Galaxy Digital Holdings Ltd.

(formerly Bradmer Pharmaceuticals Inc.)

Condensed Consolidated Interim Financial Statements

For the Three and Nine Months Ended September 30, 2018 and 2017

(Expressed in US Dollars)

(Unaudited)

Galaxy Digital Holdings Ltd. (formerly Bradmer Pharmaceuticals Inc.)

Condensed Consolidated Interim Statements of Financial Position
(Expressed in US Dollars)
(Unaudited)

	September 30, 2018		December 31, 2017	
Assets				
Current assets				
Cash	$	—	$	318,879
Receivables		—		2,515
Prepaid expenses and other assets		—		1,259
		—		**322,653**
Investment in associate (Note 5)		218,776,012		—
Total assets	**$**	**218,776,012**	**$**	**322,653**
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	$	—	$	104,860
Total liabilities		**—**		**104,860**
Shareholders' equity				
Share capital (Note 7)		232,481,920		1,830,372
Reserves (Note 7)		5,167,853		2,022,618
Accumulated other comprehensive income		791,444		662,594
Deficit		(19,665,205)		(4,297,791)
Total shareholders' equity		**218,776,012**		**217,793**
Total liabilities and shareholders' equity	**$**	**218,776,012**	**$**	**322,653**
Nature and continuance of operations (Note 1)				
Commitments and contingencies (Note 9)				

Approved and authorized for issuance by the Board of Directors of Galaxy Digital Holdings Ltd. on November 26, 2018.

"Bill Koutsouras" Director   *"Michael Novogratz"* Director

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

Galaxy Digital Holdings Ltd. (formerly Bradmer Pharmaceuticals Inc.)

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in US Dollars)
(Unaudited)

	Three months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Operating expenses				
General and administrative (Note 6)	$ (147,171)	$ 23,790	$ 469,808	$ 84,310
Recoveries from associate (Note 6)	(254,557)	—	(254,557)	—
	401,728	**(23,790)**	**(215,251)**	**(84,310)**
Interest income	854,850	29	854,917	84
Equity loss from associate (Note 5)	(16,012,192)	—	(16,012,192)	—
Foreign exchange income (loss)	(5,783)	(12,738)	5,112	(25,608)
	(15,163,125)	**(12,709)**	**(15,152,163)**	**(25,524)**
Loss for the period	**(14,761,397)**	**(36,499)**	**(15,367,414)**	**(109,834)**
Other comprehensive income (loss)				
Foreign currency translation adjustment	(60,761)	(135,639)	128,850	(249,303)
Comprehensive loss for the period	**$ (14,822,158)**	**$ (172,138)**	**$ (15,238,564)**	**$ (359,137)**
Basic and diluted loss per share (Note 8)	**$ (0.35)**	**$ (0.23)**	**$ (1.07)**	**$ (0.71)**
Weighted average number of shares outstanding - basic and diluted	**42,186,275**	**155,560**	**14,319,757**	**155,560**

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

Galaxy Digital Holdings Ltd. (formerly Bradmer Pharmaceuticals Inc.)

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Expressed in US Dollars)
(Unaudited)

	Share Capital					
	Number	**Amount**	**Reserves**	**Accumulated Other Comprehensive Income (Loss)**	**Deficit**	**Total**
Balance at January 1, 2017	**155,560**	**$ 1,710,138**	**$ 1,889,755**	**$ 895,332**	**$ (4,113,501)**	**$ 381,724**
Foreign currency translation adjustment	—	129,767	143,397	(249,303)	—	23,861
Loss for the period	—	—	—	—	(109,834)	(109,834)
Balance at September 30, 2017	**155,560**	**$ 1,839,905**	**$ 2,033,152**	**$ 646,029**	**$ (4,223,335)**	**$ 295,751**
Balance at January 1, 2018	**155,560**	**$ 1,830,372**	**$ 2,022,618**	**$ 662,594**	**$ (4,297,791)**	**$ 217,793**
Cancellation of common stock	(14,108)	(54,079)	—	—	—	(54,079)
Issuance of common stock - Private Placement	60,969,746	238,357,218	—	—	—	238,357,218
Share issuance costs	—	(9,945,343)	—	—	—	(9,945,343)
Issuance of common stock - other	1,523,835	2,358,630	—	—	—	2,358,630
Equity based compensation	—	—	3,216,927	—	—	3,216,927
Foreign currency translation adjustment	—	(64,878)	(71,692)	128,850	—	(7,720)
Loss for the period	—	—	—	—	(15,367,414)	(15,367,414)
Balance at September 30, 2018	**62,635,033**	**$232,481,920**	**$ 5,167,853**	**$ 791,444**	**$ (19,665,205)**	**$ 218,776,012**

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

Galaxy Digital Holdings Ltd. (formerly Bradmer Pharmaceuticals Inc.)

Condensed Consolidated Interim Statements of Cash Flows
(Expressed in US Dollars)
(Unaudited)

	Nine months ended September 30, 2018	2017
Operating activities		
Loss for the period	$ (15,367,414)	$ (109,834)
Adjustments for:		
Equity loss from associate	16,012,192	—
Interest income	(854,917)	—
Foreign currency translation adjustment	(7,720)	23,483
Changes in operating assets and liabilities:		
Receivables	2,515	1,032
Prepaid expenses and other assets	1,259	(2,621)
Accounts payable and accrued liabilities	(104,860)	(9,966)
Net cash used in operating activities	(318,945)	(97,906)
Investing activities		
Investment in associate	(229,212,647)	—
Net cash used in investing activities	(229,212,647)	—
Financing activities		
Issuance of common stock for cash	238,357,218	—
Share issuance costs	(9,945,343)	—
Cash paid for cancellation of shares	(54,079)	—
Interest income on financing proceeds held in escrow	854,917	—
Net cash provided by financing activities	229,212,713	—
Effect of exchange rate fluctuations on cash held	—	378
Net decrease in cash	(318,879)	(97,528)
Cash, beginning of period	318,879	413,894
Cash, end of period	$ —	$ 316,366

There were no significant non-cash transactions of the Company for the periods presented.

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Galaxy Digital Holdings Ltd. ("GDH Ltd." or, together with its subsidiary, the "Company"), formerly Bradmer Pharmaceuticals Inc., was originally formed and incorporated under the Business Corporations Act (Ontario) on February 10, 2006 and on July 31, 2018, continued out of the Province of Ontario to become a company existing under the laws of the Cayman Islands. The Company's principal address is 107 Grand Street, 8th Floor, New York, New York, 10013.

GDH Ltd.'s ordinary shares are publicly listed on the Toronto Stock Exchange's Venture Exchange (the "TSX-V") under the symbol "GLXY" (formerly "BMR" on the NEX Board of the TSX-V).

The Company has a minority interest in Galaxy Digital Holdings LP ("GDH LP" or the "Partnership"). The Partnership intends to build a full-service merchant banking business in the cryptocurrency and blockchain space, and intends to capitalize on market opportunities made possible by the ongoing evolution of the digital assets space through four primary business lines: trading, principal investing, asset management, and advisory services.

Corporate Transaction

On July 31, 2018, the Company completed a transaction (Note 4) pursuant to which it acquired a minority interest in GDH LP. GDH LP is an operating partnership which was formed on May 11, 2018 and effective July 31, 2018, Galaxy Digital LP ("Galaxy LP") and First Coin Capital Corp. ("First Coin") combined to become its wholly-owned subsidiaries. GDH LP is managed by the board of managers and officers of the Partnership's general partner, who are also the principals of Galaxy LP. Galaxy Digital Holdings GP LLC ("GDH GP" or the "General Partner"), is a limited liability company incorporated under the laws of the Cayman Islands on July 26, 2018 and serves as the general partner of GDH LP. The sole LLC member of the General Partner is Galaxy Group Investments LLC ("GGI"), which is controlled by the Chief Executive Officer of the Company.

In connection with the transaction, the Company consolidated its share capital on the basis of 1 post consolidated common share for every 126.38 pre-consolidated common shares. All common share and per common share amounts, including options, in these condensed consolidated interim financial statements have been adjusted to give retroactive effect to the share consolidation.

Interim Financial Statements

These condensed consolidated interim financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are to manage its minority interest in GDH LP and are dependent on financial support from GDH LP, who has the obligation to reimburse the Company for all reasonable operational expenses (Note 4). At September 30, 2018, the Company had total equity of $218.8 million. Management estimates that, based on the financial support from GDH LP, the Company has the ability to maintain its operations and activities for the upcoming year.

2. BASIS OF PRESENTATION

Statement of Compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in the December 31, 2017 audited financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB have been condensed or omitted and these unaudited condensed consolidated interim financial statements should be read in conjunction with the GDH Ltd. audited financial statements for the year ended December 31, 2017.

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of its unaudited condensed consolidated interim financial statements. In addition, the preparation of the financial data requires that the Company's management make assumptions and estimates of the effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The accounting policies applied in these unaudited condensed consolidated interim financial statements, except for any new policies discussed below, are consistent with those applied and disclosed in GDH Ltd.'s audited financial statements for the year ended December 31, 2017. The Company's interim results are not necessarily indicative of its results for a full year.

These unaudited condensed consolidated interim financial statements were approved by the Company's Board of Directors and authorized for issuance on November 26, 2018.

Basis of Measurement

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value.

In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure.

Functional and Presentation Currency

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency determination was conducted through an analysis of the consideration factors identified in International Accounting Standard ("IAS") 21. The functional currency for the Company and its subsidiary is the United States dollar ("US dollar"). The presentation currency for the Company is US dollars.

The Company changed its functional currency from the Canadian dollar ("C$") to the US dollar effective July 31, 2018. After completion of the corporate transaction (Note 4), the Company's only significant asset is a minority interest in GDH LP. GDH LP's primary economic environment is the US, as its activities are driven mainly by the competitive forces and regulation in the US.

Prior to the completion of the corporate transaction, as the functional currency was different from the presentation currency the Company balances were translated into the presentation currency using an accounting policy consistent with that applied and disclosed in the Company's financial statements for the year ended December 31, 2017.

Foreign currency transactions are translated into the functional currency of the respective currency of the entity or division, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at period-end exchange rates are recognized in profit or loss. Non-monetary items that are not re-translated at period end are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value, which are translated using the exchange rates as at the date when fair value was determined. Gains and losses are recorded in the statement of loss and comprehensive loss.

Basis of Consolidation

The condensed consolidated interim financial statements include the financial statements of GDH Ltd. and its wholly-owned consolidated subsidiary, GDH Intermediate LLC, which is controlled by GDH Ltd. The reporting period, as well as the accounting policies, of the financial statements are consistent across the entities included in the consolidation. All inter-company transactions, balances, income and expenses and unrealized gains and losses, if any, are eliminated in full upon consolidation.

Investment in associate

The Company accounts for its investment in its associate using the equity method. Under the equity method, the Company's investment in associate is initially recognized at cost and subsequently increased or decreased to recognize the Company's share of earnings and losses of the associate and for impairment losses after the initial recognition date. The Company's share of an associate's losses that are in excess of its investment in the associate are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. The Company's share of earnings and losses of associates are recognized through profit or loss during the period. Distributions received from an associate are accounted for as a reduction in the carrying amount of the Company's investment in the associate.

Intercompany transactions between the Company and its associates are recognized only to the extent of unrelated investors' interests in the associates.

At the end of each reporting period, the Company assesses whether there is any objective evidence that an investment in an associate is impaired. Objective evidence includes observable data indicating that there is a measurable decrease in the estimated future cash flows of the associate's operations. When there is objective evidence that an investment in an associate is impaired, the carrying amount of such investment is compared to its recoverable amount, being the higher of its fair value less cost to sell and value in use (i.e. present value of its future cash flows). If the recoverable amount of an investment in associate is less than its carrying amount then an impairment loss is recognized in that period. When an impairment loss reverses in a subsequent period, the carrying amount of the investment in associate is increased to the revised estimate of recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had an impairment loss not been previously recognized. A reversal of an impairment loss is recognized through profit or loss in the period that the reversal occurs.

Use of estimates and judgments

The preparation of the condensed consolidated interim financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from those estimates.

<u>Significant judgments in applying accounting policies</u>

The critical judgments that the Company has made in the process of applying the Company's accounting policies, aside from those involving estimations, that have the most significant effect on the amounts recognized in the Company's condensed consolidated interim financial statements are as follows:

Functional currency

The Company's functional currency has been assessed by management with consideration given to the currency and economic factors that mainly influence the Company's business and its investment in GDH LP. Specifically, the Company considers the currency in which its investment is denominated, the currencies in which its expenses are settled by the Company, as well as the currency in which the Company may receive or raise financing. Changes to these factors may have an impact on the judgment applied in the determination of the Company's functional currency. The Company has determined that its functional currency is the US dollar.

Investment in associate

Classification of investments requires judgment on whether the Company controls, has joint control or significant influence over the strategic financial and operating decisions relating to the activity of the investee. In assessing the level of control or influence that the Company has over an investment, management considers ownership percentages, board representation as well as other relevant provisions in shareholder agreements. If an investor holds 20% or more of the voting power of the investee, it is presumed that the investor has significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the investor holds less than 20% of the voting power of the investee, it is presumed that the investor does not have significant influence, unless such influence can be clearly demonstrated.

The Company has classified its investment in GDH LP as an associate based on management's judgment that the Company has significant influence but not control.

<u>Significant estimates</u>

The underlying values of the equity investment includes valuations of digital assets and investments in private companies.

3. NEW ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

<u>New accounting policies</u>

Effective January 1, 2018, the Company adopted the following accounting standards:

IFRS 9, *Financial Instruments* ("IFRS 9")

IFRS 9 Financial Instruments was issued by the IASB in July 2014 and has replaced IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking 'expected loss' impairment model. IFRS 9 also includes significant changes to hedge accounting. The Company adopted the standard retrospectively. IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities.

The following summarizes the significant changes in IFRS 9 compared to the current standard:

- IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments for principal and interest. The change did not impact the carrying amounts of any of the Company's financial assets on the transition date. Prior periods were not restated and no material changes resulted from adopting this new standard.

- The adoption of the new "expected credit loss" impairment model under IFRS 9, as opposed to an incurred credit loss model under IAS 39, had no impact on the carrying amounts of financial assets on the transition date.

IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15")

In May 2014 the IASB approved IFRS 15, *Revenue from Contracts with Customers*, which specifies how and when an IFRS reporter will recognize revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18, *Revenue*, IAS 11, *Construction Contracts*, and a number of revenue related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers, except for leases, financial instruments and insurance contracts. The adoption of IFRS 15 on the Company's condensed consolidated interim financial statements did not have a material impact.

Recent accounting pronouncements issued but not yet effective

IFRS 16, *Leases* ("IFRS 16")

In January 2016, the IASB issued IFRS 16, *Leases*, which will replace IAS 17, *Leases*. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard will be effective for annual periods beginning on or after January 1, 2019. The Company is currently evaluating the impact of IFRS 16 on its condensed consolidated interim financial statements.

4. CORPORATE TRANSACTION

On February 14, 2018, the Arrangement was entered into between Galaxy LP, First Coin and Bradmer, in respect of a proposed transaction which was to be completed by way of a plan of arrangement under the provisions of the Business Corporations Act (Ontario). In connection with the Arrangement, Galaxy LP and First Coin would combine to form GDH LP, an operating partnership that would be managed by the board of managers and officers of its general partner, who are also the principals of Galaxy LP. Bradmer would acquire and hold a minority investment in the operating partnership, and, upon completion of the Arrangement, was expected to change its name to Galaxy Digital Holdings Ltd. and resume an active public listing on the TSX-V.

Bradmer was formed on February 10, 2006 by the amalgamation of a private company, Blue Devil Pharmaceuticals Inc., and a predecessor company also named Bradmer Pharmaceuticals Inc. Bradmer's shares were listed and traded on the NEX Board of the TSX-V under the symbol "BMR".

On completion of the Arrangement on July 31, 2018:

- Galaxy LP and First Coin became wholly owned subsidiaries of GDH LP.
    - GGI, the sole limited partner of Galaxy LP, transferred its full limited partnership interest in Galaxy LP and its ownership interest in Galaxy Digital GP LLC ("Galaxy GP") shares, the general partner of Galaxy LP, to GDH LP in exchange for 213,696,000 Class B Units.
    - GDH LP acquired 100% of the issued share capital of First Coin.The transaction meets the definition of a business combination between the entities.
    - Bradmer acquired a minority equity interest in GDH LP. The funds used to purchase the interest was raised through a partially-brokered private placement offering completed by Bradmer on February 14, 2018 of 60,969,746 subscription receipts at a price of C$5.00 per subscription receipt. The private placement was considered an arm's length financing and raised an aggregate of approximately C$305 million of proceeds. On completion of the Arrangement, the net proceeds plus accrued interest of $229,212,647 was released from escrow in exchange for the issuance of Class A Units in GDH LP.
- As a condition to the completion of the Arrangement, Bradmer had completed a consolidation of its common shares in advance and, on completion of the Arrangement, continued out of the Province of Ontario to become a company existing under the laws of the Cayman Islands. Furthermore, pursuant to policies of the TSX-V, the Arrangement resulted in the

reactivation of the listing of Bradmer, which was an NEX-listed issuer, under the name Galaxy Digital Holdings Ltd. and ticker GLXY.

- GDH Ltd. appointed new members to its board of directors to manage its minority investment in the operating partnership on an ongoing basis.
- GDH LP, GDH GP, GDH Ltd., GDH Intermediate LLC (a wholly owned subsidiary of GDH Ltd. established as a tax-efficient blocker corporation or similar entity for US tax purposes) entered into a second amended and restated limited partnership agreement (as amended from time to time, the "LPA").

Following the completion of the Arrangement: (i) the principals and owners of Galaxy LP and First Coin held direct controlling equity interests in GDH LP through the ownership of Class B Units, which are generally economically equivalent to Class A Units held by GDH Ltd. but are exchangeable, from time to time, into ordinary shares of GDH Ltd., and (ii) GDH Ltd. became a holding company, as its only significant asset is its minority equity interest in GDH LP.

Certain key terms of the LPA include the following:

- *Units* - there are two classes of partnership interests ("Units"): Class A Units, which are held by GDH Ltd., and Class B Units, which are held by GGI and other Class B limited partners.
- *Issuance of Additional Units* - the General Partner will not cause the Partnership to issue any additional Class B Units unless (i) the General Partner determines there is a bona fide business or strategic reason to raise equity capital through the issuance of Class B Units, provided that the aggregate amount of Class B Units that may be issued is less than or equal to 70,000,000 or GDH Ltd. board of directors approves such issuance.
- *Allocations of Income, Gain, Loss, Deduction and Credit* - each item of income, gain, loss, deduction and credit will generally be allocated pro-rata between Class A Units and Class B Units.
- *Issuances and redemptions of common stock of GDH Ltd.* - If GDH Ltd. issues any of its ordinary shares, the General Partner will, only if either (i) the General Partner has consented to such issuance or (ii) the issuance receives approval by the limited partners holding the majority of Units , cause the Partnership to issue to GDH Ltd., in exchange for GDH Ltd. promptly contributing the net cash proceeds of the issuance to the Partnership, a number of Class A Units equal to the number of ordinary shares issued. Upon the redemption, repurchase, or other acquisition of ordinary shares by GDH Ltd., the Partnership will, at substantially the same time as the redemption, repurchase or acquisition, redeem or cancel Class A Units equal to the number of ordinary shares redeemed, repurchased or acquired for an amount equal to the net cash amount paid by the GDH Ltd. for such redemption, repurchase, or other acquisition.
- *Exchanges of Class B Units* - A Class B limited partner may exchange vested Class B Units for ordinary shares of GDH Ltd. On exchange, GDH Ltd. will issue ordinary shares and the General Partner will cancel the Class B Units exchanged and issue Class A Units to GDH Ltd. equal to the number of Class B Units being surrendered.
- *Removal of General Partner* - The General Partner may generally be removed by the limited partners holding at least 66 2/3% of the outstanding Units.
- *Reimbursable Expenses* - All expenses reasonably incurred by GDH Ltd. in the conduct of its business, including fees related to professional advisors, required or advisable licenses and filings, and meetings and compensation of directors, will be reimbursable by GDH LP. For the three and nine months ended September 30, 2018, GDH LP paid $0.25 million on behalf of GDH Ltd. which has been included in general and administrative expenses on the statement of comprehensive loss.
- *General Partner Board* - As long as GDH Ltd owns more than 10% of the outstanding Units, GDH Ltd. will have the right to appoint one person to the board of the general partner.

5. INVESTMENT IN ASSOCIATE

The Company has a 22.5% interest in GDH LP as of September 30, 2018. GDH LP is a Cayman Islands exempted limited partnership formed on May 11, 2018. GDH LP was formed following the combination of Galaxy LP and First Coin according to a definitive agreement (Note 4).

(Expressed in US Dollars)

Per the LPA, as long as the Company owns more than 10% of GDH LP, the Company has the right to appoint one person to the general partner board of directors. In addition, through the LPA, the Company participates in all significant financial and operating decisions of GDH LP, is generally required to acquire additional GDH LP units with all the proceeds raised in financings, and is to receive reimbursements from GDH LP for the Company's reasonable operating costs. Therefore, the Company has determined that it has significant influence over GDH LP.

The carrying value of the investment in GDH LP was $218.8 million as of September 30, 2018.

Summarized financial information for GDH LP

Summarized Statements of Financial Position	**September 30, 2018**	**December 31, 2017**
Current assets		
Cash	$ 90,327,691	$ 32,098,217
Other current assets	328,143,015	22,650,240
	418,470,706	54,748,457
Non-current assets	17,033,757	—
Total assets	**$ 435,504,463**	**$ 54,748,457**
Current liabilities	**$ 48,985,229**	**$ 53,006,648**
Non-controlling interests	**6,736,570**	**—**
	$ 55,721,799	**$ 53,006,648**
Net Assets	**$ 379,782,664**	**$ 1,741,809**
The Company's share of net assets - 22.5% (December 31, 2017 - 0%)	$ 85,451,099	$ —

(Expressed in US Dollars)

Summarized Statements of Comprehensive Loss	**Three months ended September 30, 2018**	**Nine months ended September 30, 2018**
Income	**$ (36,058,968)**	**$ (49,074,709)**
Operating expenses	**(29,991,312)**	**(54,556,616)**
Net unrealized gain (loss) on digital assets	366,717	(83,357,300)
Net unrealized gain (loss) on investments	(4,172,597)	16,545,019
Unrealized foreign currency gain (loss)	(1,474,820)	92,065
Realized foreign currency gain	893,387	893,387
Goodwill impairment	(6,216,914)	(6,216,914)
	(10,604,227)	**(72,043,743)**
Loss for the period	**(76,654,507)**	**(175,675,068)**
Foreign currency translation adjustment	(7,298)	(7,298)
Loss and comprehensive loss for the period	**$ (76,661,805)**	**$ (175,682,366)**
The Company's share of comprehensive loss	$ (16,012,192)	$ (16,012,192)

There are no comparative periods to disclose for the statement of comprehensive loss as GDH LP's operations commenced on November 30, 2017.

Reconciliation to carrying amount of investment in GDH LP:

	Nine months ended September 30, 2018
Balance, beginning of period	$ —
Initial contribution	229,212,647
Equity based compensation allocation	3,216,927
Increase in ownership interest as a result of GDH LP Class B Unit exchanges (Note 9)	2,358,630
Allocation of comprehensive loss	(16,012,192)
Balance, end of period	**$ 218,776,012**

6. RELATED PARTY TRANSACTIONS

Compensation to key management personnel

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole, being officers, directors or companies with common directors of the Company. Compensation provided to key management personnel for the nine months ended September 30, 2018 and 2017 is as follows:

(Expressed in US Dollars)

	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Compensation included in General and administrative	$ **28,169**	$ **41,353**

Other

As of September 30, 2018, the Company's Chief Executive Officer (CEO) also served as a director for a company and was a member of the advisory board for two companies with which GDH LP holds investments in. The CEO of the Company is also, beneficially, the majority owner of GDH LP.

In accordance with the LPA , GDH LP will reimburse or pay for all reimbursable expenses of the Company.

The Company incurred legal fees of $135,258 and $19,400 during the nine months ended September 30, 2018 and 2017, respectively, to a law firm, Wildeboer Dellelce LLP ("WD"), a partnership in which one of the partners was a director of the Company until July 2013 and had continued as a consultant to the Company. During the three months ended September 30, 2018, the Company reversed the accrual recorded for legal fees as the final legal invoice was lower than initially accrued. As a result, the Company recorded a credit balance to General and administrative expenses for the three months ended September 30, 2018.

The Company also paid fees to WD Capital Markets Inc. ("WCM"), a related company of WD by virtue of the partners of WD also being beneficial shareholders of WCM, for financial and administrative services in the amount of $32,581 and $41,300 during the nine months ended September 30, 2018 and 2017, respectively. In addition, on closing of the Arrangement, the Company issued WCM 40,000 ordinary shares (Note 7).

WD or WCM are no longer considered related parties upon the completion of the Arrangement on July 31, 2018.

7. SHARE CAPITAL AND RESERVES

Authorized

The authorized share capital of the Company is C$2,000,000, divided into 2,000,000,000 ordinary shares of C$0.001 par value each.

Issued

On July 31, 2018, in connection with the closing of the Arrangement (Note 4), the outstanding subscription receipts automatically converted into 60,969,746 common shares.

On August 1, 2018 the Company issued 40,000 common shares to WCM to settle the obligations of the terms of a financial advisory agreement entered into between the parties (Note 6).

During the nine months ended September 30, 2018, the Company issued 1,483,835 common shares on exchange of Class B Units of GDH LP.

There were no share capital transactions during the period ended September 30, 2017.

Canceled

In connection with the Arrangement (Note 4), certain non-participating shareholders received a cash payment in return for cancellation of their shares.

Reserves

Up to the date of the closing of the Arrangement, the Company had its own stock option plan, which provided employees, directors, officers and consultants of the Company with the opportunity to acquire common shares of the Company through the exercise of stock options. Stock options granted under the plan were limited to a maximum term of ten years. As of December 31, 2017, 15,430 options were outstanding as follows:

- 11,869 options at a weighted average exercise price of C$12.64 and which expire on July 21, 2021;
- 3,561 options at a weighted average exercise price of C$20.22 and which expires on June 25, 2019.

(Expressed in US Dollars)

No options were granted, exercised or forfeited during the year ended December 31, 2017.

8. LOSS PER SHARE

The table below presents basic and diluted net loss per share of common stock for the three and nine months ended September 30, 2018, respectively:

	Three months ended September 30, 2018	Nine months ended September 30, 2018
Basic and diluted loss per share	$ (0.35)	$ (1.07)

Basic loss per share

The net loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	Three months ended September 30, 2018	Nine months ended September 30, 2018
Net loss used in the calculation of basic loss per share	$ (14,761,397)	$ (15,367,414)
Weighted average number of ordinary shares for the purposes of basic loss per share	42,186,275	14,319,757

The weighted average number of ordinary shares is the same for both basic and diluted loss per share as the diluted amount excludes the potential conversion of GDH LP Class B Units and GDH LP stock options (Note 9), as if converted, the impact would be antidilutive.

9. COMMITMENTS AND CONTINGENCIES

GDH LP Class B Units

GDH LP has two classes of ownership interests: Class A Units and Class B Units. The units rank equally in all material respects, including from an economic and voting perspective, however under the terms of the LPA (Note 4), Class B Units will, subject to certain limitations, be exchangeable for GDH Ltd. shares on a one-for-one basis.

During the period ended September 30, 2018 GDH LP issued the following Class B Units:

- 213,696,000 Class B Units to GGI (Note 4);
- 5,319,618 Class B Units to First Coin shareholders (Note 4); and
- 30,870,000 Class B Units under a GDH LP equity compensation plan. These Class B Unit awards are comprised of 50% of subtype R units (Standard Units) and 50% of subtype P units (Profit Interest Units).

The vesting schedule of the Class B Units are as follows:

- Standard Units - vest 50% on each of February 1, 2019 and September 1, 2019. Once vested, each Standard Unit can be exchanged for one share of GDH Ltd. for no additional consideration.
- Profit Interest Units - vest 50% on each of September 1, 2020 and September 1, 2021.The Profit Interest Units are subject to a catch up period, whereby the capital accounts balance of a Profit Interest Unit must equal the capital account of a Standard Unit. Initially, the Profit Interest Units will have a capital balance of $nil and will be adjusted upon certain events that trigger a mark-to-market of GDH LP's assets and pick-ups of income until the capital account of the Profit Interest Units equals C$5. Once the Profit Interest Unit is fully caught up, each Profit Interest Unit can be exchanged for one share of GDH Ltd. for no additional consideration.

As at September 30, 2018, after accounting for cexchanges (Note 6) and forfeitures, there were 248,187,631 Class B Units outstanding of which 215,884,410 were exercisable.

(Expressed in US Dollars)

Stock Option Plan

The Company has a stock option plan (the "Plan") to grant options, which are exercisable into an equivalent amount of the Company's common shares, to employees, officers, directors and consultants of GDH LP and its affiliates. The maximum number of shares reserved for issuance under the Plan shall not exceed 10% of the issued share capital of GDH Ltd. on a fully diluted basis.

A summary of the stock options outstanding as at September 30, 2018 is as follows:

Grant Date/ Description	Number outstanding	Number exercisable	Exercise Price (C$)	Expiry Date
July 31, 2018	24,978,000	—	5.00	July 23, 2023
September 4, 2018	700,000	—	5.00	July 23, 2023
September 10, 2018	148,000	—	5.00	July 23, 2023
	25,826,000	—		
First Coin Replacement Options	105,109	26,277	4.64	November 3, 2022
	21,022	5,256	4.64	November 14, 2022
	13,138	3,285	4.64	November 27, 2022
	15,766	2,628	4.64	January 22, 2023
	155,035	37,446		
Total	25,981,035	37,446		

10. CAPITAL MANAGEMENT

GDH Ltd.'s objectives when managing capital is to safeguard its ability to continue as a going concern, to meet the needs of its ongoing operations, and to maintain a flexible capital structure which optimizes the cost of capital. The Company considers the items included in shareholders' equity as capital. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. The Company is not subject to externally imposed capital requirements, except as disclosed in Note 5.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

a. Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities

b. Level 2 - inputs other than quoted prices that are observable for the asset or liability either directly or indirectly

c. Level 3 - inputs that are not based on observable market data

The fair value of receivables and accounts payable and accrued liabilities approximates fair value due to the short term nature of the financial instruments. Cash is classified as fair value through profit or loss and is measured using level 1 inputs of the fair value hierarchy. Receivables and accounts payable and accrued liabilities are classified at amortized cost.

Risk Management

The Company is exposed to minimal financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. As at September 30, 2018, the Company is not exposed to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and financial support from GDH LP. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. Furthermore, under the LPA, GDH LP is responsible for reimbursing the Company for all reasonable operating expenses. Therefore, the Company is not currently exposed to significant liquidity risk.

Interest rate risk

The Company is not currently exposed to significant interest rate risk.

Foreign exchange risk

The Company's functional currency and the reporting currency is the US dollar. Periodically the Company incurs charges on its operations for settlement in currencies other than its functional currency and any gain or loss arising on such transactions is recorded in operations for the period. The Company is not currently exposed to significant foreign exchange risk.

Commodity and market risk

The Company's investment in associate is impacted by the associate's investments in digital assets as well as private companies, both of which may be subject to significant changes in value.