



Ubika Blockchain & Cryptocurrency Report

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Crypto Rebounds From Recent Sell-off

Welcome to the second edition of the Ubika Blockchain & Cryptocurrency Report. This edition outlines the latest industry news, cryptocurrency prices along with company-specific developments over the past couple of months.

Industry Highlights

- **Harvest Portfolios Group launched the Blockchain Technologies ETF (TSX:HBLK) on February 9.** The fund is the first ETF for the Blockchain space. Several other companies, including Evolve Funds and Purpose Investments, have filed prospectuses with the OSC. Similar proposals for the US were rejected by the SEC.
- **The Canadian Securities Exchange (CSE) plans to launch a Blockchain-based clearing house.** The clearing house would allow companies to issue equity and debt using tokenized securities. The CSE plans to use Blockchain to allow securities trades to be confirmed in real-time. The move challenges the TMX Group's monopoly in the field.
- **In January, South Korea announced it was considering a ban on the trade of cryptocurrencies.** The country represents the third-largest market for cryptocurrencies, behind China and the United States. The news sparked a 24% drop in Bitcoin, with similar declines across many cryptocurrencies. Ethereum was especially affected, having increased 100% since Christmas, it fell 40%.

Blockchain Comps		Capitalization							
Ticker	Name	Last	7 Day Δ	30D Δ	Shares Out (Basic)*	Mkt Cap	EV	Cash*	Debt*
CODE.CD	360 Blockchain Inc	\$0.13	-18.8%	-35%	153.2	\$19.9	\$19.0	\$0.96	\$0.00
NFKh.V	Africa Hydrocarbons Inc	\$1.31	0.0%	0%	8.2	\$10.7	\$10.7	\$0.04	\$0.00
PLAY.CD	Bloplay Entertainment Inc	\$0.11	-4.5%	-32%	21.3	\$2.2	\$2.2	\$0.00	\$0.00
BLOX.CD	Blox Labs Inc	\$0.45	-13.5%	-36%	175.8	\$79.1	\$79.1	\$0.00	\$0.00
BTL.V	BTL Group Ltd	\$8.95	-5.8%	-21%	24.1	\$215.8	\$212.5	\$3.28	\$0.00
CYX.V	Calyx Ventures Inc	\$0.18	-7.9%	-20%	66.4	\$11.6	\$11.6	\$0.00	\$0.00
DM.V	Datametrex AI Ltd	\$0.21	-14.6%	-28%	200.3	\$41.1	\$40.2	\$0.90	\$0.00
XBLK.CD	eXeBlock Technology Corp	\$0.33	-7.0%	-43%	64.4	\$21.2	\$21.2	\$0.00	\$0.00
FTEC.V	Fintech Select Ltd	\$0.22	-4.4%	-26%	132.8	\$28.6	\$27.8	\$1.02	\$0.21
GET.CD	Glance Technologies Inc	\$0.77	-29.4%	-54%	129.6	\$99.8	\$98.9	\$0.87	\$0.00
BLOC.V	Global Blockchain Technologies Corp	\$1.09	-18.0%	-39%	76.8	\$83.7	\$83.2	\$0.52	\$0.00
XAU.TO	GoldMoney Inc	\$3.83	-1.0%	-17%	280.6	\$1,074.7	\$1,032.0	\$43.94	\$1.23
KASH.V	Hashchain Technology Inc	\$0.48	-23.8%	-53%	106.5	\$51.1	\$51.1	\$0.00	\$0.00
HIVE.V	HIVE Blockchain Technologies Ltd	\$1.93	-5.9%	-39%	63.0	\$121.6	\$121.8	\$0.00	\$0.21
IP.CD	Imagination Park Entertainment Inc	\$0.71	-9.0%	-22%	247.0	\$175.4	\$175.9	\$0.00	\$0.50
LTV.V	LeoNovus Inc	\$0.23	2.2%	-21%	171.3	\$39.4	\$39.6	\$0.24	\$0.41
MIT.V	Mint Corp	\$0.29	-3.3%	-24%	22.3	\$6.5	\$67.4	\$0.00	\$60.93
MOGO.TO	Mogo Finance Technology Inc	\$4.56	-6.4%	-25%	80.2	\$365.7	\$450.4	\$18.62	\$103.31
DASH.V	Neptune Dash Technologies Corp	\$0.44	-6.5%	-6%	41.5	\$18.0	\$18.0	\$0.00	\$0.00
NC.CD	Netcents Technology Inc	\$1.88	-12.6%	-29%	37.9	\$71.3	\$71.3	\$0.31	\$0.31
NTQ.V	Novateqni Corp	\$0.18	5.9%	-18%	119.6	\$21.5	\$21.4	\$0.15	\$0.00
PAY.TO	Posera Ltd	\$0.23	4.5%	-13%	62.4	\$14.3	\$15.0	\$0.92	\$1.53
VST.CD	Victory Square Technologies Inc	\$2.92	0.7%	-1%	61.4	\$179.3	\$179.2	\$0.09	\$0.00
MEAN			-7.8%	-26.2%		\$120			
MEDIAN			-6.4%	-24.8%		\$41			

Blockchain & Cryptocurrency Companies:

Cryptocurrency Update:

On the date of our last report, Bitcoin was trading at US\$6,800. Bitcoin since increased to a high of US\$19,400 in mid-December, fell to US\$6,100 in early February. Currently, Bitcoin trades at about US\$10,100. Many other prominent cryptocurrencies have followed the same pattern.

Popular awareness of cryptocurrencies had increased throughout 2017, and by November, Bitcoin had soared 700% from the start of the year. Discussion of Blockchain technologies and their potential uses was common across many mainstream media outlets. The massive gains in cryptocurrency attracted speculators from around the world, including many who do not invest in typical markets, further driving up prices. Bitcoin climbed 320% over the month following our last report, peaking on December 16, at US\$19,400. It declined 20% over the following four days. The SEC suspended trading in shares of the Crypto Corp on December 21, citing potentially manipulative transactions in the Company’s stock, and warned of further potential action. In part due to this news, Bitcoin dropped 23% on December 22, alongside declines in 98 of the top 100 cryptocurrencies. It recovered 40% on the following day, but lost much of that gain the day after. As historically exhibited, cryptocurrencies have continued their pattern of volatility, largely not related to any particular news.

On January 14, South Korea announced it was considering a ban on the trade of cryptocurrencies. The country represents the third-largest market for cryptocurrencies, behind China and America. The news sparked a 24% drop in Bitcoin, with similar declines across many cryptos. Ethereum was especially hurt; having increased 100% since Christmas, it fell 40%.

On February 20, South Korea announced that its government will support cryptocurrency trading under normal circumstances.

Bitcoin (BTC) Update:

Bitcoin remains the world’s premier cryptocurrency, with a market cap of US\$173 billion. Despite the volatility, Bitcoin has increased 39% since our last report date.

Figure 1: Bitcoin YTD Price & Market Cap

Blue: Market Cap Green: USD Price



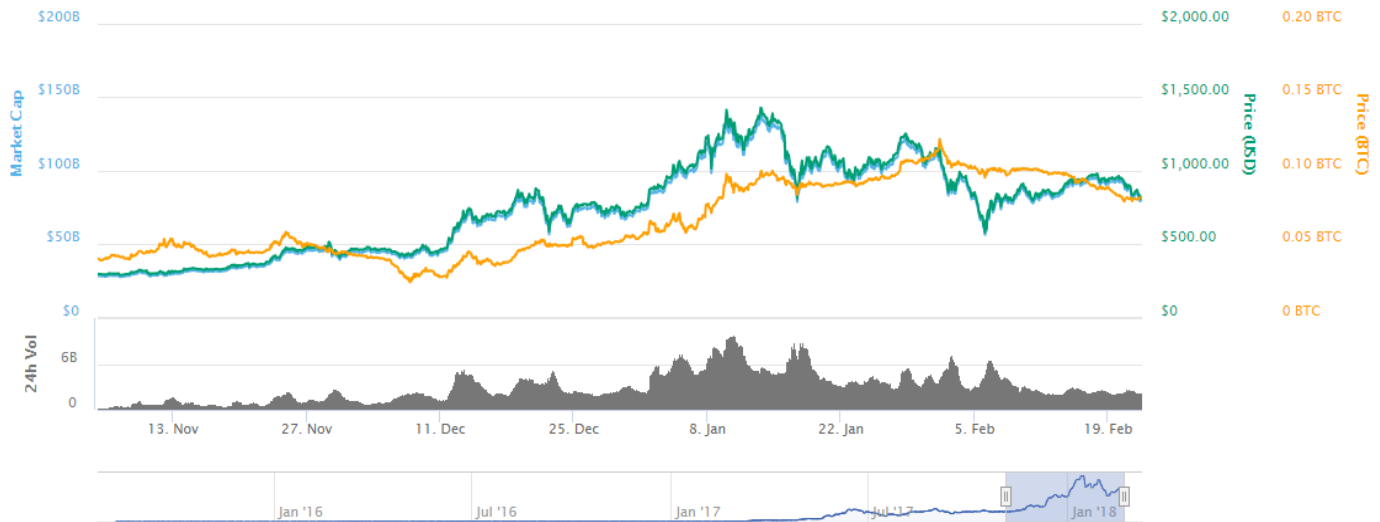
Source: coinmarketcap.com

Ethereum (ETH) Update:

If you purchased Ethereum on November 13, you would have generated a 170% return. Ethereum currently holds a market cap of US\$79 billion.

Figure 2: Ethereum (ETH) YTD Price & Market Cap

Blue: Market Cap Green: Price USD Yellow: Price Vs. Bitcoin



Source: coinmarketcap.com

Notable Performers

HashChain Technology, Inc. (TSXV:KASH)

HashChain is a cryptocurrency miner operating in British Columbia and Montana. The Company operates a total of 100 cryptocurrency mining rigs in Vancouver and another 770, which are expected to go online in its new facility in Montana. After listing on December 18, HashChain's stock price steadily increased to a high of \$1.75 but has fallen 70% since, due primarily to falling cryptocurrency prices. On January 23, the Company announced the Forward Split of its shares, on a 2:1 basis. On January 29, the Company began trading on the OTCQB Venture Exchange.

Since Bitcoin hit a high of ~US\$19,000 on December 18, 2017, it fell to a low of US\$6,400 on February 5, 2018, to its level today at ~US\$10,500 (-45%). This drop in Bitcoin price had a significant negative impact on public cryptocurrency and Blockchain companies. Since December 18, 2017, KASH and competitor HIVE Blockchain (TSXV:HIVE) are down 56% and 41%, respectively. Since KASH and HIVE are similar companies, we have broken down the differences below:

- HIVE has a market cap of \$540M vs. KASH with a market cap of \$72M.
- HIVE is further along its rig ramp up and has completed Phase I for its Sweden GPU operation, equating to 10.6MW of power. With its next two phases completed, HIVE expects to have 44.2MW of power utilized (number of rigs is not disclosed). Of this amount, 20MW are expected to be ASIC and the remainder GPU. Based on the news releases of late, HIVE expects to mine predominantly Ethereum in the near-term.
- KASH has ~ 1MW of power in operation (870 rigs), with 20MW anticipated by year-end. The majority is expected to be ASICs. KASH expects to mine mostly Bitcoin and Dash in the near-term but has stated that the

Company is interested in mining alt-coins.

HashChain opened its cryptocurrency mining facility in Vancouver in November. The Company initially operated 100 Dash mining rigs and added an additional 770 Bitcoin mining rigs in January. HashChain has purchased a further 5,000 rigs, expected to arrive over multiple shipments between February 28 and May 15. These rigs are expected to be posted in Montana, where the Company currently has a commitment for a 20MW facility in Montana. The 5,000 rigs were purchased for US\$20.5M, \$16M in cash and the remainder in shares. The Company currently operates a total of 1.2MW of rigs, and the new rigs will increase its capacity to 8.7MW. HashChain has an aggressive expansion plan, aiming to run 13,400 rigs by the end of 2018, 26,600 by 2019, and 46,600 by 2020. In Figure 3, the map illustrates current cryptocurrency mining by country. HashChain plans to focus on Canada and the U.S.

Hashchain currently holds a Dash masternode, allowing it to vote for currency management proposals and relay transactions across the Dash network. HashChain monitors cryptocurrency prices to evaluate which cryptocurrencies could be mining opportunities. On January 30, the Company announced the acquisition of Node40, a Blockchain accounting service, for US\$8M in cash and 3.1M shares, 50% payable on the date of the acquisition, and 25% each on the 180 days and one year following the acquisition. Node40 allows users to calculate cryptocurrency capital

Figure 3: Global Crypto Global Mining Landscape



Source: coinmarketcap.com

gains for tax purposes, using currency wallets and Coinbase accounts. It also offers a Dash masternode operating service.

HashChain could represent a value opportunity to take advantage of recent weakness. We believe the revenue potential from the Company’s ramp up schedule could be overlooked by the market. If cryptocurrencies continue to rebound over the next coming months, HashChain stock should benefit.

The MINT Corporation. (TSXV:MIT):

The MINT Corporation is a Canada-based financial technology company. The Company provides payroll, insurance, and employee deposit services to workers not qualified for traditional bank accounts in the UAE. The Company’s stock price has increased 131% since November.

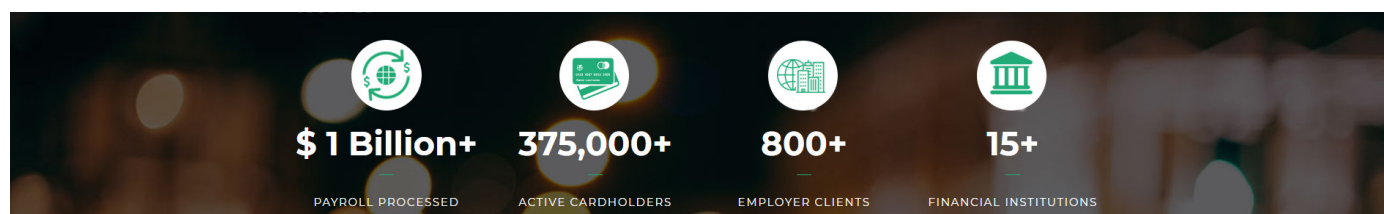
The Company's primary business is its automated payroll system, provided to employers through its partnership with Abu Dhabi Islamic Bank (ADIB). The UAE requires employers to pay their employees electronically, in accordance with the Wages Protection System (WPS) legislation. The Company is recognized as a third-party service provider through WPS. Employees receive a Mastercard or Unionpay payroll card, and can conduct banking transactions through its mobile app. Mint provides banking services to ~400,000 expatriate workers.

The Company is in the process of bringing a number of other UAE-based operations to market. MINT aims to re-launch a microfinance program in partnership with ADIB, and is looking into acquiring a UAE-based bank in connection with the program. The Company's Electronic Payment division is working on implementing payment gateway systems. The Company plans to deploy Point of Sale terminals to merchants upon completion of development. The Company's electronic payment processing division is in the process of building an enhanced software platform.

On December 20, the Company announced the integration of Blockchain into its financial technology. The Company believes its remittance services could benefit from Blockchain-solutions, reducing costs and providing new revenue opportunities.

On February 14, Mint announced it had established a subsidiary for its Blockchain operations, called Mint Block Corp. In partnership with BLOCK512, a Blockchain advisory company, Mint Block will develop Blockchain technologies

Figure 4: Current MINT Market in UAE



Source: Company Presentation

for use in its banking services. Mint Block will also examine investment and partnership opportunities with emerging blockchain technologies.

BlocPlay Entertainment Inc. (CSE:PLAY):

BlocPlay Entertainment is a Canada-based gaming company. The Company focuses on creating video games for pre-existing Intellectual Property. The Company's stock has slid 60% since November.

The Company's primary focus is the production of its video game, Heavy Gear Assault. In late 2016, the game launched on Steam, a online video game distribution platform, in a playable prototype stage, called Early Access. Early Access titles typically update games on a regular basis with ongoing community feedback. It operates on the Unreal Engine 4 technology. The Company aims to have the game focused on eSports, and has conducted focus groups to help direct product features aimed at an eSports audience. The Company's media team is working with online communities to develop awareness and receive feedback on the title.

The Company is in the development process for three other games. Sabotage, based on the Matt Cook bestselling novel of the same name, is currently in the process of securing funding and employees at a newly-formed New Brunswick office. Armored Cock is the Company's own IP, and is in the process of adding additional content to the game. Its Locke & Key property is based on a popular comic Series published by IDW Publishing. The Company currently owes

the balance of the licence fee and plans to develop the game in partnership with Behaviour Interactive as an episodic console release.

During October, the Company's stock price climbed from \$0.03 to \$0.15 on no significant news.

On November 2, the Company announced the non-binding acquisition of Token Play Inc, a video game Blockchain company, for \$2M in shares. Following the announcement, the Company's stock price jumped from \$0.15 to \$0.23. The Company announced the binding acquisition December 14, and completed the acquisition December 27.

On February 1, the Company changed its name from Stompy Bot to BlocPlay Entertainment. Its symbol changed from CSE:BOT to CSE:PLAY.

On February 12, the Company announced Token Play had entered into an agreement with the Jibe, an e-commerce agency and partner of Shopify. The Jibe will design the e-commerce experience of the Blockchain-based videogame distribution app. The Company expects to start receiving deliverables in March.

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