysis ("MD&A") of Blockchain Holdings Ltd. (the "Company"), is prepared as of May 29, 2019, and should be read together with the condensed consolidated interim financial statements for the period ended March 31, 2019, the audited consolidated annual financial statements and related annual MD&A for the year ended December 31, 2018. All financial amounts are stated in United States dollars unless otherwise indicated.

For the purpose of preparing this MD&A, Management in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (1) if such information results in or would reasonably be expected to result in a significant change in the market price or value of the Company's common shares; or (ii) there is substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on SEDAR at www.sedar.com.

All amounts in this MD&A are expressed in United States dollars ("US\$"), unless otherwise noted.

**BLOCKCHAIN HOLDINGS LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
THREE MONTHS ENDED MARCH 31, 2019**

DESCRIPTION OF BUSINESS

Blockchain Holdings, Ltd., (formerly Undur Tolgoi Minerals Inc. and Khot Infrastructure Holdings, Ltd.) [“BCX” or the “Company”] was incorporated on December 22, 2010 under the Business Corporations Act of British Columbia as a private company.

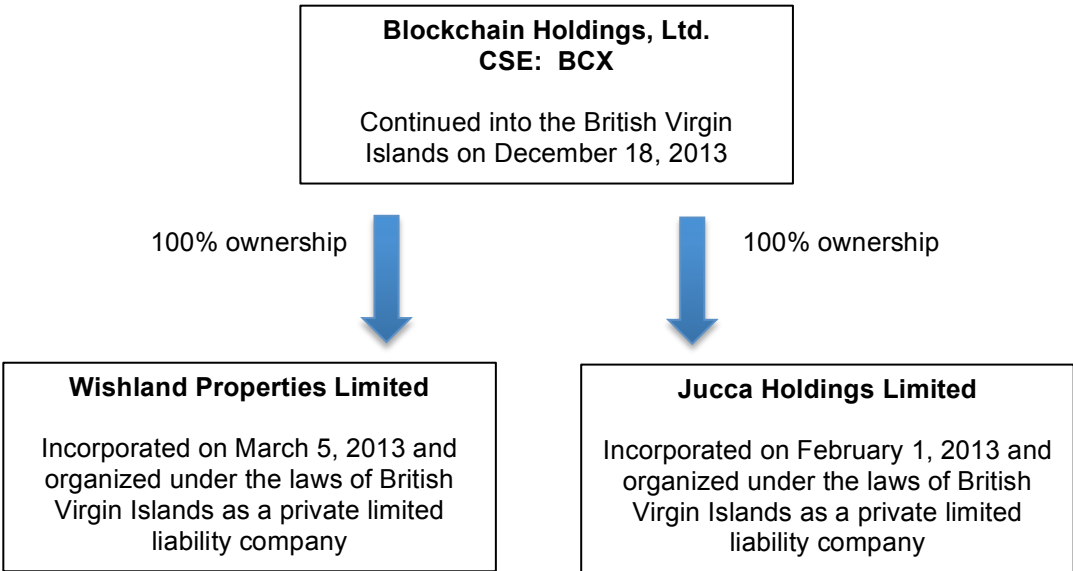
On December 18, 2013, Undur Tolgoi Minerals Inc. completed the continuance from the laws of the Province of British Columbia to the laws of the British Virgin Islands. Effective on January 7, 2014, the Company changed its name from Undur Tolgoi Minerals Inc. to Khot Infrastructure Holdings, Ltd. to have its name reflect the Company’s new focus on cash generating, non-resource infrastructure projects within Mongolia.

The Company’s common shares were listed and posted for trading on the Canadian Securities Exchange (the “CSE”) under the symbol “KOT”; however, on May 5, 2017, the Company’s common shares were suspended from trading by the CSE and a cease trade order was issued against the Company by the Ontario Securities Commission for failure to file annual audited financial statements and accompanying management’s discussion and analysis and CEO and CFO certifications. On February 2, 2018, the Company obtained an order from the Ontario Securities Commission revoking the cease trade order issued on May 5, 2017.

Pursuant to Canadian Securities Exchange Policy 8 *Fundamental Changes and Changes of Business*, the Company held an annual general and special meeting of shareholders to approve the change of business. On October 12, 2018, the change of business was approved and the common shares resumed trading on the CSE under the new symbol “BCX”

The registered office of BCX is Sea Meadow House, Blackburne Highway, PO Box 116, Road Town, Tortola, British Virgin Islands.

Blockchain has a 100% interest in Jucca Holdings Limited [“Jucca”] and Wishland Properties Limited [“Wishland”].



**BLOCKCHAIN HOLDINGS LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
THREE MONTHS ENDED MARCH 31, 2019**

OVERALL OBJECTIVE

The Company's strategic focus is to develop proprietary information indexes and ancillary data products for emerging blockchain and digital currency markets. In addition, the Company may develop indexes for third parties. Its focus will be collecting and aggregating the data from emerging blockchain software applications.

Emerging uses of the blockchain allow for new and sometimes disruptive financial market applications. However, due to the decentralized nature of the blockchain, the data created by a blockchain application is often spread out and dispersed in a large number of locations. This makes data aggregation and information processing more costly and time-consuming than the centralized applications they are replacing. The resulting increased cost and time required to process data presents the opportunity for the Company to provide to the marketplace a service (the collection and aggregation of data) and a product (datasets).

SELECTED FINANCIAL INFORMATION

The following tables provide selected annual and quarterly financial information in accordance with IFRS for the Company's quarter ended March 31, 2018. In the quarter ended March 31, 2018, the Company has not generated any revenue and incurred loss from discontinued operations and extraordinary items of \$72,841.

Three Months Ended	Total Revenue for the period US\$	Total Expenses for the period US\$	Net Loss for the period (including discontinued operations) US\$	Loss per share basic and fully diluted US\$	Total long- term financial liabilities US\$	Cash dividends per common share US\$
March 31, 2017	-	(58,214)	(58,214)	-	-	-
June 30, 2017	-	(42,285)	(42,285)	-	-	-
September 30, 2017	-	(120,649)	(120,649)	-	-	-
December 31, 2017	-	(124,512)	(124,512)	-	142,577	-
March 31, 2018	-	(72,841)	(72,841)	-	-	-
June 30, 2018	-	(422,200)	(422,200)	(0.06)	-	-
September 30, 2018	-	(207,521)	(207,521)	(0.03)	-	-
December 31, 2018	-	(217,916)	(721,878)	(0.04)	-	-
March 31, 2019	-	(144,585)	(144,585)	(0.01)	-	-
					-	-

DIVIDEND PAYMENT

Since its incorporation, the Company has not paid any cash dividends on its outstanding common shares. Any future dividend payment will depend on the Company's financial needs to fund its programs, future growth, and any other factors the board may deem necessary to consider. It is highly unlikely that any dividends will be paid in the near future.

**BLOCKCHAIN HOLDINGS LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
THREE MONTHS ENDED MARCH 31, 2019**

RESULTS OF OPERATION FOR THE THREE MONTHS ENDED MARCH 31, 2019

The comprehensive loss for the three months ended March 31, 2019, was \$144,585 (2018 - \$72,841).

Significant variances for the three months ended March 31, 2019

The variance in the management fees for the three months ended March 31, 2019 compared to the same period in 2018 was due to increased compensation to directors and officers which include the additional of a new CEO to lead the Company in the change of business to develop blockchain index products, which resulted in a higher CEO management fees in 2018. In addition, a compensation plan for directors was initiated which resulted in a new monthly management fee to certain directors.

Regulatory, exchange, AGM, press release and transfer agent fees increased to \$13,174 compared to 2018 of \$6,163. The increase is due to BCX's increased level of activity compared to 2018 where activity was isolated to just revocation of the cease trade order.

Professional fees increased by \$24,536 in Q1 2019 compared to Q1 2018. The increase is due to activity related to the investment in Airbeam.

There was no significant variance in the finance fees for the three months ended March 31, 2019 compared to the same period in 2018.

General and Administrative and Other expense increased by \$15,867 for the three months ended March 31, 2019 compared to the same period in 2018. The increase is primarily due to increased insurance expense as insurance companies have place a higher premium for insuring companies that are involved in the blockchain space regardless of whether the company is directly involved in crypto-currency. Also, the increased activity resulted in increases to travel and office supply costs. In the prior period, the Company had limited activity except for revocation of the cease trade order issued against the Company by the Ontario Securities Commission.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2019, the Company had a working capital deficit of \$67,079 [March 31, 2018 - \$778,597]. All of the current accounts payable and accrued liabilities are due and payable within 12 months. The Company will need to raise additional funding in the next 12 months to be able to meet its current obligations.

The Company's working capital amounts are as follows:

	March 31, 2019	March 31, 2018
	\$	\$
Cash	464	135,023
Accounts receivable	-	8,050
Prepayments	8,722	456
Accounts payable and accrued liabilities	(76,266)	(159,435)
Loan and interest payable	-	(487,900)
Road repair provision	-	(274,791)
	(67,079)	(778,597)

The Company, which is now involved with blockchain index development, had revenues of \$Nil in Q1 2019, which were not significant to sustain operations in the current period.

**BLOCKCHAIN HOLDINGS LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
THREE MONTHS ENDED MARCH 31, 2019**

During the Q1 ended March 31, 2019 the Company expended \$285,686 (2018 - \$679,708) on operating activities, raised \$168,151 in financing activities and expended \$390,196 in investing activities. The Company expects to continue to raise funds for the investment in Airbeam and to fund ongoing operations.

Until the Company is able to secure sufficient revenue from operations, the Company must utilize its current cash reserves, funds obtained from the exercise of stock options and other financing transactions to maintain its capacity to meet working capital requirements. The Company anticipates going to the market to raise capital when the opportunity arises.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not engaged in any off-balance sheet arrangements such as: obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company or that engages in leasing, hedging or research and development services with the Company.

PROPOSED TRANSACTIONS

As is typical of the blockchain development industry, the Company is continually reviewing potential merger, acquisition, investment and joint venture transactions and opportunities that could enhance shareholder value.

Investment in Airbeam 60Ghz Holdings Ltd.

On February 26, 2019, the Company entered into a definitive agreement to make an investment in Airbeam 60 GHz Holdings Ltd. (“Airbeam 60Ghz” or “Airbeam”).

Airbeam 60Ghz, a private B.C. company, has entered into a definitive agreement to purchase the 60 Ghz portfolio of gigabit-class wireless infrastructure assets “Airbeam” from a leading US publicly-traded semiconductor company.

Blockchain believes that this Airbeam technology contains the potential building blocks for a new generation of wireless network technologies that are designed to take advantage of existing and emerging high-speed data markets, including 5G: the future global telecommunication standard.

In addition to the proprietary IP portfolio, Airbeam 60Ghz’s acquisition, which is planned to be completed in Q1 2019, includes millions of sale-ready chipsets and a robust backlog of orders with longstanding clients that can provide Airbeam 60Ghz revenue on day one and with a roadmap offering rapid growth potential.

In addition to real-world applications in wireless backhaul, real-time HD video streaming and radar/sensing, AirBeam 60Ghz is also developing a technology stack and innovative product line to unlock the economic potential of Internet-of-Things (“IoT”) including Smart Cities. This includes, significantly, potential machine-to-machine IoT applications governed by blockchain technology. To this end, Blockchain, is establishing a collaborative relationship with Airbeam 60Ghz pursuant to which any further blockchain data aggregation developed will be made available for use to strengthen Blockchain Holdings’ future blockchain data aggregation business.

Blockchain’s investment, is expected to be for \$2.5M and subject to certain closing conditions, including, among others, the availability of financing on terms acceptable to Blockchain.

As of the date of this MD&A, the Company has provided \$883,196 in total investment payments to Airbeam.

**BLOCKCHAIN HOLDINGS LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
THREE MONTHS ENDED MARCH 31, 2019**

GOING CONCERN

The assessment of the Company's ability to continue as a going concern and ability to fund potential blockchain index and other technology development project, involves significant judgments based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

The Company's business involves a high degree of risk and there can be no assurance that current development activity will ultimately result in profitable operations. The Company's continued existence is dependent upon its ability to secure secure future customers and the achievement of profitable operations, or the ability of the Company to raise additional financing.

These consolidated financial statements have been prepared on a basis which assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether this assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company's own resources and external market conditions.

The Company will require additional financing, through various means including but not limited to equity financing, to continue to pursue the development of indexing products and blockchain tracking metrics, and to meet its general and administrative costs. There is no assurance that the Company will be successful in raising the additional required funds. These conditions represent a material uncertainty that may cast significant doubt regarding the Company's ability to continue as a going concern. In the event that Company is not able to secure additional financing and continue as a going concern, material adjustments would be required to the carrying value of assets and liabilities and the balance sheet classification used.

RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers. The Company incurred the following transactions with directors and key management personnel during the periods ended March 31, 2019 and 2018 as follows:

	March 31, 2019	March 31, 2018
Management fees	\$ 50,528	\$ 31,346
Professional fees	13,389	
	\$ 63,917	\$ 31,346

As at March 31, 2019, there is a balance of \$nil (March 31, 2018: \$15,834) accrued as payable to the Company's former CFO.

As at March 31, 2019, there is a balance of \$nil (March 31, 2018: \$74,298) accrued or payable to the Company's former Chief Executive Officer.

On February 22, 2019, the Company settled debts of \$15,834 and \$108,812 through cash payments of \$11,083 and \$76,169 respectively pursuant to debt settlement agreements.

On February 26, 2019, the Company entered into a share purchase to purchase 21,000,000 shares of Airbeam 60 GHz Holdings Ltd. ("Airbeam") including its 60-gigahertz portfolio of gigabit-class wireless

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infrastructure assets for a total purchase price of \$2,580,000. Airbeam is related due to a director in common. As of the date of this MD&A, the Company has provided \$883,196 in total investment payments to Airbeam.

Related parties include the Board of Directors, close family members, key management personnel, significant shareholders and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and due to related parties. Given their short-term nature, the fair value of these instruments approximates their carrying value. It is management's opinion that the Company is not exposed to significant credit risks arising from these financial instruments.

Risk management

The Company's activities expose it to a variety of risks including interest rate risk, credit risk, liquidity risk and commodity price risk. Reflecting the current stage of development of the Company's various projects, the Company's overall risk management program focuses on facilitating the Company's ability to continue as a going concern and seeks to minimize potential adverse effects on the Company's ability to execute its change of business plan. Risk management is the responsibility of the finance function. Material risks are identified and monitored and are discussed by senior management and with the Audit Committee and the Board of Directors.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's fixed rate current accounts in the bank and borrowings. As of the reporting date, the Company has not adopted sensitivity analysis to measure interest rate risk due principally to the fact that the Company has no floating rate financial assets and liabilities.

Credit risk

Credit risk refers to the potential loss arising from any failure by counterparties to fulfill their obligations, as and when they fall due. It is inherent to the business as potential losses may arise due to the failure of its customers and counterparties to fulfill their obligations on maturity periods or due to adverse market conditions. The Company's financial assets exposed to credit risk are primarily composed of cash. Maximum exposure is equal to the carrying values of these assets. The Company's cash is held at a large financial institution.

None of the Company's financial assets are secured by collateral or other credit enhancements.

Liquidity risk

Liquidity risk encompasses the risk that the Company cannot meet its financial obligations. The Company actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Company maintains sufficient levels of cash and cash equivalents to meet its working capital requirements. At March 31, 2019, the Company had a working capital deficit of \$67,079. The Company will need to raise additional funding in the next 12 months to be able to meet its current obligations.

Foreign exchange risk

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During the period the Company subsidiary operations various jurisdiction where many of its transactions are denominated in other currencies. Accordingly, the results of operations and financial position of the Company are subject to changes in the exchange rate between the US dollar ("USD") and the other currencies.

The Company is listed on a Canadian stock exchange and incurs annual transactions in Canadian dollars to maintain its listing.

The Company's policy is to manage its foreign financial assets and liabilities using the best available foreign currency exchange rates.

Due to the minimal activity of the Company and its subsidiaries, foreign exchange risk is believed to be limited.

SHARE CAPITAL AND OUTSTANDING SHARE INFORMATION

Authorized capital

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

The holders of common shares are entitled to receive dividends, which may be declared from time to time, and are entitled to one vote per share at the Company's meetings. All shares are ranked equally with regards to the Company's residual assets.

Issued share capital

Information with respect to outstanding common shares and stock options as at March 31, 2019, and March 31, 2018, is as follows:

	March 31, 2019	March 31, 2018
Common shares	20,228,031	6,530,235
Stock options	1,512,500	250,000
	<u>21,740,531</u>	<u>6,780,235</u>

On May 13, 2019, the Company closed the first tranche of its private placement financing issuing 2,010,000 common shares at CAD\$0.50 per share for gross proceeds of CAD\$1,005,000.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the Consolidated Financial Statements requires management to make estimates and assumptions about the future that affect the amounts recorded in the Consolidated Financial Statements and accompanying notes. These estimates and assumptions are based on the Company's experience and Management's expectations about future events that are believed to be reasonable under the circumstances, and they are continually being evaluated based on the new facts and experience. Actual results may differ from these estimates and assumptions. The effect of a change in accounting estimate is recognized prospectively in the period of change and future periods if the change impacts both periods.

The Company's significant accounting policies and estimates are fully described in Note 3 to the consolidated financial statements for the year ended December 31, 2018.

BOARD PURPOSE AND FUNCTION

The directors and management of the parent company have extensive experience operating and taking projects through to various stages of exploration and development. There is a balanced representation of directors with operational, corporate and financial backgrounds.

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The board's purpose is to ensure corporate governance, risk, strategy and shareholder interests are priorities at all times. At the end of the period the board consisted of five members.

RISK FACTORS

The following risk factors, and the information incorporated by reference herein, should be considered carefully. These risk factors could materially and adversely affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Dependence on Key Personnel, Contractors and Service Providers

Shareholders of our Company rely on the good faith, experience and judgment of the Company's management, contractors and service providers in supervising and providing for the effective management of the business and the operations of the Company and in selecting and developing new investment and expansion opportunities. The Company may need to recruit additional qualified contractors and service providers to supplement existing management. The Company will be dependent on a relatively small number of key persons, the loss of any one of whom could have an adverse effect on the Company.

Value of Our Common Shares

The value of the Company's common shares could be subject to significant fluctuations in response to variations in quarterly and annual operating results, the success of the Company's business strategy, competition or other applicable regulations, which may affect the business of the Company and other factors.

Additional Funding and Financing Risk

Additional funds will be required for future technology development and investment. There is no assurance that sufficient equity financing will be available at reasonable terms to the Company. In addition, any future equity financings by the Company may result in substantial dilution for existing shareholders.

Conflicts of Interest

Certain Directors of the Company also serve as Directors of other companies involved in technology development. Consequently, there exists the possibility that such Directors will be in a position of conflict of interest. Any decision made by such Directors involving the Company are made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other technology companies. In addition, such Directors will declare, and refrain from voting on, any matter in which such Directors may have a material conflict of interest.

Regulatory Matters

The Company's business is subject to various federal, provincial and local laws governing financial system technology development, taxes, labor standards and occupational health and safety, and other regulatory matters. Blockchain development technologies are also potentially subject to various federal, provincial and local laws and regulations relating to the protection of the financial monetary markets. A violation of these laws may result in the imposition of substantial fines and other penalties.

Litigation risk

Disputes are common in the technology industry where patents, processes and know-how are being developed and as such, in the normal course of business, the Company may be involved in various legal actions and proceedings, which arise from time to time, some of which may be substantial. However, there is no assurance that the Company's insurance arrangements will be sufficient to cover claims that may arise in the future. Furthermore, the Company may be subject to the risk of claims and legal actions for various contractual matters, primarily arising from alleged intellectual property infringement, in respect of which insurance is not available.

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Insufficient revenues

As of the date of this MD&A, the Company did not have sufficient revenues to cover its operating costs. All of the Company's short to medium-term development and investment project funding must be derived from its existing cash position or from external financing.

New business venture and technology adoption risk

As of the date of this MD&A, the Company has changed its business to the development of broad-based indexing products, blockchain tracking metrics and other technology opportunities. There is no assurance that the Company will be successful in transitioning to the new business venture, that the technology being developed will be adopted by intended end users and that Company operations will eventually become profitable.

Potentially dilutive loans from related parties and other related party transactions

Historically, the Company had signed loan agreements and debt settlement agreements with individual investors and related parties to raise cash to continue to fund operations. In addition, upon settlement of the loan through the issuance of shares, existing shareholders are potentially significantly diluted. Furthermore, the investment in Airbeam is a related party transaction as the current Director and CEO is also a Director of Airbeam.

STRATEGY AND OUTLOOK

The Company's remains committed to the creation of shareholder value. The directors and management have a wide entrepreneurial network which can provide a range of future opportunities. The focus will be on projects and sectors that attract investor interest and offer significant growth potential.

OTHER INFORMATION

Other information and additional disclosure of the Company's technical reports, material change reports, new releases, and other information may be found on the SEDAR website at www.SEDAR.com.

Corporate Office's

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