CASCADIA CONSUMER ELECTRONICS CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED OCTOBER 31, 2017 AND 2016

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL REPORT

The accompanying unaudited condensed interim consolidated financial report of the Company has been prepared by and is the responsibility of the Company's management. The Company's independent auditor has not performed a review of this financial report in accordance with securities legislation and the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

CASCADIA CONSUMER ELECTRONICS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT OCTOBER 31, 2017 AND JANUARY 31, 2017
(Expressed in Canadian dollars)
(Unaudited - Prepared by Management)

	Notes	October 31, 2017	January 31, 2017
ASSETS			
Current assets			
Cash and cash equivalents		$ 2,400,619	$ 2,568,319
Amounts receivable		52,160	24,226
Prepaid expense		5,443	2,897
Total current assets		2,458,222	2,595,442
Non-current assets			
Computer	3	12,740	-
Total assets		$ 2,470,962	$ 2,595,442
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		$ 486,213	$ 191,120
Short-term loan	4	97,150	-
Deferred revenue	5	551,812	189,300
Total current liabilities		1,135,175	380,420
Equity			
Share capital	6	5,669,592	5,669,592
Contributed surplus		58,248	58,248
Accumulated other comprehensive income (loss)		(15,571)	-
Deficit		(4,376,482)	(3,512,818)
Total equity		1,335,787	2,215,022
Total liabilities and equity		$ 2,470,962	$ 2,595,442

NATURE OF BUSINESS (NOTES 1)

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

CASCADIA CONSUMER ELECTRONICS CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian dollars)

(Unaudited - Prepared by Management)

		Three months ended October 31		Nine months ended October 31	
	Notes	**2017**	2016	**2017**	2016
Revenue - technology service	5	**$ 110,641**	$ -	**$ 775,492**	$ -
Expenses					
Salaries and benefits		**318,527**	136,809	**981,783**	310,290
Office and miscellaneous		**154,580**	34,871	**390,303**	93,156
Rent		**48,457**	23,418	**173,223**	56,677
Professional fees		**39,401**	11,199	**53,189**	73,667
Listing and transfer agent expenses		**5,069**	6,244	**12,757**	13,223
Amortization	3	**1,060**	-	**1,060**	-
Interest expense and bank charges		**177**	-	**380**	-
Share-based compensation	6	**-**	-	**-**	14,020
OPERATING LOSS		**$ (456,630)**	$ (212,541)	**$ (837,203)**	$ (561,033)
OTHER INCOME (LOSS)					
Interest income		**-**	1,380	**2,583**	2,061
Foreign exchange gain / (loss)		**53,414**	71,722	**(29,044)**	7,444
NET LOSS		**$ (403,216)**	$ (139,439)	**$ (863,664)**	$ (551,528)
OTHER COMPREHENSIVE INCOME (LOSS)					
Currency translation difference		**(15,571)**	-	**(15,571)**	-
COMPREHENSIVE LOSS FOR THE PERIOD		**$ (418,787)**	$ (139,439)	**$ (879,235)**	$ (551,528)
Net loss per share					
Basic		**$ (0.01)**	$ (0.00)	**$ (0.02)**	$ (0.01)
Diluted		**$ (0.01)**	$ (0.00)	**$ (0.01)**	$ (0.01)
Weighted average number of common shares outstanding					
Basic		**56,567,337**	56,567,337	**56,567,337**	51,158,578
Diluted		**75,995,037**	56,567,337	**72,166,123**	51,158,578

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

CASCADIA CONSUMER ELECTRONICS CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in Canadian dollars)

(Unaudited - Prepared by Management)

	Number of Common Shares (Note 6)	Share Capital (Note 6)	Contributed Surplus	Accumulated other comprehensive income (loss)	Deficit	Total Equity
		$	$	$	$	$
Balance, January 31, 2016	**28,067,337**	**1,547,592**	**44,228**	**-**	**(776,372)**	**815,448**
Stock option grant	-	-	14,020	-	-	14,020
Share issuance for cash	28,500,000	2,565,000	-	-	-	2,565,000
Share issuance cost	-	(3,000)	-	-	-	(3,000)
Net loss	-	-	-	-	(551,528)	(551,528)
Balance, October 31, 2016	**56,567,337**	**4,109,592**	**58,248**		**(1,327,900)**	**2,839,940**
Share-based compensation	-	1,560,000	-	-	-	1,560,000
Net loss	-	-	-	-	(2,184,918)	(2,184,918)
Balance, January 31, 2017	**56,567,337**	**5,669,592**	**58,248**		**(3,512,818)**	**2,215,022**
Net loss	-	-	-	-	(863,664)	(863,664)
Other comprehensive loss	-	-	-	(15,571)	-	(15,571)
Balance, October 31, 2017	**56,567,337**	**5,669,592**	**58,248**	**(15,571)**	**(4,376,482)**	**1,335,787**

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

CASCADIA CONSUMER ELECTRONICS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
(Unaudited - Prepared by Management)

	Notes	Three months ended October 31, 2017	Three months ended October 31, 2016	Nine months ended October 31, 2017	Nine months ended October 31, 2016
Cash flows from (used in) operating activities					
Net loss for the period		**$ (403,216)**	$ (139,439)	**$ (863,664)**	$ (551,528)
Items not involving cash					
Amortization	3	**1,060**	-	**1,060**	-
Share-based compensation	6	**-**	-	**-**	14,020
		(402,156)	(139,439)	**(862,604)**	(537,508)
Changes in non-cash working capital items:					
Amounts receivable		**7,710**	(3,100)	**(26,656)**	(6,188)
Prepaid expenses		**(3,552)**	(19,780)	**(2,546)**	(20,134)
Accounts payable and accued liabilities		**1,156**	(6,421)	**277,144**	63,895
Deferred revenue		**346,836**	-	**361,696**	-
Net cash used in operating activities		**(50,006)**	(168,740)	**(252,966)**	(499,935)
Cash flows from investing activities					
Purchase of fixed assets	3	**(7,860)**	-	**(13,800)**	-
Net cash used in investing activities		**(7,860)**	-	**(13,800)**	-
Cash flows from (used in) financing activities					
Cash received from a short term loan		**97,150**	-	**97,150**	-
Cash received from share issuances/subscriptions	6	**-**	-	**-**	2,562,000
Net cash received from financing activities		**97,150**	**-**	**97,150**	2,562,000
Increase (decrease) in cash and equivalents		**39,284**	(168,740)	**(169,616)**	2,062,065
Effect of exchange rate changes on cash and equivalents		**1,916**	-	**1,916**	-
Cash and equivalents, beginning of the period		**2,359,419**	3,064,697	**2,568,319**	833,892
Cash and equivalents, end of the period		**$ 2,400,619**	$ 2,895,957	**$ 2,400,619**	$ 2,895,957

SUPPLEMENTAL CASH FLOW INFORMATION (NOTE 8)

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

(Expressed in Canadian dollars)

1. NATURE OF BUSINESS

Cascadia Consumer Electronics Corp. (the "Company" or "Cascadia") was incorporated on November 10, 2011 under the laws of British Columbia, Canada. Cascadia is a technology operating in Vancouver, Canada and Beijing, China. Its registered office is located at 20th floor – 250 Howe Street, Vancouver, British Columbia V6C 3R8, and head office is at Suite 1552 – 701 West Georgia Street, Vancouver, British Columbia V7Y 1C6. In September 2013, the Company was approved for listing on the Canadian Securities Exchange ("CSE"). The Company's common shares commenced trading on the CSE at the opening of markets on September 12, 2013 under the symbol "CK".

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These unaudited condensed interim consolidated financial statements ("interim financial statements") have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been omitted or condensed. These interim financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended January 31, 2017. These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors on January 2, 2018.

Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its wholly-owned subsidiary CK Fintech Corp., Tianjin Bocui Technology Ltd., Beijing Cascadia Technology Ltd. ("Beijing Cascadia"), and CK Blockchain Lab Corp. All inter-company transactions, balances, income and expenses have been eliminated in full on consolidation.

Entity	Country of Incorporation	% of Interest	Basis of Accounting
Tianjin Bocui Technology Ltd.	China	100%(1)	Consolidated
Beijing Cascadia Technology Ltd.	China	100%(2)	Consolidated
CK Fintech Corp.	Canada	100%(1)	Consolidated
CK Blockchain Lab Corp.	Canada	100%(1)	Consolidated

(1) Owned through Cascadia
(2) Owned through Bocui

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

The presentation of the Company is the Canadian dollar. The functional currency of the Company and its subsidiaries is also the Canadian dollar except for Beijing Cascadia. Beijing Cascadia had limited operations since its incorporation in 2016 and had been relying on funding from Cascadia to support its operations. Therefore, the functional currency of Beijing Cascadia was the Canadian dollar until February 1, 2017 when Beijing Cascadia started to provide technology consulting service to customers in China. Therefore the functional currency of Beijing Cascadia has been changed from the Canadian dollar to Chinese Yuan since February 1, 2017.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant judgements and estimates

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and revenues and expenses for the periods reported. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Judgements are choices in accounting policies and disclosures which management believes are supported by facts and circumstances existing at the date of the consolidated financial statements.

Significant areas requiring the use of management estimates include the assumptions used in valuing options in share-based compensation calculations using the Black-Scholes Option Pricing Model, including determination of the volatility rate. There are no options granted during the nine months ended October 31, 2017

Critical accounting judgements are accounting policies that have been identified as being complex or involve subjective judgments or assessments with a significant risk of material adjustment in the next year. Significant judgement areas include the ability of the Company to continue as a going concern. These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. For the nine months ended October 31, 2017, the Company incurred net loss of $863,664. As at October 31, 2017, the Company had cash of $2,400,619 and working capital of $1,323,047. In addition, the Company has completed a non-broker private placement financing on December 29, 2017 of 15,410,101 common shares at a price of $0.50 per share, for gross proceeds of 425 bitcoins (“BTC”), which is equivalent to $7,705,054 (Note 12). Therefore, the Company has sufficient cash and working capital to support the Company’s operation in the next twelve months and the going concern assumption is appropriate.

Adoption of new pronouncements

The Company did not adopt any new or amended accounting standards during the nine months ended October 31, 2017 which had a significant impact on the interim consolidated financial statements.

Changes in accounting policy

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

Standard effective for annual periods beginning on or after January 1, 2018

IFRS 9 *Financial Instruments* - In November 2009, as part of the IASB project to replace IAS 39 “*Financial Instruments: Recognition and Measurement”*, the IASB issued the first phase of IFRS 9, that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013, the standard was revised to add the new general hedge accounting requirements. The standard was finalized in July 2014 and was revised to add a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income (“FVOTCI”) category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics test.

(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Changes in accounting policy (continued)

IFRS 15 - *Revenue from Contracts with Customers* - On May 28, 2014 the IASB issued IFRS 15. IFRS 15 will replace IAS 11, "Construction contracts", IAS 18, "Revenue", IFRIC 13, "Customer loyalty programmes", IFRIC 15, "Agreements for the construction of real estate", IFRIC 18, "Transfers of assets from customers" and SIC 31, "Revenue – barter transactions involving advertising services". The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time; or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs.

Standard effective for annual periods beginning on or after January 1, 2019

IFRS 16 – *Leases* - On January 13, 2016 the IASB issued IFRS 16, "Leases". This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease.

Entities may elect early application of the above standards. The extent of the impact of adoption of these above standards on the consolidated financial statements of the Company has not yet been determined.

3. NON-CURRENT ASSETS

	Computer Equipment
Cost:	
At February 1, 2017	$ -
Addition	13,800
At October 31, 2017	13,800
Depreciation:	
At February 1, 2017	-
Change for the period	(1,060)
At October 31, 2017	(1,060)
Net book value:	
At February 1, 2017	-
At October 31, 2017	$ 12,740

4. SHORT TERM LOAN

The short-term loan was received on October 20, 2017 and is repayable within one year. The loan bears interest of 9% per annum.

5. TECHNICAL CONSULTING SERVICES CONTRACTS FOR BEIJING CASCADIA

Beijing Cascadia, a subsidiary under the Company's WFOE Tianjin Bocui in China, entered into technology consulting service contracts with customers to develop websites and provide technical consulting services. For the nine months period ended October 31, 2017, the Company recorded $775,492 as revenue pursuant to the service contracts. As at October 31, 2017, the deferred revenue of $551,812 is related to the prepayments received from the customers.

6. SHARE CAPITAL

Authorized:

The Company has authorized an unlimited number of common and preferred shares with no par value.

Issued and outstanding:

i) On March 24, 2016, the Company completed a non-brokered private placement and issued 28,500,000 units ("Units") for proceeds of $2,565,000 at $0.09 per Unit. Each Unit comprised one common share and one non-transferable common share purchase warrant ("Warrant"). Each Warrant entitles the holder to acquire one common share of the Company at a price of $0.12 per share for five years from March 24, 2016. Share issue costs of $3,000 were incurred. Share-based compensation of $1,560,000, being the difference between the share subscription price and the market price of 26,000,000 units issued to the chief executive officer ("CEO") of the Company, was charged to the consolidated statement of comprehensive loss.

ii) On November 27, 2015, the Company completed a non-brokered private placement and issued 10,951,400 units ("Units") for proceeds of $821,355 at $0.075 per Unit. Each Unit comprised one common share and one non-transferable common share purchase warrant ("Warrant"). Each Warrant entitles the holder to acquire one common share of the Company at a price of $0.10 per share for five years from November 27, 2015.

iii) On March 17, 2015, the Company completed a non-brokered private placement and issued 2,000,000 units ("Units") for proceeds of $240,000 at $0.12 per Unit. Each Unit comprised one common share and one non-transferable common share purchase warrant ("Warrant"). Each Warrant entitles the holder to acquire one common share of the Company at a price of $0.16 per share for five years from March 17, 2015.

Stock options

The Company adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in their discretion, and in accordance with the requirements of the CSE (the "Exchange"), grant to directors, officers, and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Options will be exercisable for a period of up to five years from the date of grant.

On March 15, 2016, 200,000 options were granted to directors and officers of the Company. The options are exercisable at a price of $0.12 per share for a period of five years and vested immediately. Share-based compensation of $14,020 was recorded.

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

Stock options (continued)**:**

The following table summarizes the continuity of options as at October 31, 2017.

	Number of Options	Weighted Average Exercise Price
Balance, January 31, 2016	**400,000**	**$0.16**
Granted, March 15, 2016	200,000	$0.12
Balance, October 31, 2017 and 2016	**600,000**	**$0.15**

The Company uses the Black-Scholes option valuation model to value stock options. The Black-Scholes model estimates fair value of stock options that have no vesting restrictions and are fully transferrable. For the purposes of the calculations, the following weighted average assumptions were used under the Black-Scholes model:

	March 15, 2016
Share price at grant date	$0.12
Risk free interest rate	0.78%
Expected dividend yield	0%
Expected forfeiture rate	0%
Expected stock price volatility	72%
Expected life of options	5 years

The fair value of the options on the grant date was $0.07.

The following table summarizes information about stock options outstanding and exercisable as at October 31, 2017.

Number of Options Outstanding	Number of Options Exercisable	Exercise Price ($)	Weighted Remaining Life of Options Outstanding (Years)	Weighted Remaining Life of Options Exercisable (Years)	Expire Date
300,000	300,000	0.16	0.93	0.93	October 7, 2018
100,000	100,000	0.16	2.10	2.10	December 8, 2019
200,000	200,000	0.12	3.37	3.37	March 15, 2021
600,000	600,000		1.94	1.94	

Warrants

On March 24, 2016, the Company issued 28,500,000 non-transferrable common share purchase warrants. Each warrant entitles the holder to acquire one common share of the Company at a price of $0.12 per share, expiring on March 24, 2021.

On November 27, 2015, the Company issued 10,951,400 non-transferrable common share purchase warrants. Each warrant entitles the holder to acquire one common share of the Company at a price of $0.10 per share, expiring on November 27, 2020.

On March 17, 2015, the Company issued 2,000,000 non-transferrable common share purchase warrants. Each warrant entitles the holder to acquire one common share of the Company at a price of $0.16 per share, expiring on November 27, 2020. On December 30, 2015, the Company amended the warrants' expiry date to January 10, 2016.

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

Warrants (continued)

The following table summarizes the continuity of share purchase warrants as at October 31, 2017.

	Number of Warrants	Weighted Average Exercise Price
Balance, January 31, 2016	**10,951,400**	**$0.10**
Granted, March 24, 2016	28,500,000	$0.12
Balance, October 31, 2017 and 2016	**39,451,400**	**$0.11**

As at October 31, 2017, the issued and outstanding warrants to acquire common shares of the Company are as follows:

Number of Warrants Outstanding	Exercise Price ($)	Weighted Average Remaining Life (Years)	Expire Date
10,951,400	0.10	3.08	November 27, 2020
28,500,000	0.12	3.40	March 24, 2021
39,451,400		3.31	

7. RELATED PARTY TRANSACTIONS AND BALANCES

a) As at October 31, 2016 - $6,279) owed by P2P Info. Inc. ("P2P"), a company related with some common directors before October 19, 2017. The Company and P2P share office rent equally. This amount was paid off by P2P on October 31, 2017. Pursuant to the agreement, Cascadia and P2P terminates the sharing office agreement from November 1, 2017.

b) The Company incurred the following compensation to key management personnel of the Company:

		Nine Months Ended October 31, 2017	Nine Months Ended October 31, 2016
		$	$
Salaries and Benefits	Directors and Officers	**39,377**	62,554
Share-Based Compensation	Directors and Officers	**-**	11,216
Total Remuneration		**39,377**	73,770

Key management includes directors, the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), and Chief Operating Officer ("COO") of the Company.

8. SUPPLEMENTAL CASH FLOW INFORMATION

	Nine Months Ended October 31, 2017	Nine Months Ended October 31, 2016
	$	$
Income taxes paid during the period	**-**	-
Interest paid during the period	**-**	-
Interest received during the period	**15,015**	-

9. FINANCIAL INSTRUMENTS

The Company classifies its cash and cash equivalents as a financial asset at fair value through profit or loss (“FVTPL”), amounts receivables as loans and receivables, its accounts payable and accrued liabilities and short term loan as other financial liabilities. The carrying amount of loans and receivables financial assets and other financial liabilities carried at amortized cost is a reasonable approximation of their fair value due to the relatively short period to maturity of these financial instruments.

Fair value

Financial instruments measured at fair value on a recurring basis are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable. The three levels of the fair value hierarchy are:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash and cash equivalents of $2,400,619 is classified as Level 1. There were no transfers into or out of Level 2 or Level 3 during the nine months ended October 31, 2017.

Financial risk management

The Company’s financial risks arising from its financial instruments are currency risk, credit risk, liquidity risk and interest rate risk. The Company’s exposure to these risks and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Currency risk

The Company’s expenses are mainly denominated in Canadian dollars for operations. As the Company has significant amount of GIC in US dollars, it also faces exchange rate fluctuation relative to the US dollar.
Significant change in the currency exchange rates between the Canadian dollar relative to the US dollar could both have effect on the Company’s results of operations, financial position and / or cash flow.If the US dollar appreciates / depreciates 5%, the Company’s net loss and deficit would decrease / increase by approximately $116,263, which arises primarily from the Company’s GIC in US dollars.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents. The Company’s credit risk with respect to its cash is minimal as it is held with a large financial institution.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage, as outlined in Note 9. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company’s projects and operations. As October 31, 2017, the Company had a working capital of $1,323,047. All of the Company’s financial liabilities are classified as current.

Interest rate risk

The Company is exposed to interest rate risk on its GIC. The Company has no interest-bearing debt. The Company has not entered into any derivative instruments to manage interest rate fluctuations. The Company is not exposed to significant interest rate risk.

10. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard its ability to continue as a going concern while exploring to develop and provide proprietary, secured and legally compliant trading platforms around globe for selected digital assets and cryptocurrencies, so that it can continue to provide returns to shareholders and benefits for other stakeholders. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In management of capital, the Company's capital includes shareholders' equity.

The Company's objective is met by retaining adequate equity to provide for the possibility that cash flows from assets will not be sufficient to meet future cash flow requirements. The Board of Directors does not establish quantitative return on capital criteria for management. Currently, the Company is relying on private placements and advances from the directors and officers to continue its operations. The Company is not subject to any externally imposed capital requirements.

11. SEGMENTED INFORMATION

The Company operates in one segment, being the technology operation. The Company's long-term assets are located in China.

12. SUBSEQUENT EVENT

On December 20, 2017, the Company has been imposed a temporary halt of trading because the Company proposed a fundamental change of business to a blockchain / cryptocurrency company. The proposed change has not been approved by the CSE. The Company intends to file a listing statement with the CSE shortly to obtain approval of the CSE for the proposed fundamental change. Cascadia is halted and will remain halted until the approval is obtained.

On December 29, 2017, the Company closed its non-brokered private placement financing of 15,410,101 common shares at a price of $0.50 per share, for gross proceeds of 425 bitcoins ("BTC"), which is equivalent to $7,705,054 based on the exchange rate of USD14,402.24 / BTC published on the CME Bitcoin Real Time Index as determined at 6:00 p.m. (Vancouver, British Columbia time) on December 28, 2017 and the closing exchange rate of CAD1.2588 / USD published by the Bank of Canada on the same day.