



Ubika Blockchain & Cryptocurrency Report

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Are Cryptocurrencies Due for a Rebound?

Welcome to the third 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.

Blockchain & Cryptocurrency Companies:

Although market interest has declined, we continue to expand our list of blockchain companies, and are currently tracking 33 companies involved in blockchain and cryptocurrencies, as shown below.

Ticker	Company Name	Price Close	7 Day Δ	1 Month Δ	Shares	Market Cap	EV	Cash	Debt
CODE.CD	360 Blockchain Inc	\$0.11	0.0%	10.0%	153.2	\$16.9	\$15.7	\$1,557.6	\$349.4
PLAY.CD	Blocplay Entertainment Inc	\$0.05	-9.1%	-28.6%	175.8	\$8.8	\$8.2	\$2,567.2	\$1,986.2
BLOX.CD	Blox Labs Inc	\$0.18	25.0%	-48.5%	24.3	\$4.3	\$3.6	\$730.3	\$98.4
BTL.V	BTL Group Ltd	\$6.72	-18.5%	36.9%	23.6	\$185.4	\$168.4	\$17,998.9	\$996.7
CYX.V	Calyx Ventures Inc	\$0.11	0.0%	0.0%	66.4	\$6.0	\$6.2	\$6.4	\$242.9
CRL.CD	Carl Data Solutions Inc	\$0.15	-21.1%	-26.8%	66.3	\$10.0	\$11.8	\$69.1	\$1,898.0
COBC.V	Cobalt Blockchain Inc	\$0.29	18.4%	-27.5%	159.9	\$50.4	\$51.2	\$23.4	\$865.1
CPTO.V	CryptoGlobal Corp	\$0.50	N/A	2.0%	142.1	\$71.0	\$72.4	\$8.7	\$1,356.6
CUV.V	CUV Ventures Corp	\$0.15	0.0%	-21.6%	123.2	\$18.5	\$17.9	\$1,460.8	\$872.7
DM.V	Datametrex AI Ltd	\$0.15	11.5%	16.0%	200.4	\$24.1	\$24.0	\$378.2	\$260.6
XBLK.CD	eXeBlock Technology Corp	\$0.23	4.7%	-13.5%	61.4	\$13.8	\$8.6	\$5,730.8	\$464.9
FTEC.V	Fintech Select Ltd	\$0.17	-12.8%	17.2%	64.4	\$8.1	\$14.8	\$852.3	\$7,581.9
GET.CD	Glance Technologies Inc	\$0.55	-20.3%	-11.3%	135.9	\$74.9	\$65.9	\$10,294.2	\$1,353.6
BLOC.CD	Global Blockchain Technologies Corp	\$0.50	13.6%	25.0%	341.0	\$170.8	\$215.6	\$3,149.6	\$47,980.3
XAU.TO	GoldMoney Inc	\$3.36	-2.9%	-4.0%	76.8	\$265.2	\$222.4	\$48,500.9	\$5,690.7
KASH.V	Hashchain Technology Inc	\$0.34	11.7%	34.0%	107.7	\$36.1	\$35.5	\$7,394.7	\$6,844.3
HS.CD	Healthspace Data Systems Ltd	\$0.08	0.0%	-16.7%	137.7	\$10.3	\$11.2	\$659.5	\$1,484.3
HIVE.V	HIVE Blockchain Technologies Ltd	\$1.58	14.5%	6.0%	307.7	\$477.0	\$387.2	\$99,082.7	\$9,248.0
HUT.V	Hut 8 Mining Corp	\$4.35	19.2%	31.4%	82.4	\$316.3	\$316.3	\$259.5	\$253.1
IP.CD	Imagination Park Entertainment Inc	\$0.42	0.0%	-30.0%	63.0	\$26.5	\$26.3	\$528.4	\$306.9
IMIN.V	iMining Blockchain and Cryptocurrency Inc	\$0.23	27.8%	0.0%	29.0	\$8.7	\$7.9	\$901.8	\$50.8
LTV.V	LeoNovus Inc	\$0.18	0.0%	-14.6%	249.4	\$46.1	\$48.8	\$1,094.0	\$3,751.0
MIT.V	Mint Corp	\$0.39	-12.5%	48.1%	171.3	\$66.8	\$125.6	\$97.6	\$58,878.5
MOGO.TO	Mogo Finance Technology Inc	\$3.43	-3.7%	-4.3%	22.3	\$78.9	\$159.2	\$40,560.0	\$120,908.0
DASH.V	Neptune Dash Technologies Corp	\$0.37	23.7%	35.2%	80.2	\$29.3	\$29.3	\$216.1	\$216.1
NC.CD	Netcents Technology Inc	\$2.71	-2.5%	127.7%	40.8	\$110.8	\$114.0	\$1,143.4	\$4,321.2
NTQ.V	Novateqni Corp	\$0.14	8.0%	3.8%	37.9	\$4.9	\$5.5	\$130.7	\$668.6
PAY.TO	Posera Ltd	\$0.21	5.0%	-8.7%	119.8	\$24.1	\$16.8	\$11,766.9	\$4,407.6
VST.CD	Victory Square Technologies Inc	\$1.46	0.7%	-28.1%	62.4	\$91.3	\$96.8	\$141.7	\$5,739.7
VHI.V	Vitalhub Corp	\$0.14	0.0%	-17.6%	83.0	\$12.1	\$11.2	\$4,543.3	\$3,637.1
PREDp.V	Predator Blockchain Capital Corp	\$0.24	20.0%	0.0%	10.0	\$2.0	N/A	N/A	N/A
NFKh.V	Africa Hydrocarbons Inc	\$1.31	N/A	N/A	8.2	\$10.8	\$9.8	\$1,089.2	\$29.4
WSM.CD	Avalon Blockchain Inc	N/A	N/A	N/A	224.5	\$38.2	\$38.3	\$25.0	\$81.9

Industry Highlights

- Some Canadian financial institutions are further examining applications of blockchain technologies.** RBC (TSX:RY) is interested in automating credit scores with blockchain. TD Bank (TSX:TD) has filed a patent for using public distributed ledgers for asset tracking. Versabank (TSX:VB) plans to open a cryptocurrency and digital asset vault by June 2018.
- Regulatory action continues to shift the blockchain landscape.** On April 18, the SEC issued a subpoena to Riot Blockchain, following reports of unusual stock activity. Many states have implemented rules on blockchain and/or cryptocurrency activity, such as New York with its BitLicense framework. Others, such as Arizona, aim to take advantage of the technology.
- More severe action has been taken in Asia, where cryptocurrency trading is more popular.** India has banned the trade of cryptocurrencies. Further clampdowns on mining and cryptocurrency trading in China have forced closures for miners and exchanges alike. In Japan, Korea, and Taiwan, blockchain companies may have to self-regulate, or face further government regulation.
- Venezuela started its own cryptocurrency, the Petro, backed by a barrel of Venezuelan oil per Petro.** The Venezuelan government said that its initial private offering raised US\$735M. However, significant concerns about currency control and an executive order banning its trade in the U.S. have eliminated much of the value it may have had.

Bitcoin (BTC) Update:

As the 17 millionth bitcoin will be mined soon, it's time to examine its recent performance. Bitcoin lost much of its total crypto market share in the crypto boom, and though it appeared to be recovering during our last report, it has since lost any gains it has made, dropping to levels unseen since the big rise in Ethereum. The lingering interest from the boom has given alt-coins the highest market share they have ever had, with no indication that the trend will reverse. Many crypto enthusiasts speculate a reversal in Bitcoin's fortunes soon, but as always, its performance is highly unpredictable. Bitcoin has declined 7% since our last report, and currently holds a market cap of US\$154B.

Figure 1: Bitcoin (BTC) Price & Market Cap

(Blue: Market Cap, Green: USD Price)



Source: coinmarketcap.com

Ethereum (ETH) Update:

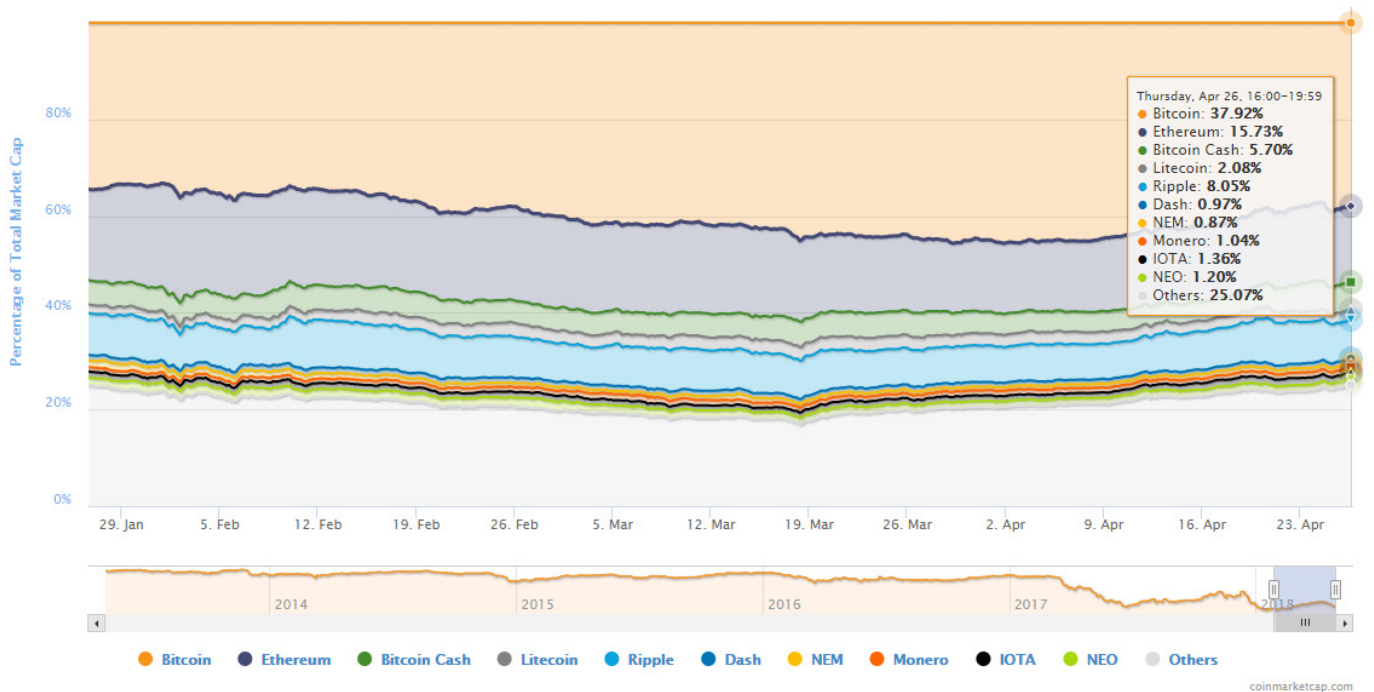
Ethereum developers are discussing a proposal called EIP 999, which could return US\$264M in cryptos lost to technical errors, including some to the developers. While a majority of Ethereum users are against the proposal, significant disagreements could lead to a split in the currency. To avoid a split, many community members aim to reach consensus on the issue. Ethereum has declined 21% since our last report date and currently has a market cap of US\$65.7B.

Figure 2: Ethereum (ETH) Price & Market Cap (Blue: Market Cap, Green: Price USD, Yellow: Price Vs. Bitcoin)



Source: coinmarketcap.com

Figure 3: Cryptocurrency Market Share as % of Total Market



Source: coinmarketcap.com

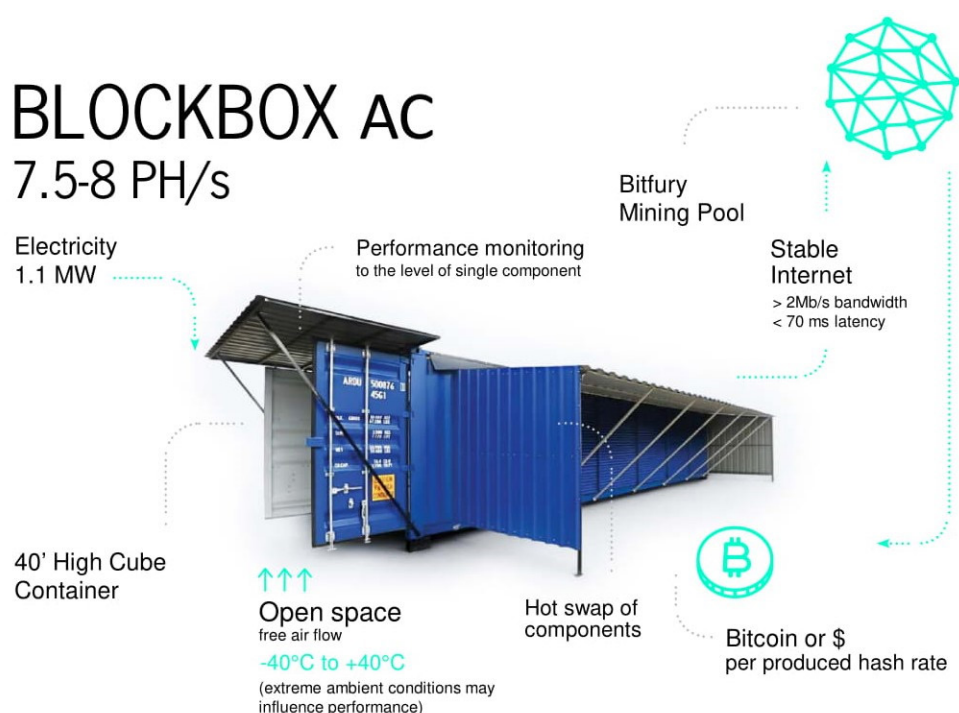
Notable Performers

Hut 8 Mining Corp. (TSXV:HUT)

Hut 8 Mining is a Canada-based cryptocurrency miner, which re-listed on the TSX-V on March 6. The Company's stock price has increased 13% since its listing, following a strong initial opening.

The Company currently focuses on mining Bitcoin. Hut 8 Mining partners with Bitfury, a large private Bitcoin miner that owns 44% of the Company, for its mining servers. Bitfury provides the Company with its BlockBox AC, a container-based data center designed for cryptocurrency mining, to be used in conventional data center infrastructure. Each unit is housed in a standard 40' freight container, and contains over 100,000 proprietary ASIC mining chips. Below is an image of the Blockbox and its features.

Figure 4: Blockbox AC Crypto Mining Unit



Source: Company Presentation

The Company currently operates an 18.7 MW facility in Drumheller, Alberta, which contains 17 Blockboxes. Using this facility, Hut 8 mined 645 Bitcoins prior to its listing, and currently holds over 1,000 Bitcoin. In addition, the Company has fully funded a \$100M, 42.0MW, 40 Blockbox facility in Medicine Hat, Alberta, expected to be completed by September 2018.

On March 6, the Company listed on the TSX-V. It began trading at \$4.70, fell to \$3.51 by 11am, and recovered to its initial price over the first two days of trading. It fell 20% over the rest of the week.

On March 13, the Company announced the appointment of Andrew Kiguel as its CEO, previously a member of GMP's Blockchain Investment Banking Group.

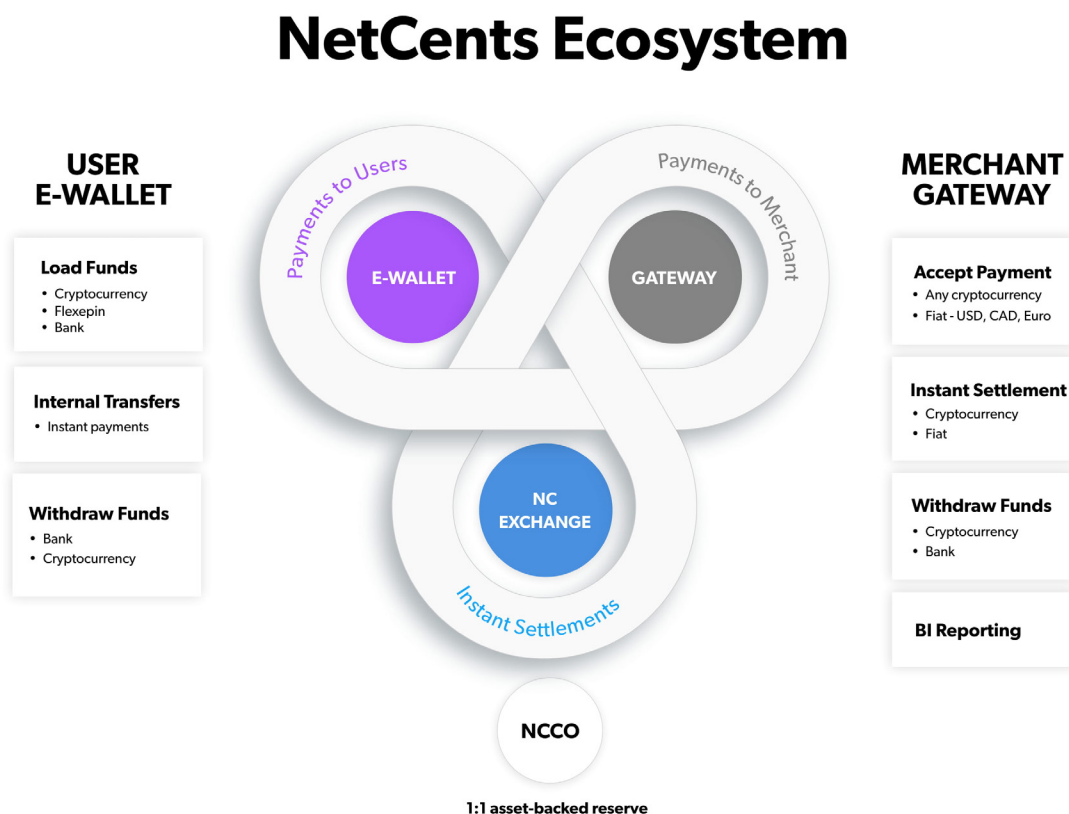
On March 19, the Company announced an agreement with the City of Medicine Hat for the supply of the required 42MW of electricity for its new facility.

Netcents Technology Inc. (CSE:NC)

NetCents is a Canada-based online services company operating its payment processor and cryptocurrency. The Company's stock price has jumped 44% since our last report date due to the initial adoption of merchant cryptocurrency payments.

The Company operates three interconnected platforms. On the NC Exchange, users can buy and sell cryptocurrencies, including Bitcoin, Ethereum, Litecoin, and the Company's own cryptocurrency, discussed in more detail later. The Company's user platform holds funds transferred from financial institutions, Flexepin, or cryptocurrency wallets, as well as from the NC Exchange. To merchants, NetCents offers a Blockchain-based payment processor at a 2% transaction fee, with instant settlement and no chargeback losses. The Company's payment processor takes funds from the user's account, and pays merchants in cryptos or fiat currency, at no conversion cost. Below is a diagram of the Company's ecosystem.

Figure 5: NetCents Ecosystem



Source: Company Presentation

The Company also operates its own cryptocurrency, the Netcents Coin (NCCO). NCCO is designed to serve as a cryptocurrency for daily transactions. It is traded on the Company's NC Exchange platform, and integrated with its payment processing platform. NCCO is backed 1:1 by a Treasury Reserve account, and coins are released on a scheduled basis using a proprietary algorithm. The Company has pre-sold over 7.5M coins. Below is the projected value of the reserve account by the total amount of coin releases.

Figure 6: NCCO Treasury Reserve Value

Release	Value per Coin	Cash Equivalent Reserve (\$ MM)			Reserve Cash Equivalent	
		Opening	Addition	Ending	Per Coin O/S	As % Value
1	\$1.00	\$-	\$5	\$5	\$1.00	100.0%
2	\$2.00	\$5	\$10	\$15	\$1.50	75.0%
3	\$4.00	\$15	\$20	\$35	\$2.33	58.3%
4	\$8.00	\$35	\$40	\$75	\$3.75	46.9%
5	\$16.00	\$75	\$80	\$155	\$6.20	38.8%
6	\$28.00	\$155	\$210	\$365	\$11.23	40.1%
7	\$49.00	\$365	\$551	\$916	\$20.94	42.7%
8	\$85.75	\$916	\$1,447	\$2,363	\$38.98	45.5%
9	\$150.06	\$2,363	\$3,798	\$6,162	\$71.70	47.8%
10	\$262.61	\$6,162	\$9,971	\$16,133	\$130.20	49.6%
11	\$459.57	\$16,133	\$26,174	\$42,306	\$233.92	50.9%
12	\$804.24	\$42,306	\$68,706	\$111,013	\$416.89	51.8%
13	\$1,407.42	\$111,013	\$180,353	\$291,366	\$738.69	52.5%
14	\$2,462.99	\$291,366	\$473,428	\$764,794	\$1,303.66	52.9%

Source: Company Website Archive

The Company holds partnerships with Aliant Payments and Flexepin. Aliant and the Company recently completed their cryptocurrency payment integration, allowing Aliant's 7,000 U.S. customers to accept payments in cryptocurrencies, while Flexepin has NCCO available on its distribution network. In addition, the Company has merchant gateways via Poynt, WooCommerce, Google Play Store, and the Apple App Store.

On February 21, the Company completed its integration with Aliant's payment processing system.

On March 1, the Company announced the appointment of the Edison Investment Research Group for analytical investment research. In addition, the Edison Group will assist with PR and Marketing. On March 6, the Company announced it had appointed Clarity PR as its PR agency.

On March 13, the Company announced a loyalty and referral rewards program, currently in development in partnership with Loyalty & Co.

On March 27, the Company announced the launch of its new website, which combines the previously existing platforms into one site. NetCents also stated that its marketing campaign is set to be launched. Over the course of March, the Company's stock price sank 35%, likely due to falling cryptocurrencies prices.

On April 9, the Company announced its first two merchants processing cryptocurrency transactions. It processed ~US\$10,000 over two days. Over the following week, the Company's stock price skyrocketed 215%, but then corrected 20% over the next three days.

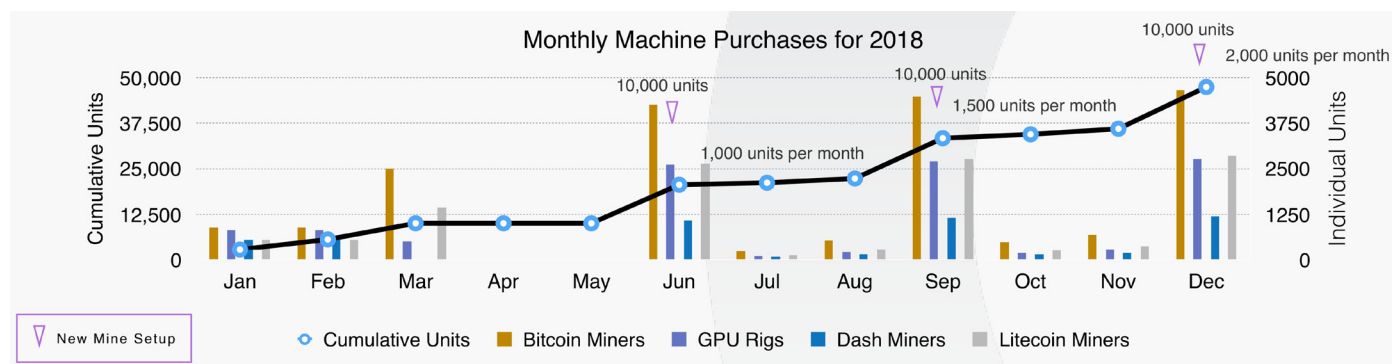
On April 20, the CSE announced the suspension of trading, due to the Company being in default of CSE requirements. Trading has yet to resume.

CryptoGlobal Corp. (TSXV:CPTO)

CryptoGlobal is a Canada-based cryptocurrency miner that listed on the TSX-V on January 29. The Company's stock price has fallen 66% since our last report date, due to its acquisition of BitCity Group and declining cryptocurrency prices.

CryptoGlobal currently operates several mining facilities in Quebec and Ontario. The facilities host a total of ~8600 mining rigs, representing ~8MW of mining capability. The Company mines a variety of cryptocurrencies, currently 44% Bitcoin, 24% Litecoin, 13% Dash, and 19% Ether. It will re-evaluate which cryptos to mine as prices and market circumstances change. CPTO aims to re-invest 50% of its earnings into new machines, with an initial plan to reach 10,000 mining rigs by the end of 2018, as shown below.

Figure 7: CryptoGlobal Expansion Plans



Source: Company Presentation

On January 29, the Company listed on the TSX-V. On January 31, the Company announced two mining facilities in Quebec, totalling 65,000 sq. ft. On February 1, the Company announced beta tests for CryptoGlobal Insights, a proprietary platform for analyzing crypto assets, using artificial intelligence and natural language processing. In the first two days of trading, the Company's stock jumped 61%. Over the following week, the Company's stock declined 27%. Over the two weeks following that, it increased 47%, or 58% from its opening.

On February 26, the Company announced the acquisition of BitCity Group for \$40M, largely paid in stocks over four biannual intervals. The agreement includes 40,000 sq. ft. building space and 35MW power capacity with a Canadian power company, with the ability to scale up to 100MW. In addition, the Company announced a \$10M private placement at \$1.20/share. The Company's stock price fell 38% over the following two days.

On March 1, the Company announced the acquisition of Blockchain Dynamics for \$28M in shares at \$1.40/share. Blockchain Dynamics offers trading, security, custodial services, and staking across a diversified base of cryptos, as well as cold storage and crypto security solutions. In addition, the Company announced a \$15M secured credit facility, and terminated the previously mentioned private placement. The Company's stock price increased 18% over the week before falling 13% in one day.

On March 15, the Company announced that it had received all ordered rigs. CPTO expected that all rigs would be operational by the end of April, a month later than was stated upon listing. Over the following two weeks, the Company's stock price declined 26%.

On April 2, IIROC halted trading pending news. On April 5, the Company announced its acquisition by HyperBlock technologies, a private crypto miner, for \$106M in shares. HyperBlock currently operates a 20MW facility in the U.S., and offers mining-related server services. The combined company, after another recent acquisition by HyperBlock would have ~28MW of mining facilities with the near-term capability to grow to over 90MW, and other blockchain-related business opportunities. The stock is expected to re-list as HyperBlock in the near future.

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