# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

# FORM 20-F

☐ Registration Statement Pursuant to Section 12(b) or (g) of the Securities Exchange Act of 1934.

or

☒ Annual Report Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

for the Fiscal Year Ended **December 31, 2017**

or

☐ Transition Report Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934.

For the transition period from _______ to ________.

Commission file number 000-52145

## Digatrade Financial Corp

(Exact name of Registrant as specified in its charter)

_______________________________________________

(Translation of Registrant's name into English)

**Business Corporations Act (British Columbia)**
(Jurisdiction of incorporation or organization)

**1500 West Georgia Street, Suite 1300, Vancouver, British Columbia, Canada, V6C 2Z6**
(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

| Title of each class | Name of each exchange on which registered |
|---|---|

Securities registered or to be registered pursuant to Section 12(g) of the Act.

**Common Stock, without par value**
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

_________________________
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

49,661,150 shares of common stock as at December 31, 2017.
100,000 shares of Class B common stock as at December 31, 2017

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☐ Yes ☒ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to filed reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) ☒ Yes ☐ No; and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No.

Indicate which financial statement item the registrant elects to follow: ☒ Item 17 ☐ Item 18.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒

If this is an annual report, indicated by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

Table of Contents



---

**Table of Contents**

PART I

**Introduction**. Digatrade Financial Corp. (Formerly: Bit-X Financial Corp.) (referred to as "Digatrade" or "the Company"), is a British Columbia corporation, incorporated on December 28, 2000. The Company is engaged in entering into the crypto-currency exchange and internet financial business.

Item 1. Identity of Directors, Senior Management and Advisors

The President of the Company is Brad Moynes, and the directors of the Company are Brad Moynes and Tyrone Docherty of 1500 West Georgia Street, Suite 1300, Vancouver, British Columbia, Canada, V6C 2Z6. Mr. Moynes also serves as our Chairman and Chief Executive Officer. See Item 6 for further information.

The Company's registered independent auditors are WDM Chartered Professional Accountants, Suite 420 – 1501 West Broadway, Vancouver, British Columbia, Canada, V6J 4Z6. For further information, see Item 16C and the consolidated financial statements under Item 8.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

**A. Selected Financial Data**

The following selected information should be read in conjunction with the Company's consolidated financial statements, and notes, filed with this Form 20-F. This information, and all other financial information in this Form 20-F, is stated in Canadian dollars unless otherwise noted.

The financial information is presented on the basis of International Financial Reporting Standards. With respect to the Company's consolidated financial statements, there are no material differences from applying these principles compared to applying United States generally accepted accounting principles.

**Selected Consolidated Financial and Operating Data**

| **Operating Data** | **Year Ended December 31, 2017** | **2016** |
|---|---|---|
| | **$** | **$** |
| Sales | - | - |
| Gross Profit, Net of Cost of Sales | - | - |
| Net Loss | (674,520) | (172,969) |
| Loss per Common Share – Basic & Diluted* | (0.01) | (0.01) |
| Number of Shares Outstanding* | 49,761,150 | 42,909,650 |

| **Balance Sheet Data** | **2017** | **2016** |
|---|---|---|
| | **$** | **$** |
| Current Assets | 960,105 | 138,725 |
| Current Liabilities | 1,742,215 | 489,113 |
| Total Assets | | |
| Share Capital | 4,106,207 | 3,645,457 |
| Accumulated Deficit | (5,176,116) | (4,501,596) |
| Dividends per Common Share | 0.00 | 0.00 |



Table of Contents

* Adjusted to reflect the consolidation of the Company's stock on (i) March 22, 2010 in the ratio of 1 new common share for 10 old common shares, (ii) April 3, 2013 in the ratio of 1 new common share for 50 old common shares and (iii) June 8, 2016 in the ratio of 1 new common share for 50 old common shares

**Exchange Rates**

In this FORM 20-F, references to "dollars", "$" or "Cdn$" are to Canadian dollars, unless otherwise specified. Reference to "US$" refers to United States dollars. Since June 1, 1970, the Government of Canada has permitted a floating exchange rate to determine the value of the Canadian dollar as compared to the United States dollar.

The Company's consolidated financial statements are stated in Canadian dollars.

The Company realized gains on foreign exchange of $40,723 for the year ended December 31, 2017 and $13,238 for the year ended December 31, 2016, respectively. These foreign exchange gains and losses were due to currency exchange rate fluctuations between the Canadian and United States dollar.

The Bank of Canada closing exchange rate on December 31, 2017 was Cdn$1.2545 per US$1.00. For the past five fiscal years ended December 31, and for the period between January 1, 2017 and December 31, 2017, the following exchange rates were in effect for Canadian dollars exchanged for United States dollars, expressed in terms of United States dollars (based on the nominal exchange rates provided by the Bank of Canada):

| **Year Ended** | **Average per US$1** |
|---|---|
| December 31, 2011 | $ 0.99 |
| December 31, 2012 | $ 0.99 |
| December 31, 2013 | $ 0.94 |
| December 31, 2014 | $ 0.86 |
| December 31, 2015 | $ 0.72 |
| December 31, 2016 | $ 0.76 |
| December 31, 2017 | $ 0.80 |



Table of Contents

| Month Ended | Per US$1 High | Low |
|---|---|---|
| January 31, 2017 | $ 0.77 | $ 0.74 |
| February 28, 2017 | $ 0.77 | $ 0.75 |
| March 31, 2017 | $ 0.75 | $ 0.74 |
| April 30, 2017 | $ 0.75 | $ 0.73 |
| May 31, 2017 | $ 0.74 | $ 0.73 |
| June 30, 2017 | $ 0.77 | $ 0.74 |
| July 31, 2017 | $ 0.80 | $ 0.77 |
| August 31, 2017 | $ 0.80 | $ 0.78 |
| September 30, 2017 | $ 0.82 | $ 0.80 |
| October 31, 2017 | $ 0.80 | $ 0.78 |
| November 30, 2017 | $ 0.79 | $ 0.78 |
| December 31, 2017 | $ 0.80 | $ 0.78 |

**B. Capitalization and Indebtedness**

The following table sets forth our capitalization as of December 31, 2017, using:

- 49,661,150 common shares outstanding on an actual basis;
- 100,000 Class B common shares outstanding on an actual basis

| | December 31, 2017 (audited) $ | As Adjusted April 30, 2018 (unaudited) $ |
|---|---|---|
| Cash | 494,443 | 504,073 |
| Long-term obligations, less current portion | 287,802 | 282,137 |
| **Shareholders' (deficiency) equity** | | |
| Share capital | 4,106,207 | 4,837,434 |
| Share Subscription Received | - | |
| Accumulated deficit | (5,176,116) | (5,553,878) |
| Shareholders' (deficiency) equity | (1,069,909) | (716,444) |

Effective June 8, 2016 the common shares of the Company were consolidated at the ratio of one new common share for every 50 old common shares. The Company issued 12,306 shares to round up fractional entitlements resulting from the consolidation.

On August 15, 2016, the Company entered into an assignment of creditors and settlement of debt agreement with certain unrelated third parties. The Company settled certain promissory notes totaling $118,204 (US$91,475) by the issuance of 8,000,000 post-consolidation shares with a fair value equal to the value of the underlying debt settled.



Table of Contents

On December 20, 2016, the Company entered into an assignment of creditors and settlement of debt agreement with certain unrelated third parties. The Company settled certain promissory notes totaling $175,185 (including US$65,550) by the issuance of 8,000,000 post-consolidation shares with a fair value of $133,780. A gain on settlement of debt in the amount of $41,406 was recognized upon settlement.

On December 12, 2016, the Company completed a private placement of 500,000 post-consolidation shares at US$0.50 per share, raising gross proceeds of $334,975(US$250,000). Shares have not been issued as of December 31, 2016.

Share subscription of $25,998 received on November 11, 2015 was reclassified as at December 31, 2016 to Accounts Payable. The amount was refunded to the investor subsequent to December 31, 2016.

During the year ended December 31, 2016, the Company issued 250,000 post-consolidation shares at a fair value of $0.06 per share to a related party for compensation of consulting services rendered.

On June 12, 2017, the Company settled convertible promissory notes totalling $32,700 by the issuance of 2,000,000 common shares with a fair value equal to the value of the underlying debt settled.

On September 21, 2017, the Company settled a convertible promissory note owed to a company controlled by a former Officer and Director of the Company in the amount of $61,694 (US$50,000) by the issuance of 1,000,000 common shares with a fair value equal to the value of the underlying debt settled.

On October 10, 2017, the Company passed a resolution authorizing the creation of a new 100,000 Class "B" common shares with the following characteristics: non-participating, no par value, and with the voting right of 1,000 votes per share. On the same day, the Company issued 100,000 Class "B" common shares at $0.001 per share for total proceeds of $100 to a shareholder who is also a Director and Office of the Company.

None of the capitalization referred to above is secured or guaranteed. All amounts in respect of capitalization including long term debt are unsecured and not guaranteed.

### C. Reasons for the Offer and Use of Proceeds

Not applicable.

### D. Forward Looking-Statements and Risk Factors

**Forward-looking Statements**. In this document, we are showing you a picture which is part historical (events which have happened) and part predictive (events which we believe will happen). Except for the historical information, all of the information in this document comprises "forward looking" statements. Specifically, all statements (other than statements of historical fact) regarding our financial position, business strategy and plans and objectives are forward-looking statements. These forward-looking statements are based on the beliefs of management, as well as assumptions made by, and information currently available to management. These statements involve known and unknown risks, including the risks resulting from economic and market conditions, accurately forecasting operating and capital expenditures and capital needs, successful anticipation of competition which may not yet be fully developed, and other business conditions. Our use of the words "anticipate", "believe", "estimate", "expect", "may", "will", "continue" and "intend", and similar words or phrases, are intended to identify forward-looking statements (also known as "cautionary statements"). These statements reflect our current views with respect to future events. They are subject to the realization in fact of assumptions, but what we now believe will occur may turn out to be inaccurate or incomplete. We cannot assure you that our expectations will prove to be correct. Actual operating results and financial performance may prove to be very different from what we now predict or anticipate. The "risk factors" below specifically address all of the factors now identifiable by us that may influence future operating results and financial performance.



Table of Contents

### Risk Factors

*Risks Related to the Business*

**We have a history of operating losses and need additional capital to implement our business plan.** For the year ended December 31, 2017, we recorded a net loss of $674,520 from operations compared to a net loss of $172,969 for the year ended December 31, 2016. The financial statements have been prepared using International Financial Reporting Standards applicable to a going concern. However, as shown in note 1 to the consolidated financial statements, our ability to continue operations is uncertain.

We continue to incur operating losses, and have a consolidated deficit of $5,176,116 as at December 31, 2017. Operations for the year ended December 31, 2017 have been funded primarily from the issuance of share capital and the continued support of creditors. Historically, we have met working capital needs primarily by selling equity to Canadian residents, and from loans (including loans from relatives of principal shareholders).

We estimate that we will require a minimum of approximately $500,000 to continue developing and branding the exchange platform, increase regulatory compliance procedures and cover working capital expenses for up to 12 months. See Item 5, “Operating and Financial Review and Prospects”.

**Our entry into the crypto-currency exchange business may not be successful and there are risks attendant on these activities.** The crypto-currency exchange business is highly competitive, and is populated with many companies, large and small, with the capital and expertise to evaluate, purchase, and exploit opportunities. Even with capital and experience, industry risks are significant and regulatory compliance is an increasingly complex and potentially costly obstacle to many new crypto-currency start-ups, and often times, and even if licenses are obtained, they may be sufficiently restrictive. The Company is evaluating crypto-currency mining facility locations in Canada and the United States for possible acquisition and may require a significant increase in capital to complete the acquisition.

We offer no assurance that our entry into this business activity will be successful.

*Risks Related to Our Stock*





**If we have to raise capital by selling securities in the future, your rights and the value of your investment in the Company could be reduced.** If we issue debt securities, the lenders would have a claim to our assets that would be superior to the stockholder rights. Interest on the debt would increase costs and negatively impact operating results. If we issue more common stock or any preferred stock, your percentage ownership will decrease and your stock may experience additional dilution, and the holders of preferred stock (called preference securities in Canada) may have rights, preferences and privileges which are superior to (more favorable) the rights of holders of the common stock. It is likely the Company will sell securities in the future. The terms of such future transactions presently are not determinable.

**If the market for our common stock is illiquid in the future, you could encounter difficulty if you try to sell your stock**. Our stock trades on the “OTC.BB” but it is not actively traded. If there is no active trading market, you may not be able to resell your shares at any price, if at all. It is possible that the trading market in the future will continue to be "thin" or "illiquid," which could result in increased price volatility. Prices may be influenced by investors' perceptions of us and general economic conditions, as well as the market for energy generally. Until our financial performance indicates substantial success in executing our business plan, it is unlikely that there will be coverage by stock market analysts will be extended. Without such coverage, institutional investors are not likely to buy the stock. Until such time, if ever, as such coverage by analysts and wider market interest develops, the market may have a limited capacity to absorb significant amounts of trading. As the stock is a “penny stock,” there are additional constraints on the development of an active trading market – see the next risk factor.

**The penny stock rule operates to limit the range of customers to whom broker-dealers may sell our stock in the market**. In general, "penny stock" (as defined in the SEC’s rule 3a51-1 under the Securities Exchange Act of 1934) includes securities of companies which are not listed on the principal stock exchanges, or the Nasdaq National Market or the Nasdaq Capital Market, and which have a bid price in the market of less than $5.00; and companies with net tangible assets of less than $2 million ($5 million if the issuer has been in continuous operation for less than three years), or which has recorded revenues of less than $6 million in the last three years.

As "penny stock" our stock therefore is subject to the SEC’s rule 15g-9, which imposes additional sales practice requirements on broker-dealers which sell such securities to persons other than established customers and "accredited investors" (generally, individuals with net worth in excess of $1 million or annual incomes exceeding $200,000, or $300,000 together with their spouses, or individuals who are the officers or directors of the issuer of the securities). For transactions covered by rule 15g-9, a broker-dealer must make a special suitability determination for the purchaser and have received the purchaser's written consent to the transaction prior to sale. This rule may adversely affect the ability of broker-dealers to sell our stock, and therefore may adversely affect our stockholders' ability to sell the stock in the public market.

**Your legal recourse as a United States investor could be limited**. The Company is incorporated under the laws of British Columbia. Most of the assets now are located in Canada. Our directors and officers and the audit firm are residents of Canada. As a result, if any of our shareholders were to bring a lawsuit in the United States against the officers, directors or experts in the United States, it may be difficult to effect service of legal process on those people who reside in Canada, based on civil liability under the Securities Act of 1933 or the Securities Exchange Act of 1934. In addition, we have been advised that a judgment of a United States court based solely upon civil liability under these laws would probably be enforceable in Canada, but only if the U.S. court in which the judgment were obtained had a basis for jurisdiction in the matter. We also have been advised that there is substantial doubt whether an action could be brought successfully in Canada in the first instance on the basis of liability predicated solely upon the United States' securities laws.





Item 4. Information on the Company

## A. History and Development of the Company

The Company is a British Columbia corporation (organized on December 28, 2000, incorporation number BC 0619991, which is the incorporation number reflecting the transition to the new corporate statute (the British Columbia Business Corporations Act)). The registered office is at 1500 West Georgia Street, Suite 1300, Vancouver, British Columbia, Canada, V6C 2Z6.. We do not have an agent in the United States.

The Company's legal name is Digatrade Financial Corp and business is carried on in this name at this time. On October 27, 2015 the Company changed its name from Bit-X Financial Corporation to Digatrade Financial Corporation. On February 9, 2015 the Company changed its name from Rainchief Energy Inc to Bit-X Financial Corporation and on November 21, 2008 the Company changed its name from Black Diamond Brands Corporation to Rainchief Energy Inc.

## B. Overview

Digatrade Financial Corp. (the "Company") is developing a crypto-currency exchange. Prior to February 2015, we had operations in oil and gas exploration in Alberta, Canada.

**The Company's Organization Structure**

During the year ended December 31, 2015 the Company incorporated three subsidiaries: Digatrade Limited (a British Columbia, Canada corporation), Digatrade (UK) Limited (a United Kingdom corporation) and Digatrade Limited (a Nevada corporation).

On October 27, 2015 the Company changed its name to from Bit-X Financial Corporation to Digatrade Financial Corporation. The Company's stock will continue to trade on the FINRA OTC.QB under the symbol BITX until the change of name is processed by FINRA.

On September 30, 2009, we disposed of two subsidiaries, Black Diamond Importers Inc., a British Columbia, Canada, corporation and Liberty Valley Wines, LLC., a Delaware, U.S.A., limited liability company. On December 30, 2009, we disposed of our remaining subsidiary, Point Grey Energy Inc., an Alberta, Canada, corporation.

Effective December 22, 2010, we acquired all of the issued and outstanding common shares of Jaydoc Capital Corp ("Jaydoc"), a company incorporated under the Business Corporations Act of the Province of British Columbia, Canada. Jaydoc was acquired to facilitate our business venture in solar energy development. The assets of Jaydoc were its business plan and strategic business relationship with operational partners that offered experience and knowledge in the development, engineering and construction of solar energy projects in Italy and the European Union.





On December 18, 2010 we incorporated a wholly-owned subsidiary, Rainchief Renewable-1 S.R.L under the laws of Italy.

During the year ended December 31, 2015, Jaydoc Capital Corp. and Rainchief Renewable-1 S.R.L., were de-registered.

**Commitments**.

On March 31, 2015, the Company entered into an agreement with Mega Idea Holdings Limited, dba ANX ("ANX"), to provide Crypto-currency deposit and exchange services. Pursuant to the terms of the agreement, the Company is required to pay monthly maintenance fees of US$10,000 for maintenance and support of the exchange platform. The agreement with ANX is for a term of three years.

On April 7, 2017 ("effective date"), the Company entered into a revised agreement with ANX. Pursuant to the terms of the agreement, the Company is required to pay monthly maintenance fees of US$1,500 for the first six months commencing the first month after the effective date, and US$5,000 thereafter. The revised agreement with ANX is for a term of two years.

## Item 5. Operating and Financial Review

For the years ended December 31, 2016, 2015, and 2014, the Company had net losses of $674,520, $172,969 and $557,433, respectively.

Accounting, Audit and Legal expenses increased by $59,129 from $46,523 for the year ended December 31, 2016 to $105,652 for the year ended December 31, 2017. The increase is comprised of $786 in respect of increased accounting and audit fees and $58,344 in respect of legal expenses incurred in connection with the issuance of convertible promissory notes during the year ended December 31, 2017.

Accounting, Audit and Legal expenses increased by $5,329 from $36,086 for the year ended December 31, 2015 to $41,414 for the year ended December 31, 2016. Legal fees incurred in connection with regular corporate transactions amounted to $5,108 for the year ended December 31, 2016. The Company did not incur any legal expenses during the year ended December 31, 2015.

Consulting expense for the year ended December 31, 2017 increased by $61,696 to $147,845 as compared with $86,149 for the year ended December 31, 2016, as a result of increased corporate activity. Consulting expense for the year ended December 31, 2017 increased by $10,414 to $86,149 as compared with $75,735 for the year ended December 31, 2015, also as a result of increased corporate activity.





During the year ended December 31, 2017 the Company incurred Filing and Transfer Agents Expenses in the amount of $7,866 as compared with $12,816 incurred during the year ended December 31, 2016, a decrease of $4,950, as a result of reduced filing activity during the period. Filing and Transfer Agents Fees for the year ended December 31, 2016 increased by $1,096 from $11,720 to $12,816 for the year ended December 31, 2015 as a result of increased corporate activity during that year.

During the year ended December 31, 2016 the company incurred $29,559 in Interest and Bank Charges expense as compared with $906 and $4,672 for the years ended December 31, 2015 and 2014, respectively. Of the amount incurred during the year ended December 31, 2016, $27,612 was incurred in connection with interest on a Convertible Promissory Note which was subsequently included in the debt settlement agreement concluded on December 20, 2016.

The Company did not incur any Investor Relations expenses during the years ended December 31, 2016 and 2014. During the year end December 31, 2015, the Company entered into three investor relations contracts for a total cost of $94,072.

Management fees for the year ended December 31, 2017 amount to $105,000 as compared with $60,000 for the year ended December 31, 2016. Management Fees for the year ended December 31, 2016 amounted to $60,000, unchanged from the amounts incurred during the years ended December 31, 2015.

The Company incurred Exchange Platform Development Costs in the amount of $104,591 during the year ending December 31, 2016, as compared with $111,734 incurred during the year ended December 31, 2016 and $216,315 incurred during the year ended December 31, 2015. The reduction in these costs resulted from the renegotiation of the agreement with the platform provider during 2017 and costs related to certain development projects in 2015 which were not continued in 2016 and 2017.

The Company incurred $7,137 in Administrative expenses during the year ended December 31, 2017. This amount is comprised of a bad debt written off and minor travel expenses. The Company did not incur Administrative expenses for the years ended December 31, 2016. Administrative expenses for the year ended December 31, 2015 amounted to $6,892 as the Company utilized rented office accommodation during that year and incurred $3,202 on Advertising, Promotion and Website Development

The Company incurred a gain on foreign exchange of $40,723 for the year ended December 31, 2017, as compared with a gain on foreign exchange of $13,238 and a loss of $55,536 for the years ended December 31, 2016 and 2015, respectively. The losses and gain resulted from changes in the foreign currency exchange rates between the Canadian and US Dollars.





During the year ended December 31, 2016 the Company earned $119,600 in Coin Development Fees in connection with the joint venture agreement to develop a diamond-backed digital currency.

During the years ended December 31, 2016, the Company realized net gains on the settlement of certain debts in the amounts of $41,406. The Company did not realize net gains or incur net losses on settlement of debts in the years ending December 31, 2017 and 2015, respectively.

Financial position

As at December 31, 2017 the Company had a working capital deficiency of $782,207 as compared with a working capital deficiency of $350,388 as at December 31, 2015, a decrease of $431,819. The increase in working capital deficiency during the year ended December 31, 2017 is due to increases in Liabilities to Customers of $286,990 and current portion of Convertible Promissory Notes of $1,070,096, offset by Increases of $379,955 in Cash at Bank, $281,445 in Accounts Receivable, $6,672 in GST Receivable and $153,311 in Prepaid Expenses.

Liquidity and Capital Resources

During the year ended December 31, 2017 the Company raised $1,462,122 by the issuance of Convertible Promissory Notes (year ended December 31, 2016 -$57,098) and re-paid a convertible Promissory Notes in the amount of $130,498 (year ended December 31, 2016 - $Nil).

The Company raised $103,779 by the issuance of Common Shares during the year ended December 31, 2017. The Company did not complete any private placements during the year ended December 31, 2016

Changes in working capital accounts during the year ended December 31, 2017 provided $258,322 (year ended December 31, 2015 provided $75,969).

During the year ended December 31, 2017, the Company used cash in the amount of $693,347 to fund the Company's continuing operations (year ended December 31, 2016 – $196,218).

### C. Research and Development, Patents and Licenses, etc.

Not applicable

### D. Trend Information

Management is not aware of any trend, commitment, event or uncertainty that is expected to have a material effect on our business, financial condition or results of operations.

### E. Off-Balance Sheet Arrangements





Not applicable.

### F. Contractual Obligations

Not applicable.

Item 6. Directors, Senior Management and Employees

## A. Directors, Senior Management, and Employees

The following table sets forth the name, positions held and principal occupation of each of our directors, senior management and employees upon whose work the Company is dependent. Information on such persons' share ownership is under Item 7.

| Name and Positions Held | Experience and Principal Business Activities |
|---|---|
| Bradley J. Moynes (48) Chairman, President, Director and Chief Financial Officer | President and Director of the Company since December 2000. |
| Tyrone Docherty (58) | Director of the Company since July 10, 2016 |



Table of Contents

## B. Compensation

### SUMMARY COMPENSATION TABLE

The following table sets forth the compensation paid to the executive officers of the Company in each of the years ended December 31, 2017, 2016 and 2015. The table includes compensation paid for service by such persons to subsidiaries. All amounts are stated in US dollars.

| | | Annual Compensation | | | Long Term Compensation | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Awards | | Payouts | |
| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) |
| Name and Current Principal Position | Year | Salary (US$) | Bonus (US$) | Other (US$) | Restricted Stock Awards (US$) | Options or SAR's (#) | LPIT Payouts (US$) | All Other Compensation (US$) |
| Bradley J. Moynes, President | 2017 | $ 80,987 | $ - | $ - | $ - | - | $ - | $ - |
| | 2016 | $ 45,298 | $ - | $ - | $ - | - | $ - | $ - |
| | 2015 | $ 46,986 | $ - | $ - | $ - | - | $ - | $ - |



Table of Contents

### Executive Compensation Plans and Employment Agreements

### Management Agreements

No management agreements were entered into for the period commencing January 1, 2017 to December 31, 2017.

#### Equity Compensation Plans

Effective December 31, 2010, our Board of Directors adopted the 2010 Stock Option Incentive Plan ("the Stock Option Plan"). The purpose of the Stock Option Plan is to enhance the long-term stockholder value of the Company by offering opportunities to directors, officers, key employees and eligible consultants of the Company to acquire and maintain stock ownership in the Company, in order to give these persons the opportunity to participate in the Company's growth and success, and to encourage them to remain in the service of the Company. A maximum of 10% of the issued and outstanding shares of common stock are available for issuance under the Stock Option Plan.

## C. Board Practices

Each director holds office until the next annual general meeting of the Company unless his office is earlier vacated in accordance with the Articles of the Company or the Canada Business Corporations Act.

During the most recently completed fiscal year, there are no arrangements (standard or otherwise) under which directors of the Company were compensated by the Company or its subsidiaries for services rendered in their capacity as directors, nor were any amounts paid to the directors for committee participation or special assignments, other than the granting of stock options. There were no arrangements under which the directors would receive compensation or benefits in the event of the termination of that office.

The Company does not have an audit committee at the present time. The Company is currently seeking a suitable individual to serve on an audit committee.

The audit committee is responsible for selecting, evaluating and recommending the Company's auditors to the Board of Directors for shareholder approval; evaluating the scope and general extent of the auditors' review; overseeing the work of the auditors; recommending the auditors' compensation to the Board of Directors; and assisting with the resolution of any disputes between management and the auditors regarding financial reporting. The audit committee is also responsible for reviewing the Company's annual and interim financial statements and recommending their approval to the Board of Directors; reviewing the Company's policies and procedures with respect to internal controls and financial reporting; and establishing procedures for dealing with complaints regarding accounting, internal controls or auditing matters.

The Company does not have a compensation or corporate governance committee at the present time. The Company is listed for trading on the OTCBB as a reporting issuer under registration statement Form 20-F (Foreign Private Issuer) and as such it believes that it is not required to have such committees.

### D. Employees





The Company currently has two officers and no employees. Employees will be added as required.

### E. Share Ownership

Our directors and officers own the indicated shares of common stock as at the date hereof; percentages are based on 57,384,473 shares of common stock and 100,000 shares of Class B common stock as at April 30, 2018

| Name | No. of Shares of Common Stock | Percentage of outstanding at April 28, 2017 |
|---|---|---|
| Brad Moynes | 22,504,000 | 39.22% |
| Tyrone Docherty | 250,000 | 0.43% |

| Name | No. of Shares of Class B Common Stock | Percentage of outstanding at April 28, 2017 |
|---|---|---|
| Brad Moynes | 100,000 | 100% |

## Item 7. Major Shareholders and Related Party Transactions.

### A. Major Shareholders

To our knowledge, only one person beneficially owns, directly or indirectly, or exercises control or direction over, common shares carrying more than 5% of the voting rights attached to the 57,384,473 common shares outstanding at April 30, 2018.

The Company has approximately 109 beneficial shareholders of record at April 30, 2018. The number of shareholders holding securities beneficially through street name nominees, as reflected in the record position of Cede & Co. and other intermediaries, is approximately 50.71%. None of the major shareholders, if any, have different voting rights.

To the best of our knowledge, approximately 51% of the Company's common shares are owned by residents of Canada or residents of countries other than the United States. The number of shareholders holding securities beneficially through street name nominees, as reflected in the record position of Cede & Co. and other intermediaries, who may be residents of other countries, is approximately 3%. These assumptions are based on our shareholder registry issued by Action Stock Transfer as of April 30, 2018.

To our knowledge, we are not owned or controlled directly or indirectly by another corporation or by any foreign government, nor are there any arrangements which may result in a change of control of the Company. The directors of the Company own approximately 39.67%.





### B. Related Party Transactions

Management fees paid in advance to a Company Controlled by Director and Officer

As at December 31, 2017, the Company had $55,573 (2016 - $Nil) in management fees paid in advance to a company controlled by a Director and Officer of the Company.

Trade and Other Payables

As at December 31, 2017, the Company had $Nil (2016 - $36,177) in trade and other payables owed to key management personnel. The amounts owed to key management personnel arose from outstanding management fees and are non-interest bearing, unsecured, and have no specified terms of repayment.

Promissory Notes

During the year ended December 31, 2017, the Company repaid Promissory Notes in the amount of $90,529, (including US$31,200) to a company controlled by a Director (also an officer) of the Company Included in Convertible Promissory Notes as at December 31, 2017, was $Nil (2016 – $89,364 including US$31,200) owed to a company controlled by a Director (also an officer) of the Company.
During the year ended December 31, 2017, the Company settled a Promissory Note owed to a company controlled by a former officer of the Company in the amount $69,205 (US$50,000) by the issuance of 1,000,000 shares of Common Stock.

Included in Convertible Promissory Notes as at December 31, 2017, was $Nil (2016 – $67,135 including US$50,000) owed to a company controlled by a former officer of the Company.
Compensation of Key Management Personnel

The Company incurred management fees for services provided by key management personnel for the years ended December 31, 2017, 2016 and 2015, as described below.

Management Fees

| | 2017<br>$ | 2016<br>$ | 2015<br>$ |
|---|---|---|---|
| Management Fees | 105,000 | 60,000 | 60,000 |
| Share-Based Payments | - | - | - |
| | 105,000 | 60,000 | 60,000 |

During the year ended December 31, 2017, the Company incurred consulting fees for services provided by a director of the Company. The fees were settled by a cash payment of $6,296 (US$5,000).

**C. Interest of Experts and Counsel**

None.





## Item 8. Financial Information

See the consolidated financial statements under Item 18.

## Item 9. The Offer and Listing

**A. Offer and Listing Details**

The Company's common shares are traded on the "OTC.BB" under the symbol BITXF; the shares are not listed on any exchange or traded on any other medium. Trading commenced in the first quarter 2004 on the Pink Sheets and then became a reporting issuer and was listed for trading on the OTC.BB during the second quarter of 2007.

The following table sets forth the high and low closing prices on the OTC Markets and the OTC.BB for the periods indicated, adjusted for the consolidations of the Company's stock on March 22, 2010, April 3, 2013 and June8, 2016. See Item 10A below.

| By Quarters in 2017, 2016 & 2015 | High Sales Price US$ | Low Sales Price US$ |
|---|---|---|
| Fourth Quarter 2017 | $0.75 | $0.10 |
| Third Quarter 2017 | $0.31 | $0.06 |
| Second Quarter 2017 | $0.16 | $0.06 |
| First Quarter 2017 | $0.23 | $0.06 |
| Fourth Quarter 2016 | $0.23 | $0.06 |
| Third Quarter 2016 | $0.16 | $0.06 |
| Second Quarter 2016 | $0.31 | $0.06 |
| First Quarter 2016 | $0.75 | $0.10 |
| Fourth Quarter 2015 | $0.30 | $0.05 |
| Third Quarter 2015 | $0.43 | $0.22 |
| Second Quarter 2015 | $0.36 | $0.10 |
| First Quarter 2015 | $0.15 | $0.07 |

On December 31, 2017, the closing price was US$0.054 per share.

**B. Plan of Distribution**

Not applicable.

**C. Markets**

See "Offer and Listing Details" above.

**D. Selling Shareholders**

Not applicable.

**E. Dilution**

Not applicable.

**F. Expenses of the Issue**





Not applicable.

## Item 10. Additional Information

**A. Share Capital Authorized**

Unlimited number of common shares without par value

**Issued and Outstanding**

| | Number of Common Shares | Number of Class B Common Shares | Amount $ |
|---|---|---|---|
| Balance, December 31, 2015 (Post-Share Consolidation) | 1,622,150 | | 3,241,848 |
| Shares issued for Services | 5,000 | - | 32,000 |
| Fair Value of Share Rights Expired | 34,000 | - | 85,000 |
| | 1,661,150 | - | 3,358,848 |
| Post-consolidation shares issued in settlement of debt | 41,000,000 | - | 276,983 |
| Shares issued for Services | 250,000 | - | 15,000 |

| | | | |
|---|---|---|---|
| Shares held in escrow | (1,500) | - | (5,374) |
| Balance, December 31, 2016 (Post-Share Consolidation) | 42,909,650 | - | 3,645,457 |
| Shares Issued | 2,500,000 | - | 334,975 |
| Shares Issued in Settlement of Debts | 4,000,000 | - | 103,779 |
| Shares Issued for Cash | - | 100,000 | 100 |
| Shares Issued for Services | 250,000 | - | 21,896 |
| Shares Held in Trust | 1,500 | - | - |
| Balance, December 31, 2017 | 49,661,150 | 100,000 | 4,106,207 |

**Share consolidation**

Effective April 3, 2013, the common shares of the Company were consolidated at the ratio of one new common share for every 50 old common shares. The Company issued 835 shares to round up fractional entitlements resulting from the consolidation.

Effective June 8, 2016, the common shares of the Company were consolidated at the ratio of one new common share for every 50 old common shares. The Company issued 12,306 shares to round up fractional entitlements resulting from the consolidation. The number of common shares and basic loss per share calculations disclosed in the consolidated financial statements have been adjusted to reflect the retroactive application of this share consolidation.





**Settlement of Convertible Promissory Notes during 2014**

On March 27, 2014, the Company agreed to issue 28,000,000 common shares with a fair value of $56,000 for settlement of convertible promissory notes totaling $100,783 (including US$63,500), recording a gain of $44,783 on settlement of these debts. These debts were owed, on the date of settlement, to arm’s length parties who acquired the debts from creditors of the Company on March 27, 2014 for a consideration of $9,000. The Company issued the shares on May 23, 2014.

**Shares in Escrow**

On September 19, 2014, the Company entered into an escrow agreement with a creditor. The Company agreed to pay the creditor $2,500 upon the signing of the agreement and to issue 75,000 shares (1,500 post consolidation shares) to be held in escrow. The Company is obligated to pay the creditor a further $6,687 forty five days after the Company’s stock becomes DWAC-eligible. Upon payment of the final amount owing the shares will be returned to the Company.

**Shares issued for business consulting during 2015**

During the year ended December 31, 2015 the Company entered into business consulting agreements.. The Company agreed to issue in aggregate 300,000 shares (6,000 post-consolidation shares) with a fair value of $15,000

**Shares issued for investor relations services during 2015**

During the year ended December 31, 2015 the Company entered into investor relations consulting agreements with various unrelated third parties. The Company paid $21,063 (US$17,500) in cash and agreed to issue in aggregate 1,400,000 (28,000 post-consolidation shares) shares with a fair value of $70,000.

**Private Placements during 2015**

On March 8, 2015, the Company completed a private placement of 250,000 shares (5,000 post-consolidation shares) at $0.13 per share ($6.50 per post-consolidation share), raising gross proceeds of $32,000.

On November 11, 2015, the Company completed a private placement of 400,000 shares (8,000 post-consolidation shares) at US$0.05 per share (US$2.50 per post-consolidation share), raising gross proceeds of $25,998 (US$20,000). Shares have not been issued as of December 31, 2015 and 2016.

**Debt Settlements during 2016**

On July 15, 2016, the Company entered into a debt settlement agreement with a company controlled by a Director and Officer of the Company to settle outstanding accounts payable of $25,000. The Company agreed to issue 25,000,000 post-consolidation shares with a fair value equal to the value of the underlying debt settled.

On August 15, 2016, the Company entered into an assignment of creditors and settlement of debt agreement with certain arm’s length parties. The Company settled certain promissory notes totalling $118,204 (US$91,475) by the issuance of 8,000,000 post-consolidation shares with a fair value equal to the value of the underlying debt settled (Note 9(b)).





On December 20, 2016, the Company entered into an assignment of creditors and settlement of debt agreement with certain arm’s length parties. The Company settled promissory notes totalling $175,185 (including US$65,550) by the issuance of 8,000,000 post-consolidation shares with a fair value of $133,779. A gain of $41,406 on the settlement of debts was recognized (Note 9(b)).

**Private Placements during 2016**

On December 12, 2016, the Company completed a private placement of 500,000 post-consolidation shares at US$0.50 per share, raising gross proceeds of $334,975 (US$250,000). The shares were not issued by December 31, 2016 and on September 20, 2017, the Company re-priced the subscription share price to US$0.10 per share and issued 2,500,000 common shares to the subscribers.

**Conversion of Convertible Promissory Notes during 2017**

On June 12, 2017, the Company settled convertible promissory notes totalling $32,700 by the issuance of 2,000,000 common shares with a fair value equal to the value of the underlying debt settled.

On September 21, 2017, the Company settled a convertible promissory note owed to a company controlled by a former Officer and Director of the Company in the amount of $61,694 (US$50,000) by the issuance of 1,000,000 common shares with a fair value equal to the value of the underlying debt settled.

**Issuance of Class B Common Shares during 2017**

On October 10, 2017, the Company passed a resolution authorizing the creation of a new 100,000 Class "B" common shares with the following characteristics: non-participating, no par value, and with the voting right of 1,000 votes per share. On the same day, the Company issued 100,000 Class "B" common shares at $0.001 per share for total proceeds of $100 to a shareholder who is also a Director and Office of the Company.

**Share Purchase Warrants**
Not applicable

**B. Memorandum and Articles of Association**

The Company is registered under the Company Act of the Province of British Columbia, Canada (BC 0619991).

With respect to directors, under the by-laws, a director who is a party to a material contract or proposed material contract with us, or is a director or officer of or has a material interest in any person who is a party to a material contract or proposed material contract with us, must disclose to us in writing the nature and extent of such interest. An interested director can vote on only a limited number of such matters (securing a loan from the director to the Company, his remuneration, indemnity or insurance, or a contract with an affiliate) provided the interest is disclosed. Otherwise, even with disclosure of the interest, such a director cannot vote on a material contract or proposed material contract. A contract approved by the board of directors is not voidable because one or more directors has a conflict of interest, if the conflict is disclosed and the interested director(s) do not vote on the matter. Subject to the conflict of interest provisions summarized above, there is no restriction in the by-laws on the power of the board of directors to have the Company borrow money, issue debt obligations, or secure debt or other obligations of the Company. The by-laws contain no provision for the retirement or non-retirement of directors under an age limit requirement. A director is not required to hold any shares of the Company in order to be a director.



Table of Contents

The Articles of the Company provide for the issuance of unlimited number of shares of common stock, without par value. All holders of common stock have equal voting rights, equal rights to dividends when and if declared, and equal rights to share in assets upon liquidation of the corporation. The common shares are not subject to any redemption or sinking fund provisions. Directors serve from year to year, there being no provision for a staggered board; cumulative voting for directors is not allowed. Between annual general meetings, the existing board can appoint one or more additional directors to serve until the next annual general meeting, but the number of additional directors shall not at any time exceed one-third of the number of directors who held office at the expiration of the last annual meeting. All issued and outstanding shares are fully paid and non-assessable securities.

In order to change the rights of the holders of common stock, the passing of a special resolution by such shareholders is required, being the affirmative vote of not less than 2/3 of the votes cast in person or by proxy at a duly called meeting of shareholders.

An annual meeting of shareholders must be called by the board of directors not later than 15 months after the last annual meeting. The board at any time may call a special meeting of shareholders. Notice of any meeting must be sent not less than 21 and not more than 50 days before the meeting, to every shareholder entitled to vote at the meeting. All shareholders entitled to vote are entitled to be present at a shareholders meeting. A quorum is the presence in person or by proxy of the holders of at least 5% of the issued and outstanding shares of common stock.

Except under the Investment Canada Act, there are no limitations specific to the rights of non-Canadians to hold or vote our shares under the laws of Canada or our charter documents. The Investment Canada Act ("ICA") requires a non-Canadian making an investment which would result in the acquisition of control of a Canadian business, the gross value of the assets of which exceed certain threshold levels or the business activity of which is related to Canada's cultural heritage or national identity, to either notify, or file an application for review with, Investment Canada, the federal agency created by the ICA. The notification procedure involves a brief statement of information about the investment on a prescribed form which is required to be filed with Investment Canada by the investor at any time up to 30 days after implementation of the investment. It is intended that investments requiring only notification will proceed without intervention by government unless the investment is in a specific type of business related to the scope of the ICA. If an investment is reviewable under the ICA, an application for review in the prescribed form normally is required to be filed with Investment Canada before the investment is made and it cannot be implemented until completion of review and Investment Canada has determined that the investment is likely to be of net benefit to Canada. If the agency is not so satisfied, the investment cannot be implemented if not made, or if made, it must be unwound.

**C. Material Contracts**

Except as otherwise disclosed in this Form 20-F, we have no material contracts.

**D. Exchange Controls**

There are no laws, decrees or regulations in Canada relating to restrictions on the export or import of capital, or affecting the remittance of interest, dividends or other payments to non-resident holders of our shares of common stock.

**E. Taxation**

***Canada***

**Canadian Federal Income Tax Information for United States Residents**

The following is a discussion of material Canadian federal income tax considerations generally applicable to holders of our common shares who acquire such shares in this offering and who, for purposes of the Income Tax Act (Canada) and the regulations thereunder, or the Canadian Tax Act:



Table of Contents

- deal at arm's length and are not affiliated with us;
- hold such shares as capital property;
- do not use or hold (and will not use or hold) and are not deemed to use or hold our common shares, in or in the course of carrying on business in Canada;
- have not been at any time residents of Canada; and
- are, at all relevant times, residents of the United States, or U.S. Residents, under the Canada-United States Income Tax Convention (1980), (the Convention).

**TAX MATTERS ARE VERY COMPLICATED AND THE CANADIAN FEDERAL INCOME TAX CONSEQUENCES OF PURCHASING, OWNING AND**

**DISPOSING OF OUR COMMON SHARES WILL DEPEND UPON THE STOCKHOLDER'S PARTICULAR SITUATION. THE SUMMARY OF MATERIAL CANADIAN FEDERAL INCOME TAX CONSEQUENCES SET FORTH BELOW IS INTENDED TO PROVIDE ONLY A GENERAL SUMMARY AND IS NOT INTENDED TO BE A COMPLETE ANALYSIS OR DESCRIPTION OF ALL POTENTIAL CANADIAN FEDERAL INCOME TAX CONSEQUENCES.**

**THIS DISCUSSION DOES NOT INCLUDE A DESCRIPTION OF THE TAX LAWS OF ANY PROVINCE OR TERRITORY WITHIN CANADA. ACCORDINGLY, HOLDERS AND PROSPECTIVE HOLDERS OF OUR COMMON SHARES ARE ENCOURAGED TO CONSULT WITH THEIR OWN TAX ADVISERS ABOUT THE TAX CONSEQUENCES TO THEM HAVING REGARD TO THEIR OWN PARTICULAR CIRCUMSTANCES, INCLUDING ANY CONSEQUENCES OF PURCHASING, OWNING OR DISPOSING OF OUR COMMON SHARES ARISING UNDER CANADIAN FEDERAL, CANADIAN PROVINCIAL OR TERRITORIAL, U.S. FEDERAL, U.S. STATE OR LOCAL TAX LAWS OR TAX LAWS OF JURISDICTIONS OUTSIDE THE UNITED STATES OR CANADA.**

This summary is based on the current provisions of the Canadian Income Tax Act, proposed amendments to the Canadian Income Tax Act publicly announced by the Minister of Finance (Canada) prior to the date hereof (the "Proposed Amendments"), and the provisions of the Convention as in effect on the date hereof. No assurance can be given that the Proposed Amendments will be entered into law in the manner proposed, or at all. No advance income tax ruling has been requested or obtained from the Canada Revenue Agency to confirm the tax consequences of any of the transactions described herein.

This summary is not exhaustive of all possible Canadian federal income tax consequences for U.S. Residents, and other than the Proposed Amendments, does not take into account or anticipate any changes in law, whether by legislative, administrative, governmental or judicial decision or action, nor does it take into account Canadian provincial, U.S. or foreign tax considerations which may differ significantly from those discussed herein. No assurances can be given that subsequent changes in law or administrative policy will not affect or modify the opinions expressed herein.

A U.S. Resident will not be subject to tax under the Canadian Tax Act in respect of any capital gain on a disposition of our common shares unless such shares constitute "taxable Canadian property", as defined in the Canadian Tax Act, of the U.S. Resident and the U.S. Resident is not eligible for relief pursuant to the Convention. Our common shares will not constitute "taxable Canadian property" if, at any time during the 60-month period immediately preceding the disposition of the common shares, the U.S. Resident, persons with whom the U.S. Resident did not deal at arm's length, or the U.S. Resident together with all such persons, did not own 25% or more of the issued shares of any class or series of shares of our capital stock. In addition, the Convention generally will exempt a U.S. Resident who would otherwise be liable to pay Canadian income tax in respect of any capital gain realized by the U.S. Resident on the disposition of our common shares, from such liability provided that the value of our common shares is not derived principally from real property situated in Canada. The Convention may not be available to a U.S. Resident that is a U.S. LLC which is not subject to tax in the U.S.

Amounts in respect of our common shares paid or credited or deemed to be paid or credited as, on account or in lieu of payment of, or in satisfaction of, dividends to a U.S. Resident will generally be



Table of Contents

subject to Canadian non-resident withholding tax at the rate of 25%. Currently, under the Convention the rate of Canadian non-resident withholding tax will generally be reduced to:

- 5% of the gross amount of dividends if the beneficial owner is a company that is resident in the U.S. and that owns at least 10% of our voting shares; or
- 15% of the gross amount of dividends if the beneficial owner is some other resident of the U.S.

**United States Federal Income Tax Information for United States Holders.**

The following is a general discussion of material U.S. federal income tax consequences of the ownership and disposition of our common shares by U.S. Holders (as defined below). This discussion is based on the United States Internal Revenue Code of 1986, as amended, Treasury regulations promulgated thereunder, and judicial and administrative interpretations thereof, all as in effect at the date hereof and all of which are subject to change, possibly with retroactive effect. This discussion only addresses the tax consequences for U.S. Holders that will hold their common shares as a "capital asset" and does not address U.S. federal income tax consequences that may be relevant to particular U.S. Holders in light of their individual circumstances or U.S. Holders that are subject to special treatment under certain U.S. federal income tax laws, such as:

- tax-exempt organizations and pension plans;
- persons subject to alternative minimum tax;
- banks and other financial institutions;
- insurance companies;
- partnerships and other pass-through entities (as determined for United States federal income tax purposes);
- broker-dealers;
- persons who hold their common shares as a hedge or as part of a straddle, constructive sale, conversion transaction, and other risk management transaction; and
- persons who acquired their common shares through the exercise of employee stock options or otherwise as compensation.

As used herein, the term "U.S. Holder" means a beneficial owner of our common shares that is:

- an individual citizen or resident of the United States;
- a corporation, a partnership or entity treated as a corporation or partnership for U.S. federal income tax purposes, that is created or organized in or under the laws of the United States or any political subdivision thereof;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; and
- a trust if both a United States Court is able to exercise primary supervision over the administration of the trust; and one or more United States persons have the authority to control all substantial decisions of the trust.

**TAX MATTERS ARE VERY COMPLICATED AND THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF OUR COMMON SHARES WILL DEPEND UPON THE STOCKHOLDER'S PARTICULAR SITUATION. THE SUMMARY OF MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES SET FORTH BELOW IS INTENDED TO PROVIDE ONLY A GENERAL SUMMARY AND IS NOT INTENDED TO BE A COMPLETE ANALYSIS OR DESCRIPTION OF ALL POTENTIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES.**



Table of Contents

**NOTE THAT THIS DISCUSSION DOES NOT INCLUDE A DESCRIPTION OF THE TAX LAWS OF ANY STATE OR LOCAL GOVERNMENT WITHIN THE UNITED STATES. ACCORDINGLY, HOLDERS AND PROSPECTIVE HOLDERS OF OUR COMMON SHARES ARE ENCOURAGED TO CONSULT THEIR TAX ADVISORS ABOUT THE U.S. FEDERAL, STATE, LOCAL, AND FOREIGN TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF OUR COMMON SHARES.**

***Ownership of Shares.***

The gross amount of any distribution received by a U.S. Holder with respect to our common shares generally will be included in the U.S. Holder's gross income as a dividend to the extent attributable to our current and accumulated earnings and profits (as determined under U.S. federal income tax principles). To the extent a distribution received by a U.S. Holder is not a dividend because it exceeds the U.S. Holder's pro rata share of our current and accumulated earnings and profits, it will be treated first as a tax-free return of capital and reduce (but not below zero) the adjusted tax basis of the U.S. Holder's shares. To the extent the distribution exceeds the adjusted tax basis of the U.S. Holder's shares, the remainder will be taxed as capital gain (the taxation of capital gain is discussed under the heading "Sale of Shares" below).

For taxable years beginning before January 1, 2009, dividends received by non-corporate U.S. Holders from a qualified foreign corporation are taxed at the same preferential rates that apply to long-term capital gains. A foreign corporation is a "qualified foreign corporation" if it is eligible for the benefits of a comprehensive income tax treaty with the United States (the income tax treaty between Canada and the United States is such a treaty) or the shares with respect to which such dividend is paid is readily tradable on an established securities market in the United States (such as the Nasdaq Capital Market). Notwithstanding satisfaction of one or both of these conditions, a foreign corporation is not a qualified foreign corporation if it is a passive foreign investment company ("PFIC") for the taxable year of the corporation in which the dividend is paid or the preceding taxable year. (Whether a foreign corporation is a PFIC is discussed below under the heading "Passive Foreign Investment Companies"). A foreign corporation that is a PFIC for any taxable year within a U.S. person's holding period generally is treated as a PFIC for all subsequent years in the U.S. person's holding period. Although we have not been, are not now, and do not expect to be a PFIC, and we don't expect to pay dividends, you should be aware of the following matters in the event that we do become a PFIC and do pay dividends.

If we were to become a PFIC, then U.S. Holders who acquire our common shares may be treated as holding shares of a PFIC throughout their holding period for the purpose of determining whether dividends received from us are dividends from a qualified foreign corporation. As a consequence, dividends received by U.S. Holders may not be eligible for taxation at the preferential rates applicable to long-term capital gains.

If a distribution is paid in Canadian dollars, the U.S. dollar value of such distribution on the date of receipt is used to determine the amount of the distribution received by a U.S. Holder. A U.S. Holder who continues to hold such Canadian dollars after the date on which they are received, may recognize gain or loss upon their disposition due to exchange rate fluctuations. Generally such gains and losses will be ordinary income or loss from U.S. sources.

U.S. Holders may deduct Canadian tax withheld from distributions they receive for the purpose of computing their U.S. federal taxable income (or alternatively a credit may be claimed against the U.S. Holder's U.S. federal income tax liability as discussed below under the heading "Foreign Tax Credit"). Corporate U.S. Holders generally will not be allowed a dividend received deduction with respect to dividends they receive from us.

***Foreign Tax Credit***

Generally, the dividend portion of a distribution received by a U.S. Holder will be treated as income in the passive income category for foreign tax credit purposes. Subject to a number of limitations, a U.S. Holder may elect to claim a credit against its U.S. federal income tax liability (in lieu of a deduction) for Canadian withholding tax deducted from its distributions. The credit may be claimed only against U.S. federal income tax attributable to a U.S. Holder's passive income that is from foreign sources.



Table of Contents

If we were to become a qualified foreign corporation with respect to a non-corporate U.S. Holder, dividends received by such U.S. Holder will qualify for taxation at the same preferential rates that apply to long-term capital gains. In such case, the dividend amount that would otherwise be from foreign sources is reduce by multiplying the dividend amount by a fraction, the numerator of which is the U.S. Holder's preferential capital gains tax rate and the denominator of which is the U.S. Holder's ordinary income tax rate. The effect is to reduce the dividend amount from foreign sources, thereby reducing the U.S. federal income tax attributable to foreign source income against which the credit may be claimed. Canadian withholding taxes that cannot be claimed as a credit in the year paid may be carried back to the preceding year and then forward 10 years and claimed as a credit in those years, subject to the same limitations referred to above.

The rules relating to the determination of the foreign tax credit are very complex. U.S. Holders and prospective U.S. Holders should consult their own tax advisors to determine whether and to what extent they would be entitled to claim a foreign tax credit.

***Sale of Shares***

Subject to the discussion of the "passive foreign investment company" rules below, a U.S. Holder generally will recognize capital gain or loss upon the sale of our shares equal to the difference between: (a) the amount of cash plus the fair market value of any property received; and (b) the U.S. Holder's adjusted tax basis in such shares. This gain or loss generally will be capital gain or loss from U.S. sources, and will be long-term capital gain or loss if the U.S. Holder held its shares for more than 12 months. Generally, the net long-term capital gain of a non-corporate U.S. Holder from the sale of shares is subject to taxation at a top marginal rate of 15%. A Capital gain that is not long-term capital gain is taxed at ordinary income rates. The deductibility of capital losses is subject to certain limitations.

***Passive Foreign Investment Companies***

We will be a PFIC if, in any taxable year either: (a) 75% or more of our gross income consists of passive income; or (b) 50% or more of the value of our assets is attributable to assets that produce, or are held for the production of, passive income. Subject to certain limited exceptions, if we meet the gross income test or the asset test for a particular taxable year, our shares held by a U.S. Holder in that year will be treated as shares of a PFIC for that year and all subsequent years in the U.S. Holder's holding period, even if we fail to meet either test in a subsequent year.

If we were a PFIC in the future, gain realized by a U.S. Holder from the sale of PFIC Shares and certain dividends received on such shares would be subject to tax under the excess distribution regime, unless the U.S. Holder made one of the elections discussed below. Under the excess distribution regime, federal income tax on a U.S. Holder's gain from the sale of PFIC Shares would be calculated by allocating the gain ratably to each day the U.S. Holder held its shares. Gain allocated to years preceding the first year in which we were a PFIC in the U.S. Holder's holding period, if any, and gain allocated to the year of disposition would be treated as gain arising in the year of disposition and taxed as ordinary income. Gain allocated to all other years would be taxed at the highest tax rate in effect for each of those years. Interest for the late payment of tax would be calculated and added to the tax due for each of the PFIC Years, as if the tax was due and payable with the tax return filed for that year. A distribution that exceeds 125% of the average distributions received on PFIC Shares by a U.S. Holder during the 3 preceding taxable years (or, if shorter, the portion of the U.S. Holder's holding period before the taxable year) would be taxed in a similar manner.

A U.S. Holder may avoid taxation under the excess distribution regime by making a qualified electing fund ("QEF") election. For each year that we would meet the PFIC gross income test or asset test, an electing U.S. Holder would be required to include in gross income, its pro rata share of our net ordinary income and net capital gains, if any. The U.S. Holder's adjusted tax basis in our shares would be increased by the amount of such income inclusions. An actual distribution to the U.S. Holder out of such income generally would not be treated as a dividend and would decrease the U.S. Holder's adjusted tax basis in our shares. Gain realized from the sale of our shares covered by a QEF election would be taxed as a capital gain. U.S. Holders will be eligible to make QEF elections, only if we agree to provide to the U.S. Holders, which we do, the information they will need to comply with the QEF rules. Generally, a QEF election should be made by the due date of the U.S. Holder's tax return for the first taxable year in which the U.S. Holder held our shares that includes the close of our taxable year for which we met the PFIC gross income test or asset test. A QEF election is made on IRS Form 8621.

Table of Contents

A U.S. Holder may also avoid taxation under the excess distribution regime by timely making a mark-to-market election. An electing U.S. Holder would include in gross income the increase in the value of its PFIC Shares during each of its taxable years and deduct from gross income the decrease in the value of its PFIC Shares during each of its taxable years. Amounts included in gross income or deducted from gross income by an electing U.S. Holder are treated as ordinary income and ordinary deductions from U.S. sources. Deductions for any year are limited to the amount by which the income inclusions of prior years' exceed the income deductions of prior years. Gain from the sale of PFIC Shares covered by an election is treated as ordinary income from U.S. sources while a loss is treated as an ordinary deduction from U.S. sources only to the extent of prior income inclusions. Losses in excess of such prior income inclusions are treated as capital losses from U.S. sources. A mark-to-market election is timely if it is made by the due date of the U.S. Holder's tax return for the first taxable year in which the U.S. Holder held our shares that includes the close of our taxable year for which we met the PFIC gross income test or asset test. A mark-to-market election is also made on IRS Form 8621.

As noted above, a PFIC is not a qualified foreign corporation and hence dividends received from a PFIC are not eligible for taxation at preferential long-term capital gain tax rates. Similarly, ordinary income included in the gross income of a U.S. Holder who has made a QEF election or a market-to-market election, and dividends received from corporations subject to such election, are not eligible for taxation at preferential long-term capital gain rates. The PFIC rules are extremely complex and could, if they apply, have significant, adverse effects on the taxation of dividends received and gains realized by a U.S. Holder. Accordingly, prospective U.S. Holders are strongly urged to consult their tax adviser concerning the potential application of these rules to their particular circumstances.

***Controlled Foreign Corporation***

Special rules apply to certain U.S. Holders that own stock in a foreign corporation that is classified as a "controlled foreign corporation" ("CFC"). We do not expect to be classified as a CFC. However, future ownership changes could cause us to become a CFC. Prospective U.S. Holders are urged to consult their tax advisor concerning the potential application of the CFC rules to their particular circumstances.

***Information Reporting and Backup Withholding***

United States information reporting and backup withholding requirements may apply with respect to distributions to U.S. Holders, or the payment of proceeds from the sale of shares, unless the U.S. Holder: (a) is an exempt recipient (including a corporation); (b) complies with certain requirements, including applicable certification requirements; or (c) is described in certain other categories of persons. The backup withholding tax rate is currently 28%. Any amounts withheld from a payment to a U.S. Holder under the backup withholding rules may be credited against any U.S. federal income tax liability of the U.S. Holder and may entitle the U.S. Holder to a refund.

**F. Dividends and Paying Agents**

Not applicable.

**G. Statements by Experts**



Table of Contents

Not applicable.

**H. Documents on Display**

Not applicable.

**I. Subsidiary Information**

See the notes to the financial statements.

Item 11. Quantitative and Qualitative Disclosures about Market Risk

Not applicable.

Item 12. Description of Securities Other Than Equity Securities

Not applicable



Table of Contents

## PART II

### Item 13. Defaults, Dividend Arrearages and Delinquencies

Not applicable.

### Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

Not applicable.

### Item 15T. Controls and Procedures

## Item 15. Controls and Procedures

Disclosure Controls and Procedures

The Chief Executive and Interim Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive and Interim Chief Financial Officer has concluded that, as of December 31, 2017, these disclosure controls and procedures were not effective to ensure that all information required to be disclosed by us in the reports that we file or submit under the Exchange Act is: (i) recorded, processed, summarized and reported, within the time periods specified in the Commission's rule and forms; and (ii) accumulated and communicated to our management, including our Chief Executive and Interim Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure, primarily due to the Company's minimal financial staff which prevents us from segregating duties, which management believes is a material weakness in our internal controls and procedures. We intend to address such weakness and work with outside advisors to improve our controls and procedures as and when the circumstances of the Company permit this.

Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Internal control over financial reporting is a process designed by, or under the supervision of, our Chief Executive and Interim Chief Financial Officer, and effected by our Board, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Forward looking statements regarding the effectiveness of internal controls during future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.





Management completed an assessment of the effectiveness of the Company's internal control over financial reporting ("ICFR") as of December 31, 2017, using the Committee of Sponsoring Organizations of the Treadaway Commission ("COSO") framework as contemplated by Rule 13a-15(c). Based on this assessment, the Company concluded that it did not have effective internal controls over financial reporting as of December 31, 2017.

The Company's assessment of the effectiveness of the ICFR as at December 31, 2017 identified certain material weaknesses as of that date:

1. Weakness: It is not possible to adequately segregate incompatible duties among the officers of the Company, because the Company has only one officer and one accounting consultant. Remediation: Appoint a new Chief Financial Officer, in addition to the current officer, to formally segregate the duties of maintaining accounting records and preparing financial statements, from the executive duties of the current officer. Brad Moynes, who has served as Interim Chief Financial Officer from July 2009, will cease to serve in that position upon appointment of a new individual as Chief Financial Officer.

2. Weakness: The Company is small, with only one officer, thereby creating a risk of override of existing controls by management. Remediation: Require the new Chief Financial Officer's approval of all expenditures and other dispositions of assets.

3. Weakness: The Company maintains limited audit evidence in documentary form which is used to test the operating effectiveness of control activities. Remediation: Improve the documentation of expenditures and receipts, under the joint supervision of the new Chief Financial Officer and the Chief Executive Officer, to ensure received goods and third-party services conform to contract terms.

The Company intends to appoint additional levels of executive management and personnel to remediate the weaknesses, in the specific manners described in paragraphs 1 through 3 above, as and when the Company has sufficient financial resources to effect the remediations.

This Annual Report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this Annual Report.

Changes in Internal Control over Financial Reporting

As disclosed above, the Company completed its assessment of its ICFR in place for the year ended December 31, 2017, using the COSO framework. There were no changes in ICFR during the 2017 fiscal year that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

## Item 16A. Audit Committee Financial Experts

Not applicable.

## Item 16B. Code of Ethics

Not applicable.





## Item 16C. Principal Accountant Fees and Services

Not applicable.

## Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

### Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

### Item 16F. Change in Registrant's Certifying Accountant

Not applicable.

### Item 16G. Corporate Governance

Not applicable.



Table of Contents

### Item 17. Financial Statements

Not applicable.

### Item 18. Financial Statements

See the consolidated financial statements of the Company, the notes thereto, and the auditors' reports thereon, which are filed as Exhibit 99.1 with this FORM 20-F. All of the financial information is presented in accordance with International Financial Reporting Standards.

### Item 19. Exhibits

| Exhibit No. | Description of Exhibit |
|---|---|
| 3.(i) | Articles of Incorporation (Notice of Articles and Transition Application) |
| 3.(ii) | By-laws (Schedule "A") |
| 4.(1) | Management Agreement of January 1, 2008 (Bradley James Moynes) |
| 4.(2) | Management Agreement of January 1, 2008 (James Robert Moynes) |
| 4.(3) | Certification (Brad J. Moynes)* |
| 4.(4) | Certifications Pursuant 18 USC Section (Brad J. Moynes)* |
| 4.(6) | Form of Warrant dated May 23, 2007 |
| 23.(1) | Consent of Independent Auditors* |
| 99.(1) | Consolidated Financial Statements for the years ended December 31, 2017 and 2016.* |

* Filed herewith

### SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on FORM 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report.

**Digatrade Financial Corp.**

Date: May 1, 2018

*/s/ Brad J. Moynes*
Brad J. Moynes
Chairman, President and Chief Executive Officer



Table of Contents

EX-4.4 2 certpursuant.htm CERTIFICATIONS PURSUANT 18 USC SECTION (BRAD J. MOYNES)

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report for Digatrade Financial Corp on Form 20-F for the year ended December 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report), the undersigned, Brad J. Moynes, Chief Executive Officer do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002, that to the best of our knowledge:

(1) The Report fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the Financial condition and results of operations of the Company.

By:

*/s/ Brad J. Moynes*
Brad J. Moynes
Chief Executive Officer
May 1, 2018

---

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report for Digatrade Financial Corp on Form 20-F for the year ended December 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the “Report), the undersigned, Brad J. Moynes, Chief Financial Officer do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002, that to the best of our knowledge:

(1) The Report fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the Financial condition and results of operations of the Company.

By:

*/s/ Brad J. Moynes*
Brad J. Moynes
Chief Financial Officer
May 1, 2018

---

EX-4.3 3 cfo.htm CERTIFICATION (BRAD J. MOYNES)

CERTIFICATIONS

I, Brad J. Moynes certify that:

1) I have reviewed this Annual Report on Form 20-F for Digatrade Financial Corp;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4) The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting; and

5) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of Company's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: May 1, 2018

*/s/ Brad J. Moynes*
Brad J. Moynes
CFO

EX-23.1 4 consent.htm CONSENT OF INDEPENDENT AUDITORS

WDM Chartered Professional Accountants

SERVICE

INTEGRITY

TRUST

**CONSENT OF INDEPENDENT AUDITORS**

We consent to the use of our report dated April 27, 2018 with respect to the consolidated financial statements of Digatrade Financial Corp. for the years ended December 31, 2017, 2016, and 2015 included in this Annual Report on Form 20-F (filed under the Securities Exchange Act of 1934) for the year ended December 31, 2017 filed with the U.S. Securities and Exchange Commission.

**"WDM Chartered Professional Accountants"**

Vancouver, British Columbia, Canada
April 28, 2018

SUITE 420
1501 WEST BROADWAY
VANCOUVER, BRITISH COLUMBIA
CANADA V6J 4Z6

TEL: (604) 734-3247
FAX: (604) 734-4802
WWW.WDMCA.COM

WDM

EX-99.1 5 fins.htm CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016.

# DIGATRADE FINANCIAL CORP.

December 31, 2017 and 2016

(Expressed in Canadian Dollars)

Consolidated Financial Statements

| | Page |
|---|---|


## Management's Responsibility for Financial Reporting

These consolidated financial statements have been prepared by and are the responsibility of the management of the Company. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, using management's best estimates and judgments based on currently available information. When alternative accounting methods exist, management has chosen those it considers most appropriate in the circumstances.

The Company maintains an appropriate system of internal controls to provide reasonable assurance that financial information is accurate and reliable and that the Company's assets are appropriately accounted for and adequately safeguarded.

The Company's independent auditors, WDM Chartered Professional Accountants, were appointed by the shareholders to conduct an audit in accordance with generally accepted auditing standards in Canada and the Public Company Accounting Oversight Board (United States) and their report follows.

"Bradley J. Moynes"
President, CEO and Director

"Tyrone Docherty"
Director



WDM Chartered Professional Accountants

## Independent Auditors' Report

To the Shareholders of:
**DIGATRADE FINANCIAL CORP.**

SERVICE

We have audited the accompanying consolidated financial statements of Digatrade Financial Corp. and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2017 and 2016, the consolidated statements of changes in shareholders' deficiency, comprehensive loss, and cash flows for the years ended December 31, 2017, 2016, and 2015, and a summary of significant accounting policies and other explanatory information.

INTEGRITY

**Management's Responsibility for the Consolidated Financial Statements**

TRUST

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated 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 controls. 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of Digatrade Financial Corp. and its subsidiaries as at December 31, 2017 and 2016, and their financial performance and their cash flows for the years ended December 31, 2017, 2016, and 2015, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

**Emphasis of Matter – Going Concern**

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in Note 1 to the consolidated financial statements concerning the ability of Digatrade Financial Corp. and its subsidiaries to continue as a going concern. The company incurred a net loss of $674,520 during the year ended December 31, 2017, and as of that date, had accumulated losses of $5,176,116 since inception and working capital deficiency of $782,107. These conditions, along with the other matters explained in Note 1 to the consolidated financial statements, indicate the existence of material uncertainties that raise substantial doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if Digatrade Financial Corp. and its subsidiaries were unable to continue as a going concern.

WDM

*Chartered Professional Accountants*

Vancouver, B.C., Canada
April 27, 2018

SUITE 420
1501 WEST BROADWAY
VANCOUVER, BRITISH COLUMBIA
CANADA V6J 4Z6

TEL: (604) 734-3247
FAX: (604) 734-4802
WWW.WDMCA.COM

WDM



# DIGATRADE FINANCIAL CORP.

## Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

| | Note | December 31, 2017<br>$ | December 31, 2016<br>$ |
|---|---|---|---|
| **ASSETS** | | | |
| CURRENT | | | |
| Cash | | 494,443 | 114,488 |
| Accounts Receivable | 5 | 297,309 | 15,864 |
| GST Recoverable | | 9,044 | 2,372 |
| Prepaid Expenses | 6 | 159,312 | 6,001 |
| | | 960,108 | 138,725 |
| **LIABILITIES** | | | |
| CURRENT | | | |
| Trade and Other Payables | 7 | 150,213 | 254,197 |
| Liabilities to Customers | 8 | 297,309 | 10,319 |
| Convertible Promissory Notes – Current Portion | 9 | 1,294,693 | 224,597 |
| | | 1,742,215 | 489,113 |
| Convertible Promissory Notes | 9 | 287,802 | 170,776 |
| Total Liabilities | | 2,030,017 | 659,889 |
| **SHAREHOLDERS' DEFICIENCY** | | | |
| Share Capital | 10 | 4,106,207 | 3,645,457 |
| Share Subscriptions Received | 10(b)(v) | - | 334,975 |
| Deficit | | (5,176,116) | (4,501,596) |
| | | (1,069,909) | (521,164) |
| | | 960,108 | 138,725 |

Nature and Continuance of Operations (Note 1)
Subsequent Events (Note 17)

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

Approved on behalf of the Board:

| | |
|---|---|
| “Bradley J. Moynes” | “Tyrone Docherty” |
| President, Chief Executive Officer and Director | Director |



# DIGATRADE FINANCIAL CORP.

## Consolidated Statements of Changes in Shareholders’ Deficiency

For the Years Ended December 31, 2017, 2016, and 2015

(Expressed in Canadian Dollars)

| | Note | Number of Common Shares | Number of Class “B” Common Shares | Share Capital $ | Share Subscriptions Received $ | Share Purchase Warrant Reserve $ | Deficit $ | Total Shareholders’ Deficiency $ |
|---|---|---|---|---|---|---|---|---|
| **Balance, December 31, 2014** | | 1,622,150 | - | 3,241,848 | - | 18,600 | (3,789,794) | (529,346) |
| Share Issued for Cash | 10(b)(ii), (iii) | 5,000 | - | 32,000 | 25,998 | - | - | 57,998 |
| Shares Issued for Services | 10(c)(i) | 34,000 | - | 85,000 | - | - | - | 85,000 |
| Fair Value of Share Purchase Warrants Expired | 10(d) | - | - | - | - | (18,600) | 18,600 | - |
| Net Comprehensive Loss | | - | - | - | - | - | (557,433) | (557,433) |
| **Balance, December 31, 2015** | | 1,661,150 | - | 3,358,848 | 25,998 | - | (4,328,627) | (943,781) |
| Shares Issued in Settlement of Debts | 10(b)(iv) | 41,000,000 | - | 276,983 | - | - | - | 276,983 |
| Shares Issued for Services | 10(c)(ii) | 250,000 | - | 15,000 | - | - | - | 15,000 |
| Shares Held in Escrow and Returned to Treasury | 10(e) | (1,500) | - | (5,374) | - | - | - | (5,374) |
| Shares Subscriptions Received, Net of Issuance Costs | 10(b)(v) | - | - | - | 308,977 | - | - | 308,977 |
| Net Comprehensive Loss | | - | - | - | - | - | (172,969) | (172,969) |
| **Balance, December 31, 2016** | | 42,909,650 | - | 3,645,457 | 334,975 | - | (4,501,596) | (521,164) |
| Shares Issued | 10(b)(v) | 2,500,000 | - | 334,975 | (334,975) | - | - | - |
| Shares Issued in Settlement of Debts | 10(b)(iii), (vi) | 4,000,000 | - | 103,779 | - | - | - | 103,779 |
| Shares Issued for Cash | 10(b)(vii) | - | 100,000 | 100 | - | - | - | 100 |
| Shares Issued for Services | 10(c)(iii) | 250,000 | - | 21,896 | - | - | - | 21,896 |
| Shares Held in Trust | 10(e) | 1,500 | - | - | - | - | - | - |
| Net Comprehensive Loss | | - | - | - | - | - | (674,520) | (674,520) |
| **Balance, December 31, 2017** | | 49,661,150 | 100,000 | 4,106,207 | - | - | (5,176,116) | (1,069,909) |

Authorized Share Capital (Note 10(a))
Share Consolidation (Note 10(b)(i))

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



# DIGATRADE FINANCIAL CORP.

## Consolidated Statements of Comprehensive Loss

For the Years Ended December 31, 2017, 2016, and 2015

(Expressed in Canadian Dollars)

| | Note | 2017 $ | 2016 $ | 2015 $ |
|---|---|---|---|---|
| **EXPENSES** | | | | |
| Accounting, Audit, and Legal | | 105,652 | 46,523 | 36,084 |
| Consulting | 13(b)(ii) | 138,192 | 86,149 | 75,735 |
| Depreciation | | - | 432 | 173 |
| Exchange Platform Development Costs | 11(a) | 104,591 | 111,734 | 216,315 |
| Filing and Transfer Agent Fees | | 7,866 | 12,816 | 11,720 |
| Financing Finders’ Fees | 11(b) | 109,033 | - | - |
| Interest and Bank Charges | | 30,669 | 29,559 | 906 |
| Investor Relations | 10(c)(i) | 107,103 | - | 94,072 |
| Management Fees | 13(b)(i) | 105,000 | 60,000 | 60,000 |
| Office | | 7,137 | - | 6,892 |
| | | 715,243 | 347,213 | 501,897 |
| **LOSS BEFORE OTHER ITEMS** | | (715,243) | (347,213) | (501,897) |
| Foreign Exchange Gain (Loss) | | 40,723 | 13,238 | (55,536) |
| Coin Development Fee Income | | - | 119,600 | - |
| Gain on Settlement of Debts | 9(b) | - | 41,406 | - |
| **NET LOSS FOR THE YEAR** | | (674,520) | (172,969) | (557,433) |

| | | | | |
|---|---|---|---|---|
| Other Comprehensive Income | | - | - | - |
| **NET COMPREHENSIVE LOSS FOR THE YEAR** | | (674,520) | (172,969) | (557,433) |
| **POST-SHARE CONSOLIDATION** | 10(b)(i) | | | |
| Basic and Diluted Loss per Share | | (0.01) | (0.01) | (0.34) |
| Weighted Average Number of Shares Outstanding | | 45,281,568 | 13,620,813 | 1,636,518 |

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



# DIGATRADE FINANCIAL CORP.

## Consolidated Statements of Cash Flows

For the Years Ended December 31, 2017, 2016, and 2015

(Expressed in Canadian Dollars)

| | Note | 2017 $ | 2016 $ | 2015 $ |
|---|---|---|---|---|
| **CASH PROVIDED BY (USED IN):** | | | | |
| **OPERATING ACTIVITIES** | | | | |
| Net Loss for the Year | | (674,520) | (172,969) | (557,433) |
| Non-Cash Items | | | | |
| Depreciation | | - | 432 | 173 |
| Expenses Paid by An Arm's Length Party | | - | 8,569 | - |
| Shares Issued for Services | | 21,896 | 15,000 | 85,000 |
| Unrealized Foreign Exchange (Gain) Loss | | (40,723) | (15,873) | 56,822 |
| Amortization of Prepaid Expenses | | - | 10,029 | - |
| Gain on Settlement of Debts | | - | (41,406) | - |
| | | (693,347) | (196,218) | (415,438) |
| Change in Non-Cash Working Capital Accounts | 12 | (258,322) | (75,969) | 75,918 |
| | | (951,669) | (272,187) | (339,520) |
| **FINANCING ACTIVITIES** | | | | |
| Shares Issued for Cash | | - | - | 32,000 |
| Shares Subscriptions Received | | - | 334,975 | 25,998 |
| Shares Returned to Treasury | | - | (5,374) | - |
| Net Proceeds on Issuance of Promissory Notes | | 1,462,122 | 57,098 | 281,638 |
| Promissory Notes Repaid | | (130,498) | - | - |
| | | 1,331,624 | 386,699 | 339,636 |
| **INCREASE IN CASH** | | 379,955 | 114,512 | 116 |
| Cash (Bank Indebtedness), Beginning of the Year | | 114,488 | (24) | (140) |
| **CASH (BANK INDEBTEDNESS), END OF THE YEAR** | | 494,443 | 114,488 | (24) |

Supplemental Cash Flow Information (Note 12)

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

.



# DIGATRADE FINANCIAL CORP.

## Notes to the Consolidated Financial Statements

December 31, 2017 and 2016

(Expressed in Canadian Dollars)

### NOTE 1 – NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated on December 28, 2000, under the Company Act of the Province of British Columbia, Canada. On February 19, 2015, the Company changed its name from Rainchief Energy Inc. to Bit-X Financial Corporation. On October 27, 2015, the Company changed its name from Bit-X Financial Corporation to Digatrade Financial Corp. The Company is focused on increasing scale, further development and branding a digital asset (decentralized blockchain based crypto-currency) exchange platform.

In March 2015, the Company entered into an agreement with Mega Ideas Holdings Limited, dba ANX ("ANX"), a company incorporated and existing under the laws of Hong Kong. ANX owns and operates a technology platform and provides operational and technology support specializing in blockchain applications and crypto-currency exchange services. In addition, they provide transaction and settlement services, debit card solutions along with blockchain development services.

This services agreement is in line with the Company's business model restructuring which is to focus on licensing, developing, and branding a digital exchange trading platform and peer-to-peer electronic payment processing network.

The head office, principal address, and records office of the Company are located at 1500 West Georgia Street, Suite 1300, Vancouver, British Columbia, Canada, V6C 2Z6.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards on the basis that the Company is a going concern and will be able to meet its obligations and continue its operations for its next fiscal year. Several conditions as set out below cast uncertainties on the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon the financial support from its creditors, shareholders, and related parties, its ability to obtain financing for its development projects, and upon the attainment of future profitable operations.

The Company has not yet achieved profitable operations and has accumulated losses of $5,176,116 since inception and working capital deficiency of $782,107 as at December 31, 2017; accordingly, the Company will need to raise additional funds through future issuance of securities or debt financing. Although the Company has raised funds in the past, there can be no assurance the Company will be able to raise sufficient funds in the future, in which case the Company may be unable to meet its obligations as they come due in the normal course of business. It is not possible to predict whether financing efforts will be successful or if the Company will attain a profitable level of operations.

The current cash resources are not adequate to pay the Company's accounts payable and to meet its minimum commitments at the date of these consolidated financial statements, including planned corporate and administrative expenses, and other project implementation costs, accordingly, there is significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern.

## NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of Presentation

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as available-for-sale that have been measured at fair value. Cost is the fair value of the consideration given in exchange for net assets.





## NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

### b) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were approved and authorized for issue by the Board of Directors on April 27, 2018.

### c) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries (collectively, the "Company"). Intercompany balances and transactions are eliminated in preparing the consolidated financial statements. The following companies have been consolidated within these consolidated financial statements:

| Entity | Country of Incorporation | Holding | Functional Currency |
|---|---|---|---|
| Digatrade Financial Corp. | Canada | Parent Company | Canadian Dollar |
| Digatrade Limited | Canada | 100% | Canadian Dollar |
| Digatrade (UK) Limited | United Kingdom | 100% | Pounds Sterling |
| Digatrade Limited | USA | 100% | US Dollar |

The Company's former subsidiaries, Jaydoc Capital Corp. and Rainchief Renewable-1 S.R.L., were de-registered during the year ended December 31, 2015.

### d) Foreign Currency

These consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the parent company. Each subsidiary determines its own functional currency (Note 2(c)) and items included in the financial statements of each subsidiary are measured using that functional currency.

#### i) Transactions and Balances in Foreign Currencies

Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized in profit or loss.

Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and are not retranslated. Non-monetary items measured at fair value are translated using the exchange rate at the date when fair value was determined.

#### ii) Foreign Operations

On consolidation, the assets and liabilities of foreign operations are translated into Canadian dollars at the exchange rate prevailing at the reporting date and their revenues and expenses are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognized in other comprehensive income and accumulated in the currency translation reserve in equity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in earnings and recognized as part of the gain or loss on disposal.





**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e) Financing and Finder's Fees**

Financing and finder's fees relating to financial instruments with a term of one year or less are expensed in the period incurred. For financial instruments with a term of over one year, the fees are netted against the financial instruments and amortized over the term of the financial instruments.

**f) Share Capital**

The Company records proceeds from share issuances, net of commissions and issuance costs. Shares issued for other than cash consideration are valued at the quoted price on the Over-the-Counter Bulletin Board in the United States based on the earliest of: (i) the date the shares are issued, and (ii) the date the agreement to issue the shares is reached.

**g) Share-Based Payments**

The fair value method of accounting is used for share-based payment transactions. Under this method, the cost of stock options and other share-based payments is recorded based on the estimated fair value using the Black-Scholes option-pricing model at the grant date and charged to profit over the vesting period. The amount recognized as an expense is adjusted to reflect the number of equity instruments expected to vest.

Upon the exercise of stock options and other share-based payments, consideration received on the exercise of these equity instruments is recorded as share capital and the related share-based payment reserve is transferred to share capital. The fair value of unexercised equity instruments are transferred from reserve to retained earnings upon expiry.

**h) Revenue Recognition**

Revenue is comprised of consulting fees and commissions earned on trades executed on the digital currency trading platform. Consulting fee income is recognized as the consulting services are provided. Commission is considered earned when a trade is completed by the Company's customers. As the platform is not yet fully live, commissions and consulting fees earned have been accounted for as a recovery of development costs incurred.

**i) Loss per Share**

Basic loss per share is calculated by dividing net loss by the weighted average number of common shares issued and outstanding during the reporting period. Diluted loss per share is the same as basic loss per share, as the issuance of shares on the exercise of stock options and share purchase warrants is anti-dilutive. The loss per share in prior periods has been adjusted to take into account the consolidation of the Company's common stock on June 8, 2016 (Note 10(b)(i)).





**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**j) Income Taxes**

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

**i) Current Income Tax**

Current income tax assets and liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

**ii) Deferred Income Tax**

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

**k) Financial Instruments**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified at fair value through profit or loss) are added to, or deducted from, the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets and financial liabilities are measured subsequently as described below. The Company does not have any derivative financial instruments.

**i) Financial Assets**

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Financial assets at fair value through profit or loss;
- Loans and receivables;
- Held-to-maturity investments; and
- Available-for-sale financial assets.





**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k) Financial Instruments (Continued)**

**i) Financial Assets (Continued)**

The category determines subsequent measurement and whether any resulting income and expense is recognized in profit or loss or in other comprehensive income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

- ***Financial assets at fair value through profit or loss*** – Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The Company's cash falls into this category of financial instruments.
- ***Loans and receivables*** – Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method less any provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's accounts receivable falls into this category of financial instruments.

- ***Held-to-maturity investments*** – Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, other than loans and receivables. Investments are classified as held-to-maturity if the Company has the intention and ability to hold them until maturity. The Company currently does not hold financial assets in this category.

  Held-to-maturity investments are measured subsequently at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired as determined by reference to external credit ratings, then the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

- ***Available-for-sale financial assets*** – Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Company currently does not hold financial assets in this category. Available-for-sale financial assets are measured at fair value. Gains and losses are recognized in other comprehensive income and reported within the available-for-sale reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognized in profit or loss. When the asset is disposed of or is determined to be impaired, the cumulative gain or loss recognized in other comprehensive income is reclassified from the equity reserve to profit or loss, and presented as a reclassification adjustment within other comprehensive income.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.





**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k) Financial Instruments (Continued)**

**i) Financial Assets (Continued)**

In respect of available-for-sale financial assets, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated in the revaluation reserve.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

**ii) Financial Liabilities**

For the purpose of subsequent measurement, financial liabilities are classified as either financial liabilities at fair value through profit or loss, or other financial liabilities upon initial recognition.

(Expressed in Canadian Dollars)

- ***Financial liabilities at fair value through profit or loss*** – Financial liabilities at fair value through profit or loss include financial liabilities that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. Liabilities in this category are measured at fair value with gains or losses recognized in profit or loss. The Company does not hold financial liabilities in this category.

- ***Other financial liabilities*** – Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the effective interest rate method amortization process. The Company's trade and other payables, liabilities to customers, and promissory notes payable fall into this category of financial instruments.

A financial liability is derecognized when it is extinguished, discharged, cancelled or expired.

**NOTE 3 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

In the application of the Company's accounting policies which are described in Note 2, management is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing 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 future periods, if the revision affects both current and future periods.

Significant judgments, estimates, and assumptions that have the most significant effect on the amounts recognized in the consolidated financial statements are described below.

**Deferred Tax Assets**

Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.





**NOTE 4 – ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE**

A number of new accounting standards, amendments to standards, and interpretations have been issued but not yet effective up to the date of issuance of the Company's consolidated financial statements. The Company intends to adopt the following standards, if applicable, when they become effective.

**a) IFRS 9 – Financial Instruments**

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard was initially effective for annual period beginning on or after January 1, 2013, but amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to January 1, 2018. The Company has determined that there is no material impact of this standard on its consolidated financial statements.

**b) IFRS 15 – Revenue from Contracts with Customers**

IFRS 15 clarifies the principles for recognizing revenue from contracts with customers. IFRS 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively, and improve guidance for multiple-element arrangements. The standard is effective for annual period beginning on or after January 1, 2018 and is to be applied retrospectively. The Company has determined that there is no material impact of this standard on its consolidated financial statements.

**c) IFRS 16 – Leases**

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the least term is 12 months or less or the underlying asset has a low value. Lessor accounting remains largely unchanged from IAS 17 and the distinction between operating and finance leases is retained. The standard is effective for annual period beginning on or after January 1, 2019.

**NOTE 5 – ACCOUNTS RECEIVABLE**

As at December 31, 2017 and 2016, the Company had the following amounts due from arm's length parties:

| | 2017<br>$ | 2016<br>$ |
|---|---|---|
| Credit Card Proceeds Receivable | - | 5,545 |
| Due From Trading Platform, ANX (Note 8) | 297,309 | 10,319 |
| | 297,309 | 15,864 |

**NOTE 6 – PREPAID EXPENSES**

As at December 31, 2017 and 2016, the Company had the following prepaid expenses:

| | 2017<br>$ | 2016<br>$ |
|---|---|---|
| Market Registration Fees | 7,685 | 6,001 |
| Deposit with ANX | 70,029 | - |
| Prepaid Consulting Fees | 26,025 | - |
| Prepaid Management Fees (Note 13(a)(i)) | 55,573 | - |

(Expressed in Canadian Dollars)

| | | |
|---|---|---|
| | 159,312 | 6,001 |





**NOTE 7 – TRADE AND OTHER PAYABLES**

As at December 31, 2017 and 2016, the Company had the following amounts due to creditors:

| | 2017<br>$ | 2016<br>$ |
|---|---|---|
| Trade Payables | 119,013 | 99,830 |
| Accrued Liabilities | 31,200 | 91,336 |
| Related Party Payable (Note 13(a)(ii)) | - | 36,177 |
| Share Subscription to be Refunded (Note 10(b)(iii)) | - | 26,854 |
| | 150,213 | 254,197 |

**NOTE 8 – LIABILITY TO CUSTOMERS**

As at December 31, 2017, the Company had a liability to customers trading on the Company's exchange platform in the amount of $297,309 (2016 – $10,319). This amount is offset by an equal amount due to the Company from the trading platform, ANX. (Note 5)

**NOTE 9 – CONVERTIBLE PROMISSORY NOTES**

| | $ |
|---|---|
| **Balance, December 31, 2015** | 639,824 |
| Issuances (Net of Transaction Costs) | 52,725 |
| Repayments | (13,841) |
| Conversions | (304,386) |
| Interest Accrual | 21,051 |
| **Balance, December 31, 2016** | 395,373 |
| Issuances (Net of Transaction Costs) | 1,391,759 |
| Repayments | (130,498) |
| Conversions | (102,128) |
| Interest Accrual | 27,989 |
| **Balance, December 31, 2017** | 1,582,495 |

a) During 2016, the Company issued convertible promissory notes totaling $49,806. In addition, the Company issued a convertible promissory note in the amount of $2,919 (US$2,200) to a company controlled by a director and officer of the Company. The notes mature on December 31, 2021.

   The notes are non-interest bearing and unsecured. All the notes become payable immediately should the Company complete a financing in excess of US$5,000,000 prior to the maturity date and shall bear interest at 3% per annum compounded annually should the Company default on the notes. These notes are convertible into common shares of the Company in whole or in part at the option of the holder upon terms to be determined by the Company either 10 days prior to repayment of the notes or the maturity date, whichever shall occur first.

b) During 2016, the Company entered into assignment of creditors and settlement of debt agreements in respect of certain convertible promissory notes totaling $293,389 (including US$157,025). As part of the settlement, the Company issued 16,000,000 post-consolidation shares (Note 10(b)(iv)) to the promissory note holders and recognized a gain on settlement of debts in the amount of $41,406 settled.





**NOTE 9 – CONVERTIBLE PROMISSORY NOTES (Continued)**

c) During 2017, the Company issued convertible promissory notes in the amount of $304,239 (US$220,000). The notes are non-interest bearing, unsecured, and mature on December 31, 2021.

   The notes may be converted into common shares of the Company in whole or in part at the option of the holder upon terms to be determined by the Company either 10 days prior to repayment of the note or the maturity date, whichever shall occur first. The notes become immediately payable should the Company complete financing in excess of US$5,000,000 prior to the maturity date, and bear interest at 3% per annum compounded annually should the Company default on the note. Subsequent to year-end, all the promissory notes totalling US$220,000 were converted into 2,500,000 common shares of the Company (Note 17(c)).

d) During 2017, the Company issued convertible promissory notes in the amount of $1,053,647 (US$836,190). The notes are unsecured, bear interest at between 10% and 12% per annum from the date of issuance, and mature between 6 months and one year after the date of issuance.

   Any amount of interest or principal that is not paid on the maturity date bears interest at 22% to 24% per annum from the maturity date to the date of payment. Any amount of principal and/or interest that is unpaid may be converted, at the option of the holder, in whole or in part into common share of the Company at a price equal to 61% of the lowest closing bid price for the Company's stock as reported on the OTC during the fifteen trading days prior to a Notice of

Conversion. The Company may prepay the principal and all accrued interest at any time between the date of issuance and the maturity date, together with a prepayment premium of between 15% and 40% of the amount prepaid, determined by reference to the date of repayment. Subsequent to year-end, promissory notes totalling US$290,540 were converted into 4,267,873 common shares of the Company (Note 17(c)).

e) During 2017 the Company entered into a consulting agreement with an unrelated party for the provision of advertising services. In consideration for the services the Company issued a convertible promissory note in the amount of $37,692 (US$30,000). The convertible promissory note is unsecured, bears interest at 3% per annum, and matures on January 10, 2018.

Upon maturity, the note shall be converted into common shares of the Company at a 20% discount to the lowest closing bid price for the Company's common stock offered during the twenty trading days prior to conversion. The Company may redeem the note in whole or in part at any time without penalty. Subsequent to year-end, this promissory note was converted into 355,450 common shares of the Company (Note 17(c)).

**NOTE 10 – SHARE CAPITAL**

**a) Authorized Capital**

Unlimited number of common shares, participating, voting (voting right of 1 vote per share), with no par value.

100,000 Class "B" common shares, non-participating, voting (voting right of 1,000 votes per share), with no par value.

**b) Issued and Outstanding Common Shares**

i) Effective June 8, 2016, the common shares of the Company were consolidated at the ratio of one new common share for every 50 old common shares. The Company issued 12,306 shares to round up fractional entitlements resulting from the consolidation. The number of common shares and basic loss per share calculations disclosed in these consolidated financial statements have been adjusted to reflect the retroactive application of this share consolidation.





**NOTE 10 – SHARE CAPITAL (Continued)**

**b) Issued and Outstanding Common Shares (Continued)**

ii) On March 8, 2015, the Company completed a private placement of 250,000 shares (5,000 post-consolidation shares) at $0.13 per share ($6.50 per post-consolidation share), raising gross proceeds of $32,000.

iii) On November 11, 2015, the Company completed a private placement of 400,000 shares (8,000 post-consolidation shares) shares at US$0.05 per share (US$2.50 per post-consolidation share), raising gross proceeds of $25,998 (US$20,000). As shares were not issued as of December 31, 2015 and 2016, the amount of $25,998 was reclassified to accounts payable as at December 31, 2016. During 2017, the Company paid the creditor $16,613 in cash and issued 1,000,000 common shares to settle the accounts payable of $9,385.

iv) On July 15, 2016, the Company entered into a debt settlement agreement with a company controlled by a Director and Officer of the Company to settle outstanding accounts payable of $25,000. The Company agreed to issue 25,000,000 post-consolidation shares with a fair value equal to the value of the underlying debt settled.

On August 15, 2016, the Company entered into an assignment of creditors and settlement of debt agreement with certain arm's length parties. The Company settled certain promissory notes totalling $118,204 (US$91,475) by the issuance of 8,000,000 post-consolidation shares with a fair value equal to the value of the underlying debt settled (Note 9(b)).

On December 20, 2016, the Company entered into an assignment of creditors and settlement of debt agreement with certain arm's length parties. The Company settled promissory notes totalling $175,185 (including US$65,550) by the issuance of 8,000,000 post-consolidation shares with a fair value of $133,779. A gain of $41,406 on the settlement of debts was recognized (Note 9(b)).

v) On December 12, 2016, the Company completed a private placement of 500,000 post-consolidation shares at US$0.50 per share, raising gross proceeds of $334,975 (US$250,000). The shares were not issued by December 31, 2016 and on September 20, 2017, the Company re-priced the subscription share price to US$0.10 per share and issued 2,500,000 common shares to the placees.

vi) On June 12, 2017, the Company settled convertible promissory notes totalling $32,700 by the issuance of 2,000,000 common shares with a fair value equal to the value of the underlying debt settled.

On September 21, 2017, the Company settled a convertible promissory note owed to a company controlled by a former Officer and Director of the Company in the amount of $61,694 (US$50,000) by the issuance of 1,000,000 common shares with a fair value equal to the value of the underlying debt settled.

vii) On October 10, 2017, the Company passed a resolution authorizing the creation of a new 100,000 Class "B" common shares with the following characteristics: non-participating, no par value, and with the voting right of 1,000 votes per share.

On the same day, the Company issued 100,000 Class "B" common shares at $0.001 per share for total proceeds of $100 to a shareholder who is also a Director and Office of the Company.





**NOTE 10 – SHARE CAPITAL (Continued)**

**c) Share-Based Payments**

(Expressed in Canadian Dollars)

i) During the year ended December 31, 2015, the Company issued 1,400,000 shares (28,000 post-consolidation shares) at a fair value of $0.05 per share ($2.50 per post-consolidation share) for investor relations services. Share-based compensation of $70,000 was recorded.

During the year ended December 31, 2015, the Company also issued 300,000 shares (6,000 post-consolidation shares) at a fair value of $0.05 per share ($2.50 per post-consolidation share) for consulting services rendered. Share-based compensation of $15,000 was recorded. 150,000 of these shares (3,000 post-consolidation shares) were issued to a related party (Note 13(b)(ii)).

ii) During the year ended December 31, 2016, the Company issued 250,000 post-consolidation shares at a fair value of $0.06 per share to a related party for consulting services rendered. Share-based compensation of $15,000 was recorded (Note 13(b)(ii)).

iii) On July 10, 2017, the Company entered into a consulting agreement for the provision of business strategy and compliance services. The Company issued 250,000 common shares valued at $21,896.

**d) Share Purchase Warrants**

The Company had no share purchase warrants outstanding for the years ended December 31, 2017, 2016, and 2015.

**e) Escrow Shares**

On September 19, 2014, the Company entered into an escrow agreement with a creditor. The Company agreed to pay the creditor $2,500 upon signing of the agreement and to issue 75,000 shares (1,500 post-consolidation shares) to be held in escrow. The Company was obligated to pay the creditor a further $7,334 (US$6,687) forty five days after the Company's stock becomes DWAC-eligible. On December 22, 2016, the Company paid $5,374 (US$4,000) and the creditor agreed to release these shares from escrow.

As of December 31, 2017, the 1,500 shares were held in trust by the corporate lawyer and have not been returned to the Company's Treasury.

**NOTE 11 – COMMITMENTS**

**a) Crypto Currency Deposit and Exchange Services**

On March 31, 2015, the Company entered into an agreement with Mega Idea Holdings Limited, dba ANX ("ANX"), to provide Crypto-currency deposit and exchange services. Pursuant to the terms of the agreement, the Company is required to pay monthly maintenance fees of US$10,000 for maintenance and support of the exchange platform. The agreement with ANX is for a term of three years.

On April 7, 2017 (the "effective date"), the Company entered into a revised agreement with ANX. Pursuant to the terms of the agreement, the Company is required to pay monthly maintenance fees of US$1,500 for the first six months commencing the first month after the effective date, and US$5,000 thereafter. The revised agreement with ANX is for a term of two years.

**b) Finder's Fee Agreement**

The Company has entered into various finder's fee agreements whereby the Company is required to pay cash finder's fee of 10% of all monies raised through these parties. The terms of these agreements are for periods of one year.





**NOTE 12 – SUPPLEMENTAL CASH FLOW INFORMATION**

| | 2017<br>$ | 2016<br>$ | 2015<br>$ |
|---|---|---|---|
| **a) Change in Non-Cash Working Capital Accounts** | | | |
| Accounts Receivable | (281,445) | 35,155 | (51,019) |
| GST Recoverable | (6,672) | 566 | 5,552 |
| Prepaid Expenses | (153,311) | (3,087) | (5,885) |
| Trade and Other Payables | (103,884) | (76,175) | 84,523 |
| Liabilities to Customers | 286,990 | (32,428) | 42,747 |
| | (258,322) | (75,969) | 75,918 |
| **b) Significant Non-Cash Financing Activities** | | | |
| Shares Issued in Settlement of Debts | 103,689 | 276,983 | - |
| Shares Issued for Services | 21,986 | 15,000 | 85,000 |
| Expenses Paid by An Arm's Length Party | - | 8,569 | - |
| | 125,675 | 300,552 | 85,000 |
| **c) Other Information** | | | |
| Interest Paid | 16 | 28,974 | 49 |
| Income Taxes Paid | - | - | - |

**NOTE 13 – RELATED PARTIES TRANSACTIONS**

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed. Details of transactions between the Company and other related parties, in addition to those transactions disclosed elsewhere in these consolidated financial statements, are described below. All related party transactions were in the ordinary course of business and were measured at their exchange amounts.

**a) Related Party Balances**

**i) Management Fees Paid in Advance to a Company Controlled by Director and Officer**

(Expressed in Canadian Dollars)

As at December 31, 2017, the Company had $55,573 (2016 – $Nil) in prepaid management fees to a company controlled by a Director and Officer of the Company.

**ii) Trade and Other Payables**

As at December 31, 2017, the Company had $Nil (2016 – $36,177) in trade and other payables owed to key management personnel. The amounts owed to key management personnel arose from outstanding management fees and are non-interest bearing, unsecured, and have no specified terms of repayment.





**NOTE 13 – RELATED PARTIES TRANSACTIONS (Continued)**

**a) Related Party Balances (Continued)**

**iii) Promissory Notes**

During the year ended December 31, 2017, the Company repaid promissory notes in the amount of $90,529, (including US$31,200) to a company controlled by a Director (also an officer) of the Company. Included in convertible promissory notes as at December 31, 2017, was $Nil (2016 – $89,364 including US$31,200) owed to this company.

During the year ended December 31, 2017, the Company settled a promissory note owed to a company controlled by a former officer of the Company in the amount $69,205 (US$50,000) by the issuance of 1,000,000 common shares. Included in convertible promissory notes as at December 31, 2017, was $Nil (2016 – $67,135 including US$50,000) owed to this company.

**b) Compensation of Key Management Personnel**

**i)** The Company incurred management fees for services provided by key management personnel for the years ended December 31, 2017, 2016 and 2015, as described below.

| | 2017<br>$ | 2016<br>$ | 2015<br>$ |
|---|---|---|---|
| Management Fees | 105,000 | 60,000 | 60,000 |

**ii)** During the year ended December 31, 2017, the Company incurred consulting fees for services provided by a Director of the Company in the amount of $11,296.

During the year ended December 31, 2016, the Company incurred consulting fees for services provided by a Director of the Company. The fees were settled by the issuance of 250,000 post-consolidation shares at $0.06 per share (Note 10(c)(ii)) and a cash payment of $6,699 (US$5,000).

During the year ended December 31, 2015, the Company incurred consulting fees for services provided by a company controlled by a former officer of the Company. The fees were settled by the issuance of 150,000 shares (3,000 post-consolidation shares) at $0.05 per share ($2.50 per post-consolidation share) (Note 10(c)(i)).

**NOTE 14 – INCOME TAX**

**a) Deferred Tax Assets and Liabilities**

The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consists of the following amounts:

| | 2017<br>$ | 2016<br>$ |
|---|---|---|
| Non-Capital Losses | 5,046,141 | 4,371,641 |
| Capital Losses | 29,628 | 29,628 |
| Property and Equipment | 100,490 | 100,490 |
| | 5,176,259 | 4,501,759 |





**NOTE 14 – INCOME TAX (Continued)**

**a) Deferred Tax Assets and Liabilities (Continued)**

As at December 31, 2017, the Company has non-capital losses of approximately $5,046,100 which may be applied to reduce Canadian taxable income of future years. These non-capital losses expire as follows:

| | $ |
|---|---|
| 2026 | 313,100 |
| 2027 | 515,300 |
| 2028 | 367,400 |

(Expressed in Canadian Dollars)

| | |
|---|---|
| 2029 | 1,157,900 |
| 2030 | 307,400 |
| 2031 | 301,400 |
| 2032 to 2037 | 2,083,600 |
| | 5,046,100 |

**b) Income Tax Expense**

The income tax expense of the Company is reconciled to the net loss for the year as reported in the consolidated statement of comprehensive loss as follows:

| | 2017<br>$ | 2016<br>$ | 2015<br>$ |
|---|---|---|---|
| Recovery of Income Tax Calculated at the Statutory Rate of 12.63% (2016 – 13%; 2015 – 13.5%) | (85,158) | (22,486) | (75,253) |
| Deferred Tax Assets Not Recognized | 84,315 | (21,519) | 68,065 |
| Expiration of Non-Capital Losses | - | - | 7,188 |
| Impact of Change in Substantively Enacted Tax Rates on Opening Deferred Tax Assets | 843 | 44,005 | - |
| Income Tax Expense | - | - | - |

**NOTE 15 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarized in Note 2(k). The Company's risk management is coordinated in close co-operation with the board of directors and focuses on actively securing the Company's short to medium-term cash flows and raising finances for the Company's capital expenditure program. The Company does not actively engage in the trading of financial assets for speculative purposes.

The most significant financial risks to which the Company is exposed are as follows:

**a) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is dependent upon the availability of credit from its suppliers and its ability to generate sufficient funds from equity and debt financing to meet current and future obligations. The Company has a working capital deficiency of $782,107 as at December 31, 2017. There can be no assurance that such financing will be available on terms acceptable to the Company.





**NOTE 15 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

**b) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

**c) Credit Risk**

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company is in the development stage and has not yet commenced commercial production or sales. Therefore, the Company is not exposed to significant credit risk.

**d) Foreign Exchange Risk**

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk to the extent it incurs currency exchange platform service and development expenditures and operating costs in foreign currencies including the U.S. Dollar. The Company does not hedge its exposure to fluctuations in the related foreign exchange rates.

**e) Fair Values**

The Company uses the following hierarchy for determining fair value measurements:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement. The Company's financial instruments were measured at fair value use Level 1 valuation technique during the years ended December 31, 2017 and 2016. The carrying values of the Company's financial assets and liabilities approximate their fair values.

**NOTE 16 – CAPITAL MANAGEMENT**

The Company's objective for managing its capital structure is to safeguard the Company's ability to continue as a going concern and to ensure it has the financial capacity, liquidity and flexibility to fund its ongoing operations and capital expenditures.

The Company manages its share capital as capital, which as at December 31, 2017, amounted to $4,106,207. At this time, the Company's access to the debt market is limited and it relies on equity issuances and the support of shareholders to fund the development of its trading platform. The Company monitors capital to maintain a sufficient working capital position to fund annualized administrative expenses and capital investments.

As at December 31, 2017, the Company had working capital deficiency of $782,107. The Company will issue shares and may from time to time adjust its capital spending to maintain or adjust the capital structure. There can be no assurance that the Company will be able to obtain debt or equity capital in the case of operating cash deficits.

The Company's share capital is not subject to external restrictions. The Company has not paid or declared any dividends since the date of incorporation, nor are any contemplated in the foreseeable future. There were no changes in the Company's approach to capital management during the year ended December 31, 2017.





**NOTE 17 – SUBSEQUENT EVENTS**

**a) Shares Issued for Services**

In February 2018, the Company entered into two consulting agreements for the provision of compliance and strategic advisory services and issued 600,000 common shares pursuant to the agreements.

**b) Issuance of Convertible Promissory Notes**

Subsequent to year end, the Company issued two convertible promissory notes for total proceeds of US$163,000. The notes are unsecured, bear interest at 12% per annum from the date of issuance, and mature between 6 months and one year after the date of issuance.

Any amount of interest or principal that is not paid on the maturity date bears interest at 22% per annum from the maturity date to the date of payment. Any amount of principal and or interest that is unpaid may be converted, at the option of the holder, in whole or in part into common share of the Company at a price equal to 61% of the lowest closing bid price for the Company's stock as reported on the OTC during the fifteen trading days prior to a Notice of Conversion. The Company may prepay the principal and all accrued interest at any time between the date of issuance and the maturity date, together with a prepayment premium of between 15% and 40% of the amount prepaid, determined by reference to the date of repayment.

**c) Conversion of Promissory Notes**

Subsequent to year end, the Company issued a total of 7,123,323 common shares on conversion of convertible promissory notes totalling US$540,540 (Note 9(c),(d),(e)).



WDM CHARTERED PROFESSIONAL ACCOUNTANTS

SERVICE

INTEGRITY

TRUST

**CONSENT OF INDEPENDENT AUDITORS**

We consent to the use of our report dated April 27, 2018 with respect to the consolidated financial statements of Digatrade Financial Corp. for the years ended December 31, 2017, 2016, and 2015 included in this Annual Report on Form 20-F (filed under the Securities Exchange Act of 1934) for the year ended December 31, 2017 filed with the U.S. Securities and Exchange Commission.

**"WDM Chartered Professional Accountants"**

Vancouver, British Columbia, Canada
April 28, 2018

SUITE 420
1501 WEST BROADWAY

VANCOUVER, BRITISH COLUMBIA
CANADA V6J 4Z6

TEL: (604) 734-3247
FAX: (604) 734-4802
WWW.WDMCA.COM

WDM

WDM CHARTERED PROFESSIONAL ACCOUNTANTS

# Independent Auditors' Report

To the Shareholders of:
**DIGATRADE FINANCIAL CORP.**

SERVICE

INTEGRITY

TRUST

We have audited the accompanying consolidated financial statements of Digatrade Financial Corp. and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2017 and 2016, the consolidated statements of changes in shareholders' deficiency, comprehensive loss, and cash flows for the years ended December 31, 2017, 2016, and 2015, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated 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 controls. 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of Digatrade Financial Corp. and its subsidiaries as at December 31, 2017 and 2016, and their financial performance and their cash flows for the years ended December 31, 2017, 2016, and 2015, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

**Emphasis of Matter – Going Concern**

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in Note 1 to the consolidated financial statements concerning the ability of Digatrade Financial Corp. and its subsidiaries to continue as a going concern. The company incurred a net loss of $674,520 during the year ended December 31, 2017, and as of that date, had accumulated losses of $5,176,116 since inception and working capital deficiency of $782,107. These conditions, along with the other matters explained in Note 1 to the consolidated financial statements, indicate the existence of material uncertainties that raise substantial doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if Digatrade Financial Corp. and its subsidiaries were unable to continue as a going concern.

*WDM*

*Chartered Professional Accountants*

Vancouver, B.C., Canada
April 27, 2018

SUITE 420
1501 WEST BROADWAY
VANCOUVER, BRITISH COLUMBIA
CANADA V6J 4Z6

TEL: (604) 734-3247
FAX: (604) 734-4802
WWW.WDMCA.COM

WDM