
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2019

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 000-55049

CURRENCYWORKS INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction
of incorporation or organization)

27-3098487

(I.R.S. Employer
Identification No.)

4101 Redwood Ave, Building F, Los Angeles, CA 90066

(Address of principal executive offices) (Zip Code)

424.570.9446

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 23,329,474 common shares issued and outstanding as at November 12, 2019.

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

Our unaudited condensed interim consolidated financial statements are stated in United States dollars and are prepared in accordance with United States generally accepted accounting principles.

It is the opinion of management that the unaudited condensed interim consolidated financial statements for the quarter ended September 30, 2019 include all adjustments necessary in order to ensure that the unaudited condensed interim consolidated financial statements are not misleading.

CurrencyWorks Inc.
Condensed Consolidated Balance Sheets
(unaudited)

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 25,990	\$ 898,142
Accounts receivable (net), related party	-	20,000
Prepaid expenses	36,616	82,215
Prepaid expenses, related party	15,000	15,000
Deferred service costs	730,437	874,838
Related party loans receivable and related accrued interest	-	1,280,666
Total Current Assets	808,043	3,170,861
Investment, related party	37	37
Total Assets	\$ 808,080	\$ 3,170,898
Liabilities and Stockholders' Deficit		
Current Liabilities		
Accounts payable and accrued expenses	\$ 331,628	\$ 239,026
Accounts payable and accrued expenses, related party	565,690	47,431
Notes payable, related party	320,000	-
Interest on notes payable, related party	2,817	-
Current portion of convertible notes	73,825	-
Current portion of interest on convertible notes	63,289	-
Total Current Liabilities	1,357,249	286,457
Convertible notes payable	926,500	500,325
Accrued interest on convertible notes	125,566	115,518
Total Liabilities	2,409,315	902,300
Commitments and Contingencies	-	-
Stockholders' Equity (Deficit)		
Common stock, \$0.001 par value, 75,000,000 shares authorized; 23,329,474 and 21,579,474 shares issued and outstanding, respectively	23,329	21,579
Additional paid-in-capital	7,432,292	6,959,881
Accumulated deficit	(9,031,938)	(4,712,862)
Total CurrencyWorks Stockholders' Equity (Deficit)	(1,576,317)	2,268,598
Non-controlling Interest	(24,918)	-
Total Stockholders' Equity (Deficit)	(1,601,235)	2,268,598
Total Liabilities and Stockholders' Equity (Deficit)	\$ 808,080	\$ 3,170,898

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

CurrencyWorks Inc.
Condensed Consolidated Statement of Operations
(Unaudited)

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Revenues				
Service revenue	\$ -	\$ -	\$ 250,000	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>-</u>
Operating expenses				
General and administrative expense	550,783	809,153	2,083,941	1,834,738
Consulting fees, related party	76,300	105,000	251,300	455,000
Service costs	18,685	78,421	75,708	651,341
Total operating expenses	<u>645,768</u>	<u>992,574</u>	<u>2,410,949</u>	<u>2,941,079</u>
Net loss from operations	(645,768)	(992,574)	(2,160,949)	(2,941,079)
Other income (expense)				
Interest income, related party	18,904	11,762	56,096	11,960
Note interest expense	(34,394)	(16,146)	(76,154)	(55,901)
Bad debt expense	(110,000)	-	(110,000)	-
Impairment of deferred service costs	(716,635)	-	(716,635)	-
Impairment of loan receivable	(1,336,762)	-	(1,336,762)	-
Total other expense	<u>(2,178,887)</u>	<u>(4,384)</u>	<u>(2,183,455)</u>	<u>(43,941)</u>
Provision for taxes	-	-	-	-
Net loss	<u>(2,824,655)</u>	<u>(996,958)</u>	<u>(4,344,404)</u>	<u>(2,985,020)</u>
(Income)/loss from non-controlling interest	(6,237)	-	25,328	-
Net loss attributable to CurrencyWorks	<u>\$ (2,830,892)</u>	<u>\$ (996,958)</u>	<u>\$ (4,319,076)</u>	<u>\$ (2,985,020)</u>
Loss per common share – Basic and diluted	<u>\$ (0.12)</u>	<u>\$ (0.05)</u>	<u>\$ (0.19)</u>	<u>\$ (0.19)</u>
Weighted average number of common shares outstanding, basic and diluted	<u>23,329,474</u>	<u>20,874,524</u>	<u>22,809,327</u>	<u>15,710,686</u>

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

CurrencyWorks Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	<u>Nine Months Ended September 30, 2019</u>	<u>Nine Months Ended September 30, 2018</u>
Operating activities		
Net loss for the period	\$ (4,344,404)	\$ (2,985,020)
Adjustments to reconcile net loss to net cash used in operating activities		
Stock-based compensation	33,601	43,039
Stock-based compensation, related party	71,846	144,305
Changes in operating assets and liabilities		
Accounts receivable, related party	20,000	500,000
Prepaid expense	45,599	(45,181)
Prepaid expense, related party	-	20,000
Deferred service costs	144,401	(597,175)
Accrued interest receivable, related party	30,666	(11,010)
Accounts payable and accrued expenses	92,602	141,315
Accounts payable and accrued expenses, related party	518,259	(1,096)
Accrued interest on notes payable	73,337	47,912
Accrued interest on notes payable, related party	2,817	-
Impairment of Loan to Ryde Holding Inc., related party	1,250,000	-
Net cash (used in) operating activities	<u>(2,061,276)</u>	<u>(2,742,911)</u>
Investing activities		
Repayment of loan issued to related party	-	100,000
Loan to Ryde Holding Inc., related party	-	(1,250,000)
Sale of sBetOne shares to Duck Holdings	200	-
Issuance of shares from sBetOne	100	-
Cancellation of sBetOne shares	110	-
Net cash provided by (used in) investing activities	<u>410</u>	<u>(1,150,000)</u>
Financing activities		
Proceeds from issuance of loans payable	-	400,000
Repayment of loans payable	-	(400,000)
Proceeds from issuance of notes payable, related party	320,000	-
Proceeds from issuance of convertible notes payable	575,000	-
Proceeds from share issuance	295,565	5,468,195
Less share issue costs	(1,851)	(235,206)
Net cash provided by financing activities	<u>1,188,714</u>	<u>5,232,989</u>
Net changes in cash and equivalents	<u>(872,152)</u>	<u>1,340,078</u>
Cash and equivalents at beginning of the period	<u>898,142</u>	<u>214,993</u>
Cash and equivalents at end of the period	<u>\$ 25,990</u>	<u>\$ 1,555,071</u>

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

CurrencyWorks Inc.
Condensed Consolidated Statements of Cash Flows (cont'd)
(Unaudited)

	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid in interest	\$ -	\$ 7,989
Cash paid for income taxes	\$ -	\$ -
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Stock-based compensation	\$ 33,601	\$ 43,039
Stock-based compensation, related party	\$ 71,846	\$ 144,305
Conversion of convertible debt	\$ 75,000	\$ -

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

CurrencyWorks Inc.
Reconciliation of Stockholders' Equity (Deficit)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Non- Controlling Interest	Total Stockholders' Equity (Deficit)
	Number of Shares	Amount				
Balance, December 31, 2017	11,600,000	\$ 11,600	\$ 826,018	\$ (693,008)	\$ -	\$ 144,610
Stock-based compensation	-	-	3,229	-	-	3,229
Stock-based compensation, related party	-	-	41,289	-	-	41,289
Net loss for the period	-	-	-	(1,022,518)	-	(1,022,518)
Balance, March 31, 2018	11,600,000	11,600	870,536	(1,715,526)	-	(833,390)
Stock-based compensation	-	-	23,132	-	-	23,132
Stock-based compensation, related party	-	-	57,575	-	-	57,575
Share issuance	9,274,524	9,275	5,223,714	-	-	5,232,989
Net loss for the period	-	-	-	(965,544)	-	(965,544)
Balance, June 30, 2018	20,874,524	20,875	6,174,957	(2,681,070)	-	3,514,762
Stock-based compensation	-	-	16,678	-	-	16,678
Stock-based compensation, related party	-	-	45,441	-	-	45,441
Net loss for the period	-	-	-	(996,958)	-	(996,958)
Balance, September 30, 2018	<u>20,874,524</u>	<u>\$ 20,875</u>	<u>\$ 6,237,076</u>	<u>\$ (3,678,028)</u>	<u>\$ -</u>	<u>\$ 2,579,923</u>
Balance, December 31, 2018	21,579,474	\$ 21,579	\$ 6,959,881	\$ (4,712,862)	\$ -	\$ 2,268,598
Stock-based compensation	-	-	3,523	-	-	3,523
Stock-based compensation, related party	-	-	30,095	-	-	30,095
Share issuance for conversion of debt	750,000	750	74,250	-	-	75,000
Net loss for the period	-	-	-	(1,136,510)	-	(1,136,510)
Balance, March 31, 2019	22,329,474	22,329	7,067,749	(5,849,372)	-	1,240,706
Stock-based compensation	-	-	64,290	-	-	64,290
Stock-based compensation, related party	-	-	24,614	-	-	24,614
Share issuance	1,000,000	1,000	292,714	-	410	294,124
Net loss for the period	-	-	-	(351,674)	(31,565)	(383,239)
Balance, June 30, 2019	23,329,474	\$ 23,329	\$ 7,449,367	\$ (6,201,046)	\$ (31,155)	\$ 1,240,495
Stock-based compensation	-	-	(34,212)	-	-	(34,212)
Stock-based compensation, related party	-	-	17,137	-	-	17,137
Net loss for the period	-	-	-	(2,830,892)	6,237	(2,824,655)
Balance, September 30, 2019	<u>23,329,474</u>	<u>23,329</u>	<u>7,432,292</u>	<u>(9,031,938)</u>	<u>(24,918)</u>	<u>(1,601,235)</u>

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

CurrencyWorks Inc.
Notes to Unaudited Condensed Interim Consolidated Financial Statements
As of September 30, 2019 and for the three and nine months ended September 30, 2019 and 2018

1. NATURE AND CONTINUANCE OF OPERATIONS

CurrencyWorks Inc. (the “Company” or “CurrencyWorks”) was incorporated under the laws of the State of Nevada on July 20, 2010, with an authorized capital of 75,000,000 common shares, having a par value of \$0.001 per share. During the period ended December 31, 2010, the Company commenced operations by issuing shares and developing its publishing service business, focused on representing authors to publishers.

On February 14, 2018, the Company changed its name from “AppCoin Innovations Inc.” to “ICOx Innovations Inc.”

On August 17, 2018, a subsidiary of the Company changed its name from “AppCoin Innovations (USA) Inc.” to “ICOx USA, Inc.”

On November 19, 2018, we incorporated a new Delaware subsidiary, GN Innovations, Inc., to provide blockchain technology opportunities to the sports and entertainment industry by working with large and well-established brands.

On November 28, 2018, we incorporated a new Delaware subsidiary, Cathio, Inc, to provide blockchain technology opportunities to the Catholic community.

Effective December 5, 2018, we effected a name change for our subsidiary from “GN Innovations, Inc.” to “GN1, Inc.”.

Effective February 6, 2019, we effected a name change for our subsidiary from “GN1, Inc.” to “sBetOne, Inc.”.

On September 3, 2019, the Company changed its name from “ICOx Innovations Inc.” to “CurrencyWorks Inc.” and a subsidiary of the Company changed its name from “ICOx USA, Inc.” to “CurrencyWorks USA Inc.”.

The Company’s business model is to provide a turnkey set of services for companies to develop and integrate blockchain and cryptocurrency technologies into their business operations. The Company will enable its customers to focus on their core competencies while providing the necessary resources and expertise to execute a strategy that will enable companies to integrate new blockchain plus cryptocurrency technologies into their business operations. The Company will be compensated on a fee-for-services model. The Company may also accept tokens or coins in payment for its services, to the extent permitted under applicable law.

The Company’s services will include strategic planning, project planning, structure development and administration, business plan modeling, technology development support, whitepaper preparation, due diligence reporting, governance planning and management.

Going Concern

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred losses since inception resulting in an accumulated deficit of \$9,031,938 as of September 30, 2019 and further losses are anticipated in the pursuit of the Company’s new service business opportunity, raising substantial doubt about the Company’s ability to continue as a going concern. The ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and/or obtaining the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management intends to finance operating costs over the next twelve months with existing cash on hand, loans from directors and/or the private placement of common stock.

The financial statements do not include any adjustments relating to the recoverability and classification of assets or the amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The unaudited condensed interim consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles (“GAAP”) in the United States of America.

Basis of Consolidation

The unaudited condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries. We have determined that one subsidiary, sBetOne, Inc., is a variable interest entity and we are the primary beneficiary of the entity’s activities. As a result, we have consolidated the accounts of this variable interest entity into the accompanying consolidated financial statements. All intercompany transactions and balances have been eliminated.

Unaudited Interim Financial Information

The accompanying unaudited condensed interim consolidated financial statements and related notes have been prepared in accordance with U.S. GAAP for interim financial information, and with the rules and regulations of the United States Securities and Exchange Commission (the “SEC”) to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. The unaudited condensed interim consolidated financial statements reflect all adjustments (consisting of normal recurring accruals) which are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented. Unaudited interim results are not necessarily indicative of the results for the full fiscal year. These unaudited condensed interim consolidated financial statements should be read in conjunction with the financial statements of the Company for the year ended December 31, 2018 and notes thereto contained in the information as part of the Company’s Annual Report on Form 10-K, which was filed with the SEC on March 26, 2019.

Use of Estimates

The preparation of unaudited condensed interim consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and these differences could be material.

Earnings per Share

The Company computes earnings (loss) per share in accordance with ASC 105, “Earnings per Share” which requires presentation of both basic and diluted earnings per share on the face of the statement of operations. Basic earnings (loss) per share is computed by dividing net loss available to common stockholders by the weighted average number of outstanding common shares during the period. Diluted earnings (loss) per share gives effect to all dilutive potential common shares outstanding during the period. At September 30, 2019, common shares from the conversion of debt (11,443,953 shares) (Note 5) and exercise of stock options (2,005,549 shares) (Note 10) have been excluded as their effect is anti-dilutive. At September 30, 2018, common shares from the conversion of debt (11,760,208 shares) and exercise of stock options (880,553 shares) have been excluded as their effect is anti-dilutive.

Revenue Recognition

Revenue is recognized in accordance with FASB ASC Topic 606, Revenue Recognition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The Company primarily generates revenues from professional services consulting agreements. These arrangements are generally entered into on a contingent fee basis. There is no prepayment or retainer required prior to performing services and the entire fees is earned on a contingent basis. The Company also provides monthly post-business launch support services. The recurring monthly post-business launch support services are recognized as revenue each month that the subscription is maintained.

The Company generally enters into arrangements for which revenues are contingent upon achieving a pre-determined deliverable or future outcome. Any contingent revenue for these arrangements is not recognized until the contingency is resolved and collectability is reasonably assured.

Differences between the timing of billings and the recognition of revenue are recognized as either unbilled revenue (a component of accounts receivable) or deferred revenue on the consolidated balance sheet. Revenues recognized for services performed but not yet billed to clients are recorded as unbilled revenue.

Reimbursable expenses, including those relating to travel, other out-of-pocket expenses and any third-party costs, are included as a component of revenues. Typically, an equivalent amount of reimbursable expenses are included in total direct client service costs. Taxes collected from customers and remitted to governmental authorities are presented in the statement of operations on a net basis.

Service Costs

The Company's policy is to defer direct service costs that relate to the earning of contingent fee revenue. These deferred costs are expensed when the contingent fee revenue is recognized or when the earning the contingent fee revenue is in doubt.

Recently Adopted Accounting Pronouncements

Leases (ASU 2016-02)

In February 2016, the FASB issued ASU 2016-02, "Leases" which was issued to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The amendments in ASU 2016-02 are effective for our quarter ended September 30, 2019. This standard had no effect on our financial statements.

Stock Compensation (ASU 2018-07)

In June 2018, the FASB issued ASU 2018-07, "Compensation-Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting", which expands the scope of Topic 718 to include all share-based payment transactions for acquiring goods and services from nonemployees. ASU 2018-07 specifies that Topic 718 applies to all share-based payment transactions in which the grantor acquires goods and services to be used or consumed in its own operations by issuing share-based payment awards. ASU 2018-07 also clarifies that Topic 718 does not apply to share-based payments used to effectively provide (1) financing to the issuer or (2) awards granted in conjunction with selling goods or services to customers as part of a contract accounted for under ASC 606. The amendments in ASU 2018-07 are effective for our quarter ended September 30, 2019. This standard had no effect on our financial statements.

3. ACCOUNTS RECEIVABLE, RELATED PARTY

As at September 30, 2019, the Company had outstanding accounts receivable from a related party of \$110,000 (December 31, 2018 - \$20,000). On September 30, 2019, due to concerns about collectability, an allowance for doubtful accounts was created for the entire amount. We are still pursuing the collection of these receivables.

4. IMPAIRMENTS

On September 30, 2019, the Company took an impairment on the following assets:

Deferred service costs of \$716,635 were impaired as the path to bringing these clients to a revenue generating position is no longer likely.

The loan receivable of \$1,250,000, plus accrued interest of \$86,762, was impaired as the loan matured at the end of the quarter and there were concerns about collectability. Efforts to pursue the receivable amounts will continue.

5. CONVERTIBLE NOTES PAYABLES AND NOTES PAYABLE, RELATED PARTY

The Company has convertible notes outstanding as at September 30, 2019 and are as follows:

	<u>Start Date</u>	<u>Maturity Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Note 1 ⁽¹⁾	09-14-2015	09-14-2020	8%	\$ 73,825	\$ 47,588	\$ 121,413
Note 2 ⁽¹⁾	12-30-2016	12-30-2021	8%	50,000	20,592	70,592
Note 3 ⁽¹⁾	12-30-2016	12-30-2021	8%	21,500	8,854	30,354
Note 4 ⁽¹⁾	03-02-2017	03-02-2022	8%	20,000	7,625	27,625
Note 5 ⁽¹⁾	06-08-2017	06-08-2022	8%	10,000	3,329	13,329
Note 6 ⁽²⁾	10-30-2017	10-30-2020	10%	250,000	47,946	297,946
Note 7 ⁽²⁾	10-30-2017	10-30-2020	10%	-	8,938	8,938
Note 8 ⁽³⁾	02-13-2019	08-12-2020	15%	25,000	2,353	27,353
Note 9 ⁽³⁾	02-22-2019	08-21-2020	15%	225,000	20,342	245,342
Note 10 ⁽³⁾	02-27-2019	08-26-2020	15%	50,000	4,418	54,418
Note 11 ⁽³⁾	03-12-2019	09-11-2020	15%	25,000	2,075	27,075
Note 12 ⁽³⁾	05-09-2019	11-08-2020	15%	250,000	14,795	264,795
Note 13	07-18-2019	-	5%	250,000	2,534	252,534
Note 14	08-09-2019	-	5%	25,000	178	25,178
Note 15	09-13-2019	-	5%	45,000	105	45,105
Total				<u>\$ 1,320,325</u>	<u>\$ 191,672</u>	<u>\$ 1,511,997</u>

- (1) The principal of the note, and the interest calculated up to November 30, 2018, may be converted into shares of common stock of the Company at a conversion price of \$0.03 per share.
- (2) The note may be converted into shares of common stock of the Company at a conversion price of \$0.10 per share.
- (3) The note is held in sBetOne, Inc. ("sBetOne"), a subsidiary of the Company, and may be converted into shares of common stock of sBetOne. In the event that sBetOne issues equity securities in a transaction or series of transactions resulting in aggregate gross proceeds of \$2.5 million including the conversion of the notes and any other indebtedness, then the notes and any accrued but unpaid interest thereon, will automatically convert into the equity securities issued in such financings:
 - (i) at a conversion price equal to 70% of the lowest per share price paid by the purchasers of such equity securities in such financings for the first \$600,000 notes issued; and at a conversion price equal to 75% of the lowest per share price for notes issued over the first \$600,000 up to \$1,500,000.
 - (ii) the price per share equal to the quotient of \$27,000,000 divided by the aggregate number of shares outstanding shares of sBetOne's common stock immediately prior to the conversion election date.

Notes 1 through 5 were initially entered into with an interest rate of 18% per annum. On November 5, 2018, amendment agreements were signed amending the interest rate to 8% per annum effective December 1, 2018. The amendments also state that the new interest is payable only in cash on a quarterly basis commencing December 1, 2018 on March 31, June 30, September 30, and December 31 of each year until the Maturity Date or earlier on the date that all amounts owing under this Note are prepaid by the Company. The principal, and the interest calculated until November 30, 2018, may still be converted to shares.

5. CONVERTIBLE NOTES PAYABLES AND NOTES PAYABLE, RELATED PARTY (CONT'D)

On January 8, 2019, the principal of Note 7 was converted into common shares at a conversion price of \$0.10 per share for a share issuance of 750,000 shares. As at September 30, 2019, the interest accrued is still payable.

Notes 8 through 12 were issued through sBetOne.

Notes 13 through 15 were entered into with an interest rate of 5% per annum, are unsecured, and are payable on demand. These notes were made with a related party in which the Company's chairman is a director and an officer.

The balances of the convertible notes outstanding as at December 31, 2018 were as follows:

	<u>Start Date</u>	<u>Maturity Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Note 1 ⁽¹⁾	09-14-2015	09-14-2020	8%	\$ 73,825	\$ 43,170	\$ 116,995
Note 2 ⁽¹⁾	12-30-2016	12-30-2021	8%	50,000	17,600	67,600
Note 3 ⁽¹⁾	12-30-2016	12-30-2021	8%	21,500	7,568	29,068
Note 4 ⁽¹⁾	03-02-2017	03-02-2022	8%	20,000	6,428	26,428
Note 5 ⁽¹⁾	06-08-2017	06-08-2022	8%	10,000	2,731	12,731
Note 6 ⁽²⁾	10-30-2017	10-30-2020	10%	250,000	29,247	279,247
Note 7 ⁽²⁾	10-30-2017	10-30-2020	10%	75,000	8,774	83,774
Total				<u>\$ 500,325</u>	<u>\$ 115,518</u>	<u>\$ 615,843</u>

⁽¹⁾ The principal of the note, and the interest calculated up to November 30, 2018, may be converted into shares of common stock of the Company at a conversion price of \$0.03 per share.

⁽²⁾ The note may be converted into shares of common stock of the Company at a conversion price of \$0.10 per share.

Based upon the balances as of September 30, 2019, the convertible notes and the related interest will come due in the following years:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 320,000	\$ 11,755	\$ 331,755
2020	898,825	139,516	1,038,341
2021	71,500	29,446	100,946
2022	30,000	10,955	40,955
2023	-	-	-
Total	<u>\$ 1,320,325</u>	<u>\$ 191,672</u>	<u>\$ 1,511,997</u>

6. NOTES RECEIVABLE – RELATED PARTY

On July 9, 2018, the Company entered into a loan agreement with Ryde Holding Inc. ("Ryde") whereby the Company provided to Ryde a loan in the principal amount of \$750,000. The principal amount of the loan bears interest at the rate of 2% per annum, provided, any amounts not paid when due will immediately commence accruing interest at the default rate of 10% per annum. The principal amount of the loan, any accrued and unpaid interest thereon, and any other amounts owing under the loan matures on the earlier of (i) March 9, 2019 and (ii) the closing by Ryde of a minimum of \$3,000,000 in financings, in the aggregate, whether through the sale of KodakCoins, equity or otherwise. Ryde can prepay all outstanding amounts on 10 days' notice to our company.

As a condition for entering into the loan agreement, Ryde GmbH, a subsidiary of Ryde, provided a corporate guarantee dated July 9, 2018 to the Company, pursuant to which Ryde GmbH unconditionally guaranteed and promised to pay the Company on demand all amounts that become due from Ryde under the loan agreement with Ryde and any other amounts that we may in the future loan or advance to Ryde.

6. NOTES RECEIVABLE – RELATED PARTY (CONT'D)

Also, as a condition for entering into the loan agreement, Ryde entered into the amendment no. 2, dated as of July 9, 2018, to the business service agreement dated December 29, 2017 as amended as of March 15, 2018, with the Company. Pursuant to the amendment no. 2, the Company and Ryde agreed that each party will be responsible for its respective expenses and agreed not to charge any out of pocket expenses to the other party unless expressly approved by the other party in advance in writing. As of September 30, 2019, the loan and the interest were impaired (Note 4).

On July 27, 2018, the Company entered into a loan agreement with Ryde whereby the Company provided to Ryde a loan in the principal amount of \$500,000. This loan is unsecured, will mature on the earlier of eight (8) months from the date of issuance or the closing by Ryde of a minimum of \$4,250,000 in financings, in the aggregate, whether through the sale of KodakCoins, equity, or otherwise and will bear interest at the rate of 12% interest per annum. However, any amounts not paid when due shall immediately commence accruing interest at the default rate of 18% per annum. As of September 30, 2019, the loan and the interest were impaired (Note 4).

On July 12, 2019, the Company signed a Loan Extension Agreement (“Agreement”) to extend the maturity dates of the outstanding Notes Receivable (Note 5) with Ryde. The new maturity date for both notes is September 30, 2019 and, effective and including March 28, 2019, the interest rate increased to 18% per annum calculated and compounded monthly based on a 365-day year with interest payable upon repayment of the principal amount, or any portion thereof. This Agreement also secures the notes against a full and up to date copy of the entire Ryde software.

As at September 30, 2019, the balances of the outstanding notes receivable were impaired (Note 4).

The balances of the notes receivable outstanding as at December 31, 2018 were as follows:

	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Note 1	07-09-2018	03-09-2019	2%	\$ 750,000	\$ 7,192	\$ 757,192
Note 2 ⁽¹⁾	07-27-2018	03-27-2019	12%	500,000	23,474	523,474
Total				<u>\$ 1,250,000</u>	<u>\$ 30,666</u>	<u>\$ 1,280,666</u>

⁽¹⁾ The \$500,000 was issued in four tranches and the interest is calculated based on the dates that those tranches were issued.

7. COMMITMENTS

ASU 2016-02 was adopted in the period ended September 30, 2019.

Starting May 1, 2018, the Company entered into a contract to lease its premises. The contract is effective until February 28, 2020 and is for \$16,500 per month. On March 29, 2019, the lease agreement was amended effective May 1, 2019 until March 31, 2020 and to be for \$8,250 per month. As the amended lease is for less than a one-year term, it is considered a short-term commitment and the right-of-use asset and lease liability were reduced to zero.

8. RELATED PARTY TRANSACTIONS

In support of the Company’s efforts and cash requirements, it may rely on advances from stockholders until such time as the Company can support its operations through revenue generation or attain adequate financing through sales of its equity or traditional debt financing. There is no formal written commitment for continued support by stockholders. Amounts represent advances or amounts paid in satisfaction of liabilities.

The Company’s office premises were provided to it at no cost by one of its directors until April 30, 2018. This director did not take any fees for serving as director during the period ended September 30, 2019.

8. RELATED PARTY TRANSACTIONS (CONT'D)

In October 2017, the Company signed an agreement with a company in which the Company's Chairman is a director, officer, and 30.5% shareholder, to provide strategic management services. The agreement is for a two-year term that will automatically be renewed unless: (i) mutually agreed to by Business Instincts Group Inc. ("BIG") and us, or (ii) written notice of non-renewal is provided by the non-renewing party to the other at least 90 days prior to the end of the term. The agreement can be terminated by either party, without cause, at any time upon the provision of 90 days written notice to the other party. This agreement committed the Company to pay \$35,000 a month and a signing bonus of \$100,000 payable as follows: (i) \$50,000 upon closing of up to \$750,000 of equity financing and (ii) \$50,000 payable on signing of the first client agreement which were paid in 2017 and 2018. On June 26, 2018, the agreement was amended to pay \$105,000 a month as of June 1, 2018 and pay a bonus of \$280,000. \$140,000 of the bonus has been paid with the remaining portion to be paid upon signing of two additional clients. As of September 30, 2019, the Company had trade and other payables owing to this related party of \$288,843 (\$259,050 per the MSA, and \$29,793 in expense reimbursements) (December 31, 2018 - \$20,458).

The Company entered into three promissory notes on July 18, 2019, August 9, 2019, and September 13, 2019, with BIG. As of September 30, 2019, the Company owed \$322,817 in principal and interest (December 31, 2018 - \$Nil).

The Company's chairman and one of its directors, Cameron Chell, is a director, officer, and an indirect shareholder of Business Instincts Group Inc. which owns 10% of the common stock of Ryde and he is also a director, officer, and indirect shareholder of Blockchain Merchant Group, Inc. which owns 2.5% of the common stock of Ryde and the Company owns 7.5% of the common stock of Ryde. Mr. Chell is also a director, chairman, and officer of Ryde. Mr. Elliott is the President of the Company and a former officer of Ryde. The Company's Chief Financial Officer, Swapan Kakumanu, is also the Chief Financial Officer of Ryde.

On December 4, 2018, the Company appointed Swapan Kakumanu as Chief Financial Officer. Previously, on October 9, 2017, the Company had signed an agreement with a company owned by Swapan Kakumanu to complete the accounting functions of the Company. As of September 30, 2019, the Company had trade and other payables owing to this related party of \$46,688 (\$45,000 per the agreement, and \$1,688 in expense reimbursements) (December 31, 2018 - \$14,000).

9. STOCKHOLDERS' EQUITY

The Company's common stock is issued at a \$0.001 par value. 75,000,000 shares have been authorized. As at September 30, 2019, 23,329,474 shares were issued and outstanding (December 31, 2018 – 21,579,474).

The increase in common stock outstanding in the current period is due to the conversion of a convertible debenture. On January 8, 2019, the \$75,000 principal of the convertible Note 7 was converted into common shares at a conversion price of \$0.10 per share for a share issuance of 750,000 shares (Note 5).

On May 16, 2019, the Company completed a private placement where 1,000,000 shares were issued at a price of \$0.40 (Canadian dollars ("CAD")) for total gross proceeds of \$400,000 CAD or \$295,565 less share issue costs of \$1,836.

10. STOCK-BASED COMPENSATION

The Company has adopted the 2017 Equity Incentive Plan ("the Plan") under which non-transferable options to purchase common shares of the Company may be granted to directors, officers, employees, or consultants of the Company. The terms of the Plan provide that the Board of Directors have the right to grant options to acquire common shares of the Company at not less than the closing market price of the shares on the day preceding the grant at terms of up to ten years. No amounts are paid or payable by the recipient on receipt of the options. As of December 31, 2018, and September 30, 2019, the maximum number of options available for grant was 3,900,000 shares. As of September 30, 2019, there are 3,500,000 stock options issued (December 31, 2018 – 3,400,000) and 400,000 stock options unissued (December 31, 2018 – 500,000).

10. STOCK-BASED COMPENSATION (CONT'D)

On February 13, 2019, the Company granted a total of 100,000 stock options to a consultant. The stock options are exercisable at the exercise price of \$0.60 per share for a period of ten years from the date of grant. The stock options have a fair value of \$0.2480 and are exercisable as follows:

- (i) 1/3 on the first anniversary date;
- (ii) 1/3 on the second anniversary date; and
- (iii) 1/3 on the third anniversary date.

Stock options granted are valued at the fair value calculation based off the Black-Scholes valuation model. The weighted average assumptions used in the calculation are as follows:

	Nine Months Ended September 30,	
	2019	2018
Share price	\$ 0.16-0.25	\$ 0.60
Exercise price	\$ 0.60	\$ 0.60-1.00
Time to maturity (years)	10	2-10
Risk-free interest rate	1.68%-2.71%	2.61%-3.05%
Expected volatility	122.51%-172.65%	50.48%-192.68%
Dividend per share	\$ 0.00	\$ 0.00
Forfeiture rate	Nil	Nil

	Number of Options	Weighted Average Grant-Date Fair Value (\$)	Weighted Average Exercise Price (\$)	Weighted Average Remaining Life (Yrs)
Options outstanding, December 31, 2018	3,400,000	0.13	0.15	8.1
Granted	100,000	0.25	0.60	9.4
Exercised	-	-	-	-
Forfeited	-	-	-	-
Options outstanding, September 30, 2019	3,500,000	0.17	0.19	8.1
Options exercisable, September 30, 2019	2,005,549	0.16	0.19	7.9

Cathio, Inc. ("Cathio"), a subsidiary of the Company, has issued nonvested shares to the management team of Cathio.

On March 5, 2019, Cathio granted a total of 16,000,000 nonvested shares to two officers of Cathio. These nonvested shares vest based upon various milestones, have no exercise price, exercise immediately upon vesting, and do not expire except upon resignation of the employee or by a resolution by the Board of Directors.

Nonvested shares are valued at the date of the grant at the fair value of the common stock and are expensed over the vesting period. As vesting conditions are not wholly dependent on the employee and there is no timeline for them, for accounting purposes, the fair value will be calculated and the expense will be recognized upon the achievement of the milestones.

sBetOne, Inc. ("sBetOne"), a subsidiary of the Company, has issued nonvested shares to a member of the Board of Directors of sBetOne.

On March 22, 2019, sBetOne granted a total of 150,000 nonvested shares to a member of the Board of Directors of sBetOne. These nonvested shares vest 1/36 starting April 1, 2019 and at the beginning of the month for the following 35 months, have no exercise price, exercise immediately upon vesting, and do not expire except upon resignation of the employee or by a resolution by the Board of Directors.

10. STOCK-BASED COMPENSATION (CONT'D)

Nonvested shares are valued at the date of the grant at the fair value of the common stock and are expensed over the vesting period. As at the grant date of the nonvested shares, the fair value of the common stock was based upon the issuance of the founder shares at \$0.0001 per share.

On June 12, 2019, June 27, 2019, and June 28, 2019, sBetOne granted a total of 150,000 stock options to three advisors. The stock options are exercisable at the price of \$0.01 per share for a period of ten years from the date of grant. The fair values of the stock options were \$0.7880, \$0.7380, and \$0.7680, respectively. The stock options are exercisable as follows:

- (i) 1/2 upon the date of grant; and
- (ii) 1/2 on the first anniversary date.

11. NON-CONTROLLING INTEREST

The Company has three subsidiaries, CurrencyWorks USA Inc., Cathio, Inc., and sBetOne, Inc. The Company has 100% ownership of CurrencyWorks USA Inc. and Cathio, Inc.

For sBetOne, Inc., on April 1, 2019, the Company transferred 2,000,000 of its shares to a third-party and cancelled 1,097,826 of its shares. Additionally, 2,097,826 shares of sBetOne, Inc. were issued to third-parties, reducing the Company's ownership in this subsidiary to 59.02%

12. SUBSEQUENT EVENTS

On October 25, 2019, the Company issued 333,333 common shares at a deemed price of \$0.30 per share for total consideration of \$100,000 to Tryton Financial Corporation as settlement of a \$100,000 bonus that was recognized when the Company's shares were approved for trading on the TSX Venture Exchange.

On November 7, 2019, the Company issued 93,226 common shares at a deemed price of \$0.1609 per share for total consideration of \$15,000 to Uptick Capital LLC per the strategic advisory agreement signed August 1, 2019.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Forward-Looking Statements

This quarterly report contains forward-looking statements. Forward-looking statements are projections of events, revenues, income, future economic performance or management's plans and objectives for future operations. In some cases, forward-looking statements can be identified by the use of terminology such as "may", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential" or "continues" or the negative of these terms or other comparable terminology. Examples of forward-looking statements made in this quarterly report include or may include, among others, statements about:

- our proposed plan of operations;
- our financial and operating objectives and strategies to achieve them;
- the costs and timing of our services;
- our use of available funds;
- our capital and funding requirements; and
- our other financial or operating performances.

The material assumptions supporting these forward-looking statements include, among other things:

- our future growth potential, results of operations, future prospects and opportunities;
- execution of our business strategy;
- there being no material variations in current regulatory environments;
- our operating expenses, including general and administrative expenses;
- our ability to obtain any necessary financing on acceptable terms;
- timing and amount of capital expenditures;
- retention of skilled personnel;
- continuation of current tax and regulatory regimes; and
- general economic and financial market conditions.

Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

These forward-looking statements are only predictions and involve known and unknown risks, uncertainties and other factors, including:

- inability to efficiently manage our operations;
- general economic and business conditions;
- our negative operating cash flow;
- our ability to obtain additional financing;
- increases in capital and operating costs;
- general cryptocurrency risks;
- technological changes and developments in the blockchain and cryptocurrencies;
- risks relating to regulatory changes or actions;
- competition for blockchain platforms and technologies; and
- other risk factors discussed in our annual report on Form 10-K filed on March 26, 2019,

any of which may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Further, although we have attempted to identify factors that could cause actual results, levels of activity, performance or achievements to differ materially from those described in forward-looking statements, there may be other factors that cause results, levels of activity, performance or achievements not to be as anticipated, estimated or intended.

While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect management's current judgment regarding the direction of our business, actual results may vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Accordingly, readers should not place undue reliance on forward-looking statements. Except as required by applicable law, including the securities laws of the United States and Canada, we do not intend to update any of the forward-looking statements to conform these statements to actual results. All forward-looking statements in this quarterly report are qualified by this cautionary statement.

All financial information contained herein is shown in United States dollars unless otherwise stated. Our financial statements are prepared in accordance with United States generally accepted accounting principles. Unless otherwise stated, "\$" refers to United States dollars.

In this quarterly report, unless otherwise specified, all references to "shares" refer to shares of common stock in the capital of our company.

As used in this quarterly report, the terms "we", "us", "the Company", "our" and "CurrencyWorks" mean CurrencyWorks Inc. and its wholly-owned subsidiaries, CurrencyWorks USA Inc. (formerly ICOx USA, Inc.), Cathio, Inc., and sBetOne, Inc., unless otherwise specified.

Overview

CurrencyWorks (TSXV and OTCQB: CWRK) creates and manages digital currencies for innovative brands to grow their businesses – attracting, engaging and retaining their customers through the creation and use of their own digital currencies. CurrencyWorks enables brands to provide additional payment options at lower costs while owning more of the transactional data chain and driving new models for customer loyalty. CurrencyWorks leverages its expertise in blockchain technology and regulatory compliance to deliver branded digital currencies for its clients.

Our business is a services and development business that provides a turnkey set of services for companies to develop and integrate blockchain and cryptocurrency technologies into their business operations. We anticipate that we will enable companies to focus on their core competencies while providing the necessary resources and expertise to execute a strategy that will enable companies to integrate new blockchain plus cryptocurrency technologies into their business operations. Our plan is to be compensated on a fee-for-services model, technology licensing model and recurring transactions revenue model. We may also accept tokens, coins, or equity in payment for our services, to the extent permitted under applicable law.

Our experienced CurrencyWorks team, solid blockchain infrastructure offerings for both digital wallets and digital currencies, and ability to announce new projects in high growth areas positions CurrencyWorks well to partner with the Fortune 5000 brands and large organizations seeking to launch their own branded digital currencies following the move by Facebook, JP Morgan, and others to bring blockchain and cryptocurrencies into the mainstream.

During the quarter, we announced the changing of our corporate name to CurrencyWorks™ Inc. ("CurrencyWorks") from ICOx Innovations Inc. and will continue to trade on the TSXV and OTCQB under its new symbol CWRK. The name change reflects the company's commitment and experience in helping brands to redefine the transaction value chain for customer attraction, engagement, and retention through the creation and implementation of their own digital currency.

For more information on CurrencyWorks, please visit us at www.currencyworks.io.

Our projects include:

CATHIO

CurrencyWorks announced the launch of Cathio Inc. ("Cathio"), to transform the way the Catholic economy moves money.

Cathio also announced a stellar Board and Advisors including former Senator Rick Santorum (former US Republican Presidential candidate) and Ambassador Jim Nicholson (former US Ambassador to the Holy See – Vatican). Cathio also announced a Memorandum of Understanding (“MOU”) for 4 customer engagements and we expect to see more product and customer announcements over the coming quarters. Cathio is a subsidiary of CurrencyWorks.

During the quarter, Cathio made further business development announcements including building a digital wallet and digital currency and has entered into a MOU with Kambista S.A.C (“Kambista”), the first fintech currency exchange platform in Peru.

On November 28, 2018, we incorporated a new Delaware subsidiary, Cathio, Inc., to provide blockchain technology opportunities to the Catholic community.

For more information on Cathio, please visit www.cathio.com.

SBETONE

CurrencyWorks announced sBetONE Inc. (“sBetOne”), focused on opportunities in the rapidly expanding US regulated sports betting market.

sBetOne is developing opportunities for regulated celebrity-endorsed sports betting platforms in the high growth sectors, initially for golf betting and eSports betting in the US. We also announced a strong Advisory Board for sBetOne including Gabe Hunteerton (former President City of Dreams Casino Macau and former National Director Marketing for Bellagio Las Vegas), David Flynn (former senior leadership roles at Ogame, NYX Gaming, VeraJohn.com and involved in over \$1B in exits in the online gaming sector), Ashley Sandford Sykes, former Executive Vice President Digital Games at Scientific Gaming and product owner for major casino and sports betting platforms, Rick Dugdale Independent film producer and President & CEO of Enderby Entertainment, and Aaron Wagner, founder and Managing Partner of Wags Capital. We look forward to further product and project developments in the coming quarters for sBetOne. sBetOne is a subsidiary of CurrencyWorks.

On November 19, 2018, we incorporated a new Delaware subsidiary, GN Innovations, Inc., to provide blockchain technology opportunities to the sports and entertainment industry by working with large and well-established brands. Effective December 5, 2018, we changed the name of this subsidiary to “GN1, Inc.” and effective February 6, 2019, we changed the name of this subsidiary to “sBetOne, Inc.”.

For more information on sBetOne, please visit www.sBetOne.com.

BITRAIL

Our partners, BitRail, LLC (“BitRail”) and FreedomCoin, LLC (“FreedomCoin”), and their regulated blockchain payment platform for stable coins, made great progress in the quarter with the granting of additional money transmitter licenses and live testing of its end-to-end blockchain payment platform. BitRail’s first signed customer is FreedomCoin, serving a community of 4.7M registered users transacting over \$650M annually. This could position FreedomCoin to become one of the most retail-transacted cryptocurrencies in the US in the next 12 months.

On October 19, 2018, we, through our wholly-owned subsidiary, CurrencyWorks USA, entered into a master services agreement with BitRail to develop a blockchain-based payment processing application allowing the purchase and sale of cryptocurrencies.

On February 1, 2019, we, through our wholly-owned subsidiary, CurrencyWorks USA, entered into a master services agreement dated effective January 21, 2019 with FreedomCoin to develop a stable coin cryptocurrency named FreedomCoin to be used as a currency for purchasing goods and services.

For more information on BitRail, please visit www.BitRail.io.

KODAKONE

Our partner RYDE Holding Inc. (“Ryde”) the operator of the KODAKOne Platform announced that KODAKOne has begun earning revenues. Ryde is servicing more than 22 customers live on the KODAKOne Post-Licensing Platform (PLP) and producing daily revenues for their clients. Ryde also announced a partnership agreement with Image Protect, targeting to add 75 additional customers on the KODAKOne PLP. For more information on KODAKOne, please visit www.kodakone.com. (RYDE Holding, Inc. is a brand licensee of Eastman Kodak Company).

During the quarter, the Blockchain Research Institute (“BRI”) has released its case study on Ryde’s KODAKOne Image Rights Platform. The case study, “Changing the Still Image Marketplace on the Blockchain”, is currently available to BRI members and, in December 2019, via Creative Commons. The case study, which was released in June 2019, dives into the numerous solutions the KODAKOne platform provides to the photography market, including its unique use case for blockchain technology as well as the planned use of the KODAKCoin, its own digital currency. “This case study explores in detail the way blockchain can be used to help content creators actually profit from their creative work with the new Internet of value. It details how KODAKOne’s platform works, its key features, and how it enables photographers to maximize the value of their intellectual property. We’re pleased that BRI members will be able to benefit from these detailed, practical insights and case studies,” said Don Tapscott, Co-Founder and Executive Chairman, BRI.

On December 29, 2017, we entered into a business services agreement with Ryde, formerly WENN Digital Inc., on March 19, 2018, we entered into the amendment no. 1 to business services agreement dated as of March 15, 2018 with Ryde, and, on July 9, 2018, we entered into the amendment no. 2 to business services agreement dated as of July 9, 2018 with Ryde. On October 29, 2018, we entered into the amendment no. 3 to business services agreement dated as of October 29, 2018 with Ryde. Pursuant to the business services agreement, we agreed to provide Ryde with the services in connection with Ryde’s development of an image rights management and protection platform using blockchain technology, including (i) the business development and technical services, (ii) the business launch services and (iii) the post-business launch support services.

Ryde has entered into a licensing partnership agreement with Eastman Kodak Company, which announced the launch of the KODAKOne blockchain platform and KODAKCoin ICO. We are providing the services relating to the KODAKOne blockchain platform and the KODAKCoin ICO pursuant to a business services agreement dated December 29, 2017, as amended as of March 15, 2018, July 9, 2018, and October 29, 2018 with Ryde.

Results of Operations

Three Months Ended September 30, 2019 Compared to the Three Months Ended September 30, 2018

Revenue

There were no revenues for the three months ended September 30, 2019 or 2018.

Operating Expenses

We incurred general and administrative expenses of \$627,083 and \$914,153 for the three months ended September 30, 2019 and 2018, respectively, representing a decrease of \$287,070 between the two periods. These expenses consisted primarily of consulting fees, professional fees, and other general and administrative costs. The decrease in consulting fees between the two periods from \$342,361 in 2018 to \$281,549 in 2019 was due to the decrease in compensation for our president, chief financial officer, chief operating officer, a related party consultant, and a director. Professional fees decreased from \$95,895 in 2018 to \$49,791 in 2019 due to low legal activity in the quarter. The decrease in other general and administrative costs from \$475,635 in 2018 to \$294,462 in 2019 was due to decreased travel costs, advertising and marketing costs, compliance fees, and stock-based compensation. Service costs decreased from \$78,421 in 2018 to \$18,685 in 2019 as many of the costs for the client being recognized are now being charged to them as per the amended agreement.

Consulting fees of \$281,549 in the third quarter of 2019 relate, in part, to \$76,300 paid to Business Instincts Group Inc., \$67,500 for our Board of Directors, \$32,000 for our president, \$25,294 in stock-based compensation, \$24,000 for the management of Cathio, Inc., a subsidiary of the Company, \$24,000 for accounting services, \$15,000 for our chief financial officer, and other smaller costs.

Service fees of \$18,685 in 2019 relate to \$14,703 for public relation and marketing services, \$2,502 for legal services and \$1,480 for public relation and marketing services.

Other Income (Expense)

Other income includes \$18,904 of interest earned on a loan receivable from a related party compared to \$11,762 for the same period last year. Other expenses include interest expense on notes payable of \$34,394 and an impairment of \$2,163,397 for the three months ended September 30, 2019 compared to interest expense on notes payable of \$16,146 for the same period last year.

Net Loss from Operations

We incurred net losses from operations of \$2,830,892 and \$996,958 for the three months ended September 30, 2019 and 2018, respectively, representing an increase of \$1,833,934, primarily attributable to the factors discussed above under the headings "Revenue" and "Operating Expenses".

Nine Months Ended September 30, 2019 Compared to the Nine Months Ended September 30, 2018

Revenue

Revenues of \$250,000 for consulting services were recognized for the nine months ended September 30, 2019. We had no revenues for the nine months ended September 30, 2018.

Operating Expenses

We incurred general and administrative expenses of \$2,335,241 and \$2,289,738 for the nine months ended September 30, 2019 and 2018, respectively, representing an increase of \$45,503 between the two periods. These expenses consisted primarily of consulting fees, pre-licensing fees, professional fees, and other general and administrative costs. The decrease in consulting fees between the two periods from \$1,108,887 in 2018 to \$891,482 in 2019 was due to the decrease in compensation for our president, chief financial officer, chief operating officer, a related party consultant, and a director. Pre-licensing fees increased from \$0 in 2018 to \$250,000 in 2019. Once the definitive licensing agreement is signed with the license holder the Company will be able to adjust this pre-licensing fees from future minimum royalty fees that would be payable to the license holder. Professional fees decreased from \$214,025 in 2018 to \$154,516 in 2019 due to lower legal services as 2018 saw the Company spending on the evaluation of potential business opportunities and regulatory compliance. The increase in other general and administrative costs from \$964,530 in 2018 to \$1,286,084 in 2019 was due to increased travel costs, advertising and marketing costs, and compliance fees partially offset by lower stock-based compensation. Service costs decreased from \$651,341 in 2018 to \$75,708 in 2019 as many of the costs for the client being recognized are now being charged to them as per the amended agreement.

Consulting fees of \$891,482 in the first nine months of 2019 relate, in part, to \$251,300 for Business Instincts Group Inc., \$172,500 for our Board of Directors, \$112,000 for our president, \$100,000 for services related to getting listed on the stock exchange, \$66,000 for the management of Cathio, Inc., a subsidiary of the Company, \$62,000 for accounting services, \$36,000 for our chief operating officer, \$33,594 in stock-based compensation, \$30,000 for our chief financial officer, and other smaller costs.

The pre-licensing fees stem from an agreement between the Company and a potential client.

Service fees of \$75,708 in 2019 relate to \$46,004 for public relation and marketing services, \$22,252 for legal services, and \$7,452 for business travel.

Other Income (Expense)

Other income includes \$56,096 of interest earned on a loan receivable from a related party compared to \$11,960 for the same period last year. Other expenses include interest expense on notes payable of \$76,154 and an impairment of \$2,163,397 for the nine months ended September 30, 2019 compared to interest expense on notes payable \$55,901 for the same period last year.

Net Loss from Operations

We incurred net losses from operations of \$4,319,076 and \$2,985,020 for the nine months ended September 30, 2019 and 2018, respectively, representing an increase of \$1,334,056, primarily attributable to the factors discussed above under the headings “Revenue” and “Operating Expenses”.

Liquidity and Capital Resources

Working Capital

	As at September 30, 2019	As at December 31, 2018
Current Assets	\$ 808,043	\$ 3,170,861
Current Liabilities	1,357,249	286,457
Working Capital	<u>\$ (549,206)</u>	<u>\$ 2,884,404</u>

Current Assets

Current assets were \$808,043 as at September 30, 2019 and \$3,170,861 as at December 31, 2018. The decrease in current assets as at September 30, 2019 was due to the decrease in cash and the impairments on our accounts receivable, deferred services costs, and loans receivable.

Current Liabilities

Current liabilities as at September 30, 2019 were attributable to \$897,318 in accounts payable and accrued expenses and \$459,931 in current portions of notes payable compared to \$286,457 in accounts payable and accrued expenses as at December 31, 2018.

Cash Flow

	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Net cash (used in) operating activities	\$ (2,061,276)	\$ (2,742,911)
Net cash provided by (used in) investing activities	410	(1,150,000)
Net cash provided by financing activities	1,188,714	5,232,989
Net changes in cash and cash equivalents	<u>\$ (872,152)</u>	<u>\$ 1,340,078</u>

Operating Activities

Net cash used in operating activities was \$2,061,276 for the nine-month period ended September 30, 2019, as compared to \$2,742,911 for the nine-month period ended September 30, 2018, a decrease of \$681,635. The decrease in net cash used in operating activities was primarily due to the increase in accounts payable and accrued liabilities being more than offset by the impact of the impairment on the accounts receivable, the loan receivable, and the deferred service costs.

Investing Activities

Investing activities provided cash of \$410 for the nine months ended September 30, 2019 as compared to cash used of \$1,150,000 for the nine months ended September 30, 2018.

Financing Activities

Financing activities provided cash of \$1,188,714 for the nine months ended September 30, 2019 and \$5,232,989 for the nine months ended September 30, 2018. In 2019, sBetOne issued \$575,000 of convertible debentures, and net proceeds of \$293,714 were raised in a private placement.

Recent Financing Activities

In the nine months ended September 30, 2019, sBetOne issued \$575,000 of convertible notes. These notes may be converted into shares of common stock of sBetOne. In the event that sBetOne issues equity securities in a transaction or series of transactions resulting in aggregate gross proceeds of \$2.5 million including the conversion of the notes and any other indebtedness, then the notes and any accrued but unpaid interest thereon, will automatically convert into the equity securities issued in such financings, at a conversion price equal to 75% of the lowest per share price paid by the purchasers of such equity securities in such financings for the first \$600,000 notes issued and to 75% of the lowest per share price for notes issued over the first \$600,000. The Company also issued \$320,000 of notes payable to a related party.

Additionally, net proceeds of \$293,714 were raised when the Company issued 1,000,000 shares in a private placement.

Cash Requirements

Our estimated general and administrative expenses, operating expenses, and service costs for the next 12 months are \$2,000,000 and are based on our current expenditures given the current market conditions.

We will require additional cash resources to meet our planned capital expenditures and working capital requirements for the next 12 months. We expect to derive such cash through the sale of equity or debt securities or by obtaining a credit facility. The sale of additional equity securities will result in dilution to our stockholders. The incurrence of indebtedness will result in debt service obligations, could cause additional dilution to our stockholders, and could require us to agree to financial covenants that could restrict our operations or modify our plans to source a new business opportunity. Financing may not be available in amounts or on terms acceptable to us, if at all. Failure to raise additional funds could cause our company to fail.

Going Concern

Our unaudited condensed consolidated financial statements are prepared using generally accepted accounting principles in the United States of America applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. We have not yet established a source of revenues sufficient to cover our operating costs and to allow us to continue as a going concern. We have incurred losses since inception resulting in an accumulated deficit of \$9,031,938 as at September 30, 2019 (December 31, 2018: \$4,712,862). Our ability to operate as a going concern is dependent on obtaining adequate capital to fund operating losses until we become profitable.

In its report on our financial statements for the years ended December 31, 2018 and 2017, our independent registered public accounting firm included an explanatory paragraph regarding substantial doubt about our ability to continue as a going concern. Our unaudited condensed consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, as amended, and are not required to provide the information under this item.

ITEM 4. CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures

“**Disclosure controls and procedures**”, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), include controls and procedures designed to ensure that information required to be disclosed in our company’s reports filed under the Exchange Act recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management to allow timely decisions regarding required disclosure.

Our principal executive officer and our principal financial officer evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2019. Based on this evaluation, they concluded that, as of September 30, 2019, our disclosure controls and procedures were not effective such that the information relating to us that is required to be disclosed in our SEC reports: (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms; and (ii) is accumulated and communicated to our management, including our principal executive and financial officer, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the fiscal quarter ended September 30, 2019, that have materially affected, or are reasonably likely to materially affect our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

We know of no material pending legal proceedings to which our company is a party or of which any of our properties is the subject. In addition, we do not know of any such proceedings contemplated by any governmental authorities.

We know of no material proceedings in which any of our directors, officers or affiliates, or any registered or beneficial stockholder is a party adverse to our company or has a material interest adverse to our company.

ITEM 1A. RISK FACTORS.

As we are a smaller reporting company, we are not required to provide the information required by this item.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Since the beginning of the fiscal quarter ended September 30, 2019, we have not sold any equity securities that were not registered under the *Securities Act of 1933*, as amended, that were not previously reported in a quarterly report on Form 10-Q or a current report on Form 8-K.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

<u>Exhibit Number</u>	<u>Description</u>
(3)	Articles of Incorporation and Bylaws
3.1	Articles of Incorporation (incorporated by reference from our Current Report on Form S-1, filed on March 30, 2011)
3.2	Bylaws (incorporated by reference from our Current Report on Form S-1, filed on March 30, 2011)
3.3	Articles of Merger (incorporated by reference from our Current Report on Form 8-K filed on August 23, 2017)
3.4	Articles of Merger (incorporated by reference from our Current Report on Form 8-K filed on February 15, 2018)
(10)	Material Contracts
10.1	Private Placement Subscription Agreement with Oceanside Strategies Inc. dated September 14, 2015 (incorporated by reference from our Current Report on Form 8-K, filed on September 15, 2015)
10.2	18% Unsecured Convertible Note with Oceanside Strategies Inc. dated September 14, 2015 (incorporated by reference from our Current Report on Form 8-K, filed on September 15, 2015)
10.3	Private Placement Subscription Agreement with Oceanside Strategies Inc. dated December 30, 2016 (incorporated by reference from our Current Report on Form 8-K, filed on January 5, 2017)
10.4	18% Unsecured Convertible Note with Oceanside Strategies Inc. dated December 30, 2016 (incorporated by reference from our Current Report on Form 8-K, filed on January 5, 2017)
10.5	Private Placement Subscription Agreement with Oceanside Strategies Inc. dated December 30, 2016 (incorporated by reference from our Current Report on Form 8-K, filed on January 2, 2018)
10.6	18% Unsecured Convertible Note with Oceanside Strategies Inc. dated December 30, 2016 (incorporated by reference from our Current Report on Form 8-K, filed on January 2, 2018)
10.7	Private Placement Subscription Agreement with Oceanside Strategies Inc. dated March 2, 2017 (incorporated by reference from our Current Report on Form 8-K, filed on March 15, 2017)
10.8	18% Unsecured Convertible Note with Oceanside Strategies Inc. dated March 2, 2017 (incorporated by reference from our Current Report on Form 8-K, filed on March 15, 2017)
10.9	Private Placement Subscription Agreement with Oceanside Strategies Inc. dated June 8, 2017 (incorporated by reference from our Current Report on Form 8-K, filed on January 2, 2018)
10.10	18% Unsecured Convertible Note with Oceanside Strategies Inc. dated June 8, 2017 (incorporated by reference from our Current Report on Form 8-K, filed on January 2, 2018)
10.11	Transfer Agreement dated August 21, 2017 with Blockchain Fund GP Inc. (incorporated by reference from our Current Report on Form 8-K filed on August 23, 2017)
10.12	Business Services Agreement with Business Instincts Group Inc. dated October 18, 2017. (incorporated by reference from our Current Report on Form 8-K filed on October 19, 2017)
10.13	Private Placement Subscription Agreement with Oceanside Strategies Inc. dated October 30, 2017 (incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017)

- 10.14 [10% Unsecured Convertible Note dated October 30, 2017 issued in connection with Private Placement Subscription Agreement with Oceanside Strategies Inc. dated October 30, 2017 \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.15 [Private Placement Subscription Agreement with Hospitality Investors Special Situation Group Pvt. Ltd. dated October 30, 2017 \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.16 [10% Unsecured Convertible Note dated October 30, 2017 issued in connection with Private Placement Subscription Agreement with Hospitality Investors Special Situation Group Pvt. Ltd. dated October 30, 2017 \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.17 [Form of Private Placement Subscription Agreement for Common Stock Offering \(incorporated by reference from our Current Report on Form 8-K filed on October 31, 2017\)](#)
- 10.18 [Loan Agreement dated November 20, 2017 with WENN Digital Inc. \(incorporated by reference from our Current Report on Form 8-K filed on November 27, 2017\)](#)
- 10.19 [Independent Consultant Agreement dated effective October 9, 2017 with Bruce Elliott \(incorporated by reference from our Current Report on Form 8-K, filed on January 2, 2018\)](#)
- 10.20 [Independent Consultant Agreement dated effective October 9, 2017 with Michael Blum \(incorporated by reference from our Current Report on Form 8-K, filed on January 2, 2018\)](#)
- 10.21 [Business Services Agreement dated effective December 29, 2017 with WENN Digital Inc. \(incorporated by reference from our Current Report on Form 8-K, filed on January 2, 2018\)](#)
- 10.22 [Form of Subscription Agreement \(incorporated by reference from our Current Report on Form 8-K, filed on March 14, 2018\)](#)
- 10.23 [Amendment No. 1 to Business Services Agreement dated as of March 15, 2018 with WENN Digital Inc. \(incorporated by reference from our Current Report on Form 8-K, filed on March 20, 2018\)](#)
- 10.24 [Offer Letter dated January 22, 2018 with James P. Geiskopf \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.25 [Offer Letter dated February 9, 2018 with Edmund C. Moy \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.26 [2017 Equity Incentive Plan \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.27 [Stock Option Agreement dated October 15, 2017 with James P. Geiskopf \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.28 [Stock Option Agreement dated October 15, 2017 with Cameron Chell \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.29 [Stock Option Agreement dated October 15, 2017 with Michael Blum \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.30 [Stock Option Agreement dated October 15, 2017 with Bruce Elliott \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.31 [Stock Option Agreement dated October 15, 2017 with Business Instincts Group Inc. \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.32 [Stock Option Agreement dated February 9, 2018 with Edmund C. Moy \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.33 [Indemnification Agreement dated December 20, 2017 with James P. Geiskopf \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.34 [Indemnification Agreement dated December 20, 2017 with Cameron Chell \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.35 [Indemnification Agreement dated December 20, 2017 with Michael Blum \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.36 [Indemnification Agreement dated December 20, 2017 with Bruce Elliott \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.37 [Indemnification Agreement dated February 9, 2018 with Edmund C. Moy \(incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017\)](#)
- 10.38 [Offer Letter dated May 17, 2018 with James Carter \(incorporated by reference from our Registration Statement on Form S-1/A filed on July 17, 2018\)](#)

- 10.39 [Stock Option Agreement dated May 17, 2018 with James Carter \(incorporated by reference from our Registration Statement on Form S-1/A filed on July 17, 2018\)](#)
- 10.40 [Indemnification Agreement dated May 17, 2018 with James Carter \(incorporated by reference from our Registration Statement on Form S-1/A filed on July 17, 2018\)](#)
- 10.41 [Offer Letter dated June 22, 2018 with Alphonso Jackson \(incorporated by reference from our Registration Statement on Form S-1/A filed on July 17, 2018\)](#)
- 10.42 [Stock Option Agreement dated June 7, 2018 with Alphonso Jackson \(incorporated by reference from our Registration Statement on Form S-1/A filed on July 17, 2018\)](#)
- 10.43 [Indemnification Agreement June 22, 2018 with Alphonso Jackson \(incorporated by reference from our Registration Statement on Form S-1/A filed on July 17, 2018\)](#)
- 10.44 [Amendment Agreement dated effective as of June 25, 2018 to Business Services Agreement dated October 18, 2017 with Business Instincts Group Inc. \(incorporated by reference from our Current Report on Form 8-K, filed on June 29, 2018\)](#)
- 10.45 [Loan Agreement dated July 9, 2018 with Ryde Holding Inc. \(formerly WENN Digital Inc.\) \(incorporated by reference from our Current Report on Form 8-K, filed on July 11, 2018\)](#)
- 10.46 [Corporate Guaranty dated July 9, 2018 by Ryde GmbH \(incorporated by reference from our Current Report on Form 8-K, filed on July 11, 2018\)](#)
- 10.47 [Amendment No. 2 to Business Services Agreement dated as of July 9, 2018 with Ryde Holding Inc. \(formerly WENN Digital Inc.\) \(incorporated by reference from our Current Report on Form 8-K, filed on July 11, 2018\)](#)
- 10.48 [Loan Agreement entered into as of August 29, 2018 with Ryde GmbH \(incorporated by reference from our Current Report on Form 8-K, filed on August 31, 2018\)](#)
- 10.49 [Corporate Guaranty entered into as of August 29, 2018 by Ryde Holding Inc. \(formerly WENN Digital Inc.\) \(incorporated by reference from our Current Report on Form 8-K, filed on August 31, 2018\)](#)
- 10.50 [Security Agreement entered into as of August 29, 2018 with Ryde Holding Inc. \(formerly WENN Digital Inc.\) \(incorporated by reference from our Current Report on Form 8-K, filed on August 31, 2018\)](#)
- 10.51 [Security Assignment Agreement entered into as of August 29, 2018 with Ryde GmbH \(incorporated by reference from our Current Report on Form 8-K, filed on August 31, 2018\)](#)
- 10.52 [Master Services Agreement dated effective October 19, 2018 between ICOx USA, Inc. and BitRail, LLC \(incorporated by reference from our Current Report on Form 8-K, filed on October 24, 2018\)](#)
- 10.53 [Software Services Statement of Work dated effective October 19, 2018 between ICOx USA, Inc. and BitRail, LLC \(incorporated by reference from our Current Report on Form 8-K, filed on October 24, 2018\)](#)
- 10.54 [Amendment No. 3 to Business Services Agreement dated as of October 29, 2018 with Ryde Holding Inc. \(incorporated by reference from our Current Report on Form 8-K, filed on October 31, 2018\)](#)
- 10.55 [Amendment Agreement dated November 5, 2018 with Oceanside Strategies Inc. \(incorporated by reference from our Current Report on Form 8-K, filed on November 7, 2018\)](#)
- 10.56 [Amendment Agreement dated November 5, 2018 with Oceanside Strategies Inc. \(incorporated by reference from our Current Report on Form 8-K, filed on November 7, 2018\)](#)
- 10.57 [Amendment Agreement dated November 5, 2018 with Oceanside Strategies Inc. \(incorporated by reference from our Current Report on Form 8-K, filed on November 7, 2018\)](#)
- 10.58 [Amendment Agreement dated November 5, 2018 with Oceanside Strategies Inc. \(incorporated by reference from our Current Report on Form 8-K, filed on November 7, 2018\)](#)
- 10.59 [Amendment Agreement dated November 5, 2018 with Oceanside Strategies Inc. \(incorporated by reference from our Current Report on Form 8-K, filed on November 7, 2018\)](#)
- 10.60 [2017 Equity Incentive Plan \(incorporated by reference from our Current Report on Form 8-K, filed on November 23, 2018\)](#)
- 10.61 [Form of Private Placement Subscription Agreement \(incorporated by reference from our Current Report on Form 8-K, filed on November 29, 2018\)](#)
- 10.62 [Amendment to Independent Consultant Agreement dated December 4, 2018 with Michael Blum \(incorporated by reference from our Current Report on Form 8-K, filed on December 4, 2018\)](#)

- 10.63 [Master Services Agreement dated effective January 21, 2019 between ICOx USA, Inc. and FreedomCoin, LLC \(incorporated by reference from our Current Report on Form 8-K, filed on February 4, 2019\)](#)
- 10.64 [Software Services Statement of Work dated effective January 21, 2019 between ICOx USA, Inc. and FreedomCoin, LLC \(incorporated by reference from our Current Report on Form 8-K, filed on February 4, 2019\)](#)
- 10.65 [Stock Option Agreement dated October 15, 2017 with Red to Black Inc. \(incorporated by reference from our Annual Report on Form 10-K, filed on March 26, 2019\)](#)
- 10.66 [Stock Option Agreement dated June 8, 2018 with Red to Black Inc. \(incorporated by reference from our Annual Report on Form 10-K, filed on March 26, 2019\)](#)
- 10.67 [Independent Consultant Agreement dated effective December 4, 2018 with Swapan Kakumanu \(incorporated by reference from our Annual Report on Form 10-K, filed on March 26, 2019\)](#)
- 10.68 [Indemnification Agreement with Swapan Kakumanu \(incorporated by reference from our Annual Report on Form 10-K, filed on March 26, 2019\)](#)
- (31) Rule 13a-14(a) Certifications**
- 31.1* [Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
- 31.2* [Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
- (32) Section 1350 Certifications**
- 32.1* [Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 32.2* [Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- (101) Interactive Data File**
- 101.INS* XBRL Instance Document
- 101.SCH* XBRL Taxonomy Extension Schema
- 101.CAL* XBRL Taxonomy Extension Calculation Linkbase
- 101.DEF* XBRL Taxonomy Extension Definition Linkbase
- 101.LAB* XBRL Taxonomy Extension Label Linkbase
- 101.PRE* XBRL Taxonomy Extension Presentation Linkbase

*Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CURRENCYWORKS INC.

/s/ Swapan Kakumanu

Swapan Kakumanu

Chief Financial Officer

(Duly Authorized Officer)

Dated: November 12, 2019

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Bruce Elliott, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CurrencyWorks Inc.;
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 registrant as of, and for, the periods presented in this report;
4. The registrant'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 registrant 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 registrant, 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 our 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 registrant'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 registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (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 registrant'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 registrant's internal control over financial reporting.

November 12, 2019

/s/ Bruce Elliott

Bruce Elliott

President

(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Swapan Kakumanu, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CurrencyWorks Inc.;
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 registrant as of, and for, the periods presented in this report;
4. The registrant'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 registrant 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 registrant, 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 our 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 registrant'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 registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (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 registrant'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 registrant's internal control over financial reporting.

November 12, 2019

/s/ Swapan Kakumanu

Swapan Kakumanu
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, Bruce Elliott, hereby certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that

1. the quarterly report on Form 10-Q of CurrencyWorks Inc. for the period ended September 30, 2019 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of CurrencyWorks Inc.

November 12, 2019

/s/ Bruce Elliott

Bruce Elliott
President
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, Swapan Kakumanu, hereby certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that

1. the quarterly report on Form 10-Q of CurrencyWorks Inc. for the period ended September 30, 2019 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of CurrencyWorks Inc.

November 12, 2019

/s/ Swapan Kakumanu

Swapan Kakumanu

Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)
