DelphX Capital Markets Inc.

Unaudited Interim
Consolidated Financial Statements

(Expressed in Canadian dollars)

As at and for the three and nine months ended September 30, 2021 and 2020

NOTICE TO READER

The accompanying unaudited interim consolidated financial statements of DelphX Capital Markets Inc. (the "Company") have been prepared by and are the responsibility of management. These unaudited interim consolidated financial statements as at and for the three and nine months ended September 30, 2021 and 2020 have not been reviewed by the Company's auditors.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim consolidated financial statements of DelphX Capital Markets Inc., are the responsibility of the management and the Board of Directors (the "**Board**") of the Company and have been prepared in accordance with the accounting policies disclosed in the notes to the unaudited interim consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the interim unaudited consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting of International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

The Board is responsible for reviewing and approving the unaudited interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board for its consideration in approving the unaudited interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING ("ICFR")

Management is responsible for establishing and maintaining adequate internal control over the Company's financial reporting.

As the Company is a Venture Issuer (as defined under under *National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings*) ("**NI 52-109**"), the Company and Management are not required to include representations relating to the evaluation, design, establishment and/or maintenance of disclosure controls and procedures ("**DC&P**") and/or ICFR, as defined in NI 52-109, **nor has it completed such an evaluation**. Inherent limitations on the ability of the certifying officers to design and implement on a cost-effective bases DC&P and ICFR for the issuer may result in additional risks of quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

"Patrick Wood"	*"Simon Selkrig"*
Patrick Wood President and Chief Executive Officer	Simon Selkrig Chief Financial Officer
November 29, 2021	November 29, 2021

DelphX Capital Markets Inc.

Unaudited Interim Consolidated Statements of Financial Position

(expressed in Canadian dollars)

As at	**September 30, 2021**	December 31, 2020
Assets	**$**	$
Current assets		
Cash	**2,035,761**	181,709
Harmonized sales taxes recoverable	**48,370**	22,088
Due from related party *(note 7)*	**59,910**	57,660
Deposits and prepaid expenses *(note 6)*	**24,806**	36,237
Total current assets	**2,168,847**	297,694
Right-of-use asset *(note 8)*	**168,437**	248,222
Total assets	**2,337,284**	545,916
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities *(note 9)*	**2,457,397**	1,423,060
Current portion of lease liabilities *(note 10)*	**119,095**	105,755
Current portion of convertible debentures *(note 11)*	**-**	598,727
Current portion of debentures *(note 12)*	**136,800**	136,800
Due to related parties *(note 7)*	**100,000**	2,193,482
Total current liabilities	**2,813,292**	4,457,824
Lease liabilities *(note 10)*	**92,050**	184,569
Total liabilities	**2,905,342**	4,642,393
Shareholders' deficiency		
Share capital *(note 13)*	**21,383,149**	17,484,453
Equity component of convertible debentures *(note 11)*	**66,158**	66,158
Contributed surplus *(note 15)*	**3,299,785**	2,013,138
Warrants *(note 14)*	**1,652,725**	684,230
Deficit	**(27,296,414)**	(24,669,196)
Accumulated other comprehensive income (AOCI)	**326,539**	324,740
Total shareholders' deficiency	**(568,058)**	(4,096,477)
Total liabilities and shareholders' deficiency	**2,337,284**	545,916

Going concern (note 1)
Subsequent events (note 22)

Approved for issuance by the Board on November 29, 2021

"Salim Hasham", Independent Director

"Steven Mannik", Independent Director

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

DelphX Capital Markets Inc.

Unaudited Interim Consolidated Statements of Loss and Comprehensive Loss

(expressed in Canadian dollars-except weighted average number of common shares outstanding)

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	**2021**	2020
	$	$	**$**	$
Expenses				
Administration *(note 17)*	**275,268**	91,840	**578,694**	428,651
Depreciation *(note 8)*	**26,595**	26,592	**79,785**	79,776
Foreign exchange losses (gains)	**(90,139)**	79,198	**5,445**	(92,031)
Legal and regulatory *(note 17)*	**135,348**	148,005	**480,502**	485,439
Interest and bank charges	**3,506**	2,132	**6,934**	7,910
Investor relations and public report	**24,427**	20,628	**48,799**	42,173
Marketing and sales *(note 17)*	**-**	127,925	**53,959**	258,363
Research and development *(notes 17 and 18)*	**-**	83,773	**40,876**	270,042
Share-based compensation *(note 15.2)*	**774,432**	81,139	**1,316,164**	219,992
	1,149,437	661,232	**2,610,868**	1,700,315
Other income (expense)				
Interest expense	**(4,104)**	(23,743)	**(43,312)**	(69,151)
Interest accretion	**(6,530)**	(28,934)	**(43,228)**	(70,915)
Sub-lease income *(note 16)*	**22,262**	22,774	**70,190**	61,318
	11,628	(29,903)	**(16,350)**	(78,748)
Loss	**(1,290,948)**	(570,359)	**(2,625,419)**	(1,906,232)
Basic and fully-diluted loss and comprehensive loss per share	**(0.01)**	(0.01)	**(0.03)**	(0.02)
Weighted average number of common shares outstanding	**114,913,304**	96,473,209	**104,957,102**	86,676,604

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

DelphX Capital Markets Inc.

Unaudited Interim Consolidated Statements of Comprehensive Loss and Accumulated Other Comprehensive Income

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	**2021**	2020
	$	$	$	$
Loss	**(1,037,809)**	(691,135)	**(2,627,218)**	(1,779,063)
Translation gain (loss)	**(153,139)**	120,775	1,799	(127,170)
Comprehensive loss	**(1,290,948)**	(570,360)	**(2,625,419)**	(1,906,233)

As at	**September 30, 2021**	December 31, 2020
	$	$
AOCI, opening	324,740	177,523
Other comprehensive income (loss)	1,799	147,217
AOCI, ending	326,539	324,740

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

DelphX Capital Market Inc.

Unaudited Interim Consolidated Statements of Changes in Deficiency

(expressed in Canadian dollars)

	Capital stock		Equity component of convertible debt	Contributed surplus	Warrants	AOCI	Deficit	Total
	Number of shares	**Amount**						
		$	$	$	$	$	$	$
Balance at December 31, 2019	87,229,876	17,137,568	66,158	1,648,871	435,572	177,572	(22,051,066)	(2,585,375)
Shares issued for cash	9,243,333	634,600	-	-	-	-	-	634,600
Cost of issuance	-	(17,763)	-	-	-	-	-	(17,763)
Shares issued for services	133,333	10,000	-	-	-	-	-	10,000
Fair value of issued warrants	-	(291,287)	-	-	291,287	-	-	-
Fair value of issued finder warrants	-	(2,924)	-	-	2,924	-	-	-
Expiry of finder warrants	-	-	-	4,336	(4,336)	-	-	-
Share-based compensation	-	-	-	219,992	-	-	-	219,992
Loss and comprehensive loss for the period	-	-	-	-	-	(127,169)	(1,779,064)	(1,906,233)
Balance at September 30, 2020	96,606,542	17,470,194	66,158	1,873,199	725,447	50,354	(23,830,130)	(3,644,778)
Cost of issuance	-	8,024	-	-	(8,024)	-	-	-
Fair value of issued warrants	-	7,353	-	-	(7,353)	-	-	-
Fair value of issued broker warrants	-	(5,454)	-	-	5,454	-	-	-
Expiry of warrants	-	4,336	-	26,958	(31,294)	-	-	
Share-based compensation	-	-	-	112,981	-	-	-	112,981
Loss and comprehensive loss for the period	-	-	-	-	-	274,386	(839,066)	(564,680)
Balance at December 31, 2020	96,606,542	17,484,453	66,158	2,013,138	684,230	324,740	(24,669,196)	(4,096,477)

DelphX Capital Market Inc.

Unaudited Interim Consolidated Statements of Changes in Deficiency

(expressed in Canadian dollars)

	Capital stock		Equity component of convertible debt	Contributed surplus	Warrants	AOCI	Deficit	Total
	Number of shares	Amount						
Balance at December 31, 2020	96,606,542	17,484,453	66,158	2,013,138	684,230	324,740	(24,669,196)	(4,096,477)
Shares issued for cash	**12,700,000**	**2,880,000**	**-**	**-**	**-**	**-**	**-**	**2,800,000**
Cost of issuance	**-**	**(280,857)**	**-**	**-**	**(13,864)**	**-**	**-**	**(294,721)**
Fair value of issued warrants	**-**	**(268,369)**	**-**	**-**	**268,369**	**-**	**-**	**-**
Fair value of finder warrants	**-**	**(326,797)**	**-**	**-**	**326,797**	**-**	**-**	**-**
Shares issued for debt	**626,809**	**147,300**	**-**	**-**	**-**	**-**	**-**	**147,300**
Shares issued on conversion of debt	**4,133,334**	**620,000**	**-**	**-**	**-**	**-**	**-**	**620,000**
Fair value of warrants issued on conversion of debt	**-**	**(289,333)**	**-**	**-**	**289,333**	**-**	**-**	**-**
Fair value of warrants on maturity extension	**-**	**(152,183)**	**-**	**-**	**152,183**	**-**	**-**	**-**
Shares issued on exercise of options	**1,157,625**	**54,000**	**-**	**-**	**-**	**-**	**-**	**54,000**
Fair value of shares issued on option exercise	**-**	**41,397**	**-**	**(41,397)**	**-**	**-**	**-**	**-**
Shares issued on exercise of warrants	**615,000**	**61,500**	**-**	**-**	**-**	**-**	**-**	**61,500**
Fair value of shares issued on warrant exercise	**-**	**20,950**	**-**	**-**	**(20,950)**	**-**	**-**	**-**
Shares issued on exercise of finder warrants	**217,233**	**43,447**	**-**	**-**	**-**	**-**	**-**	**43,447**
Fair value of shares issued on finder warrant exercise	**-**	**21,493**	**-**	**-**	**(21,493)**	**-**	**-**	**-**
Expiry of finder warrants	**-**	**-**	**-**	**11,880**	**(11,880)**	**-**	**-**	**-**
Adjustment for settlement amounts due to related parties *(note 7)*	**-**	**1,326,148**	**-**	**-**	**-**	**-**	**-**	**1,326,148**
Share-based compensation	**-**	**-**	**-**	**1,316,164**	**-**	**-**	**-**	**1,316,164**
Loss and comprehensive loss for the period	**-**	**-**	**-**	**-**	**-**	**1,799**	**(2,627,218)**	**(2,625,419)**
Balance at September 30, 2021	**116,056,543**	**21,383,149**	**66,158**	**3,299,785**	**1,652,725**	**326,539**	**(27,296,414)**	**(568,058)**

DelphX Capital Markets Inc.

Unaudited Interim Consolidated Statements of Cash Flow

(expressed in Canadian dollars)

Nine months ended September 30,	**2021**	2020
	$	$
Operating activities		
Net loss	**(2,627,218)**	(1,779,063)
Non-cash items:		
Adjustment on settlement amounts due to related parties *(note 7)*	**1,326,148**	-
Depreciation	**79,785**	79,776
Interest accretion on secured convertible debentures	**43,228**	70,914
Non-cash interest income	**(2,250)**	(2,250)
Shares issued for accrued convertible debenture interest	**147,300**	-
Shares issued for services	**-**	10,000
Share-based compensation	**1,316,164**	219,992
Net change in non-cash working capital *(note 20)*	**(1,093,270)**	1,117,935
Cash used for operating activities	**(810,113)**	(282,696)
Financing activities		
Exercise of options	**54,000**	-
Exercise of warrants	**104,947**	-
Issuance of common shares (net of issuance costs)	**2,585,279**	616,837
Repayment of lease liabilities *(note 10)*	**(101,135)**	(97,865)
Cash provided from financing activities	**2,643,091**	518,972
Investing activities		
Proceeds from cancellation of GIC	**-**	27,500
Cash provided from investing activities	**-**	518,972
Effect of foreign exchange on cash	**21,074**	(107,195)
Increase in cash for the period	**1,854,052**	156,581
Cash at the beginning of the year	**181,709**	135,639
Cash at end of the period	**2,035,761**	292,220

Supplemental cash flow information *(note 21)*

DelphX Capital Markets Inc.

Notes to Unaudited Interim Consolidated Financial Statements

(expressed in Canadian dollars)

As at and for the three and nine months ended September 30, 2021 and 2020

1. General information and going concern

DelphX Capital Markets Inc. ("**DelphX**" or the "**Company**") was incorporated as Seaside Exploration Partners Corp. ("**Seaside**") on October 21, 2016, pursuant to the *Business Corporations Act* (British Columbia), and was a Capital Pool Company, pursuant to the policies of the TSX Venture Exchange ("**TSXV**"). On April 25, 2018, DelphX Corporation and Seaside completed a Qualifying Transaction ("**QT**"), as is defined pursuant to TSXV Policy 2.4, pursuant to a definitive share-exchange agreement dated December 12, 2017. The QT constituted a reverse take-over ("**RTO**") of Seaside. Prior to the QT, Seaside had a fiscal year end of January 31st, which has been changed to December 31st to coincide with the reporting year end of the DelphX Corporation (the RTO accounting acquirer).

The principal address of the Company is 15 Prince Arthur Street, Toronto, Ontario, M5R 1B2. DelphX's principal business activity is to develop and operate a global facility for transparent offering, purchase, sale, collection and storage of certain fixed income securities and derivatives, and to manage data, research, analytics and valuations of such instruments.

These unaudited interim consolidated financial statements (the **"Interim Consolidated Financial Statements"**) have been prepared using International Financial Reporting Standards (**"IFRS"**) applicable to going concern, which contemplates the realization of assets and settlement of liabilities as they fall due in the normal course of business for the foreseeable future. The Company is in the development stage and has not yet realized profitable operations and has relied on non-operational sources of financing to fund operations. DelphX's ability to continue as a going concern is dependent on successfully executing its business plan, which includes the raising of additional funds. The Company will continue to seek additional forms of debt or equity financing, but it cannot provide assurance that it will be successful in doing so. These material uncertainties cast significant doubt as to the ability of the Company to continue as a going concern. The Consolidated Financial Statements do not reflect the adjustments to the carrying amounts of assets and liabilities and the reported expenses and consolidated statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by Novel Coronavirus ("**COVID-19**"). The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

2. Basis of preparation

2.1 Statement of compliance

These unaudited interim consolidated financial statements, including comparatives, have been prepared in accordance with *International Accounting Standards (“**IAS**”) 34* ‘Interim Financial Reporting’ using accounting policies consistent with the IFRS issued by the International Accounting Standards Board (“**IASB**”) and Interpretations of the International Financial Reporting Interpretations Committee (“**IFRIC**”).

The Interim Consolidated Financial Statements were approved and authorized for issuance by the Board on November 29, 2021.

2.2 Basis of presentation and measurement

The Interim Consolidated Financial Statements have been prepared on a historical cost basis, except for financial instruments that are measured on amortized cost or fair value. In addition, these unaudited interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of the Interim Consolidated Financial Statements in accordance with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies.

2.3 Basis of consolidation

The Interim Consolidated Financial Statements consolidate the accounts of the Company and all its subsidiaries. The Company has the following directly and indirectly wholly-owned subsidiaries: DelphX Services Corporation (“**DSC**”) (incorporated on August 4, 2011, pursuant to the laws of Delaware, USA), an SEC-registered securities broker-dealer that has an objective to manage the DelphX Alternative Trading System (“**ATS**”); DelphX Data Corporation (incorporated on February 21, 2018, pursuant to the laws of Canada), the Company’s Canadian operations entity; Quantem Capital Corporation (incorporated on April 11, 2018, pursuant to the laws of Bermuda) (inactive), Quantem Capital LLC (a limited liability company formed on September 3, 2021, pursuant to the laws of Delaware) and DelphX Corporation (incorporated on February 18, 2016, pursuant to the laws Delaware, USA), the Company’s US operations entity. The Interim Consolidated Financial Statements include the financial position, results of operations and cash flows of its subsidiaries subsequent to acquisition or formation.

A subsidiary is an entity over which the Company has control, whereby control is defined as the power to direct activities of an entity that significantly affect the entity’s returns so as to obtain benefit from its activities. Control is presumed to exist where the Company has ownership of more than one-half of the voting rights in its subsidiaries. The effect of potential voting rights that are currently exercisable are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date control is acquired or transferred to the Company and de-consolidated from the date at which the control ceases.

3. Adoption of new standards and pending accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2021. The following IFRS amended standards have been issued but not yet adopted, as they are being evaluated to determine their impact on the Company.

IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of the amendments to IFRS 10, is yet to be determined, however early adoption is permitted. The Company has not yet adopted this standard and is assessing its impact on its consolidated financial statements.

IAS 1 – Presentation of Financial Statements. In January 2020, the classification of liabilities as current or non-current was amended. An entity shall apply the amendments for annual reporting periods on or after January 1, 2023, retrospectively in accordance with IAS 8 – Accounting Policies, changes in accounting estimates and errors. The Company has not yet adopted this amendment and is currently assessing the effects on its consolidated financial statements.

IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use. The Standard was amended in 2020 to provide for the costs of testing whether a product is functioning properly in accordance with management's expectations and the disclosure of those costs. An entity shall apply the amendments for annual reporting periods on or after January 1, 2022, with early adoption permitted. The Company has not yet adopted this amendment and is currently assessing the effects on its consolidated financial statements.

IAS 37 – Provisions contingent liabilities and contingent assets. The Standard was amended in May 2020 to expand on the definition of onerous contracts and the costs to be included in fulfilling a contract. An entity shall apply the amendments for annual reporting periods on or after January 1, 2022, with early adoption permitted. The Company has not yet adopted this amendment and is currently assessing the effects on its consolidated financial statements.

4. Capital management

The Company's main objective in managing capital is to ensure sufficient liquidity to pursue and fund product development, production and promotion. Secondarily, the Company strives to continue to fund research and development and pursue its growth strategy, while at the same time taking a conservative approach toward financial leverage and management of financial risk. The Company's capital is considered to be its shareholders' equity (deficiency). The Company's primary uses of capital are financing operations, including the completion and roll-out of its ATS, increasing non-cash working capital and capital expenditures. The Company currently funds these requirements from existing cash resources and/or cash raised through the issuance of common shares or debt. The Company's objectives when managing capital is to ensure the Company will continue to have enough liquidity so that it can provide its products and services to its customers and returns to its shareholders. The Company monitors its capital on the basis of the adequacy of its cash resources to fund its business plan. In order to maximize the capacity to finance the Company's ongoing growth, the Company does not currently pay a dividend to holders of its common shares.

(expressed in Canadian dollars)

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the nine months ended September 30, 2021. The Company is not subject to any capital requirements by lending institution or regulatory body, other than by the continued listing requirements of the TSXV.

5. *Financial instruments and risk management*

The Company has the following financial instruments:

	September 30, 2021	December 31, 2020
	$	$
Financial assets		
Cash	**2,035,761**	181,709
Deposits	**11,507**	11,507
Due from related parties	**59,910**	57,660
	2,107,178	250,876
Financial liabilities		
Accounts payable and accrued liabilities	**2,457,397**	1,423,060
Due to related parties	**100,000**	2,193,482
Convertible debentures	**-**	598,727
Debentures	**136,800**	136,800
	2,694,197	4,352,007

The carrying value of the Company's cash, deposits, due from related parties, accounts payable and accrued liabilities, due to related parties and debentures approximate their fair value due to the short-term nature of these instruments.

5.1 Basis of fair values

Assets and liabilities recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) observed 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 (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company treats its cash as Level 1 financial asset and does not have any Level 2 or Level 3 financial assets or liabilities.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There have been no significant transfers between levels during the year.

5.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. As at September 30, 2021, the Company had $2,813,292 (December 31, 2020 - $4,457,824) of liabilities with a maturity of one year or less and a working capital deficiency of $644,445 (December 31, 2020 – $4,160,130). The Company manages its liquidity risk by reviewing its growth plans on an ongoing basis.

5.3 Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity prices and/or stock market movements (price risk).

5.4 Currency risk

The Company's functional currency is the US dollar. The Company also conducts business in Canadian dollars. Financial assets and liabilities denominated in foreign currencies will be affected by changes in the exchange rate between the functional currency and any foreign currencies. The assets and liabilities primarily affected are cash, accounts payable and accrued liabilities and due to related parties that are denominated in foreign currencies. The Company has recognized currency exchange gains and losses during the three and nine months ended September 30, 2021, of gain of $90,139 (2020 – loss of $148,005) and loss of $5,445 (2020 – gain of $92,031), respectively.

Management believes that at this stage of its development, foreign currency risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

The Company's funds are kept in Canadian and US dollars at a major Canadian institution.

The Company's exposure to foreign currency balances is as follows:

		Exposure ($Cdn)	
Account	**Foreign currency**	**September 30, 2021**	December 31, 2020
Cash	US dollar	**42,146**	13,305
Accounts payable and accrued liabilities	US dollar	**(1,026,950)**	(1,053,099)
Due to related parties	US dollar	**(943,316)**	(1,285,808)
		(1,928,120)	(2,325,602)

(expressed in Canadian dollars)

The Company believes that a change of 10% in foreign exchange rates would increase/decrease comprehensive loss for the period by approximately $193,000 (2020 – for the year $233,000).

The Company is not currently exposed to any significant credit risk and other price risk.

6. *Deposits and prepaid expenses*

Deposits and prepaid expenses represent costs expended by the Company for which it has not yet received value. The deposits and prepaid expenses of the Company are detailed as follows:

	September 30, 2021	December 31, 2020
	$	$
Consulting fees	**12,500**	14,125
Insurance	**-**	9,806
Investor relations and public reporting	**357**	358
Legal fees	**442**	441
Office rent deposit	**11,507**	11,507
	24,806	36,237

7. *Related party transaction*

Due from related party

As at September 30, 2021, amounts due to the Company comprise a secured loan in the amount of $50,000 plus accrued interest of $9,910 provided to its former Chief Financial Officer (December 31, 2020 - $57,660). The maturity of the loan has been extended to January 31, 2022, and interest accrues at the rate of 6% per annum. Both principal and accrued interest are payable on or before the maturity date and the loan is secured by a promissory note from the borrower. As further security to the Company, the borrower agreed not to sell, pledge or otherwise encumber, 62,000 of the Company's common shares owned by him, until the full amount of the loan was repaid (including applicable interest). The borrower has also agreed to surrender the shares to the Company upon its request to do so.

Due to related parties

As at September 30, 2021, amounts due to related parties include $100,000, comprising a settlement amount due to a senior officer of the company. Amounts due at December 31, 2020, of $2,193,482 comprise salary and consulting charges due to senior officers of the Company.

Key management compensation

Key management includes those individuals having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly. Key management includes the directors, named executive officers, being the chief executive officer and the chief financial officer and the Company's

(expressed in Canadian dollars)

Chief Actuary. The Interim Consolidated Financial Statements include balances and transactions with directors and/or officers of the Company and/or corporations related to or controlled by them.

Related-party compensation paid or payable to key management is detailed below:

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	**2021**	2020
	$	$	**$**	$
Compensation to key management	**52,500**	426,830	**135,500**	1,156,764
Share-based compensation	**218,430**	50,269	**494,717**	166,794

Equity participation

During the nine months ended September 30, 2021 and 2020, related parties participated in equity financings of the Company as follows:

	September 30, 2021	September 30, 2020
	$	$
Equity financings	**120,000**	64,600

Related party settlements

In September 2021, the Company settled outstanding amounts due to various shareholders at a discount of $1,326,148. Pursuant to IFRIC 19.6, the discount is not reflected in the statements of loss and comprehensive loss but to common shares.

8. *Right-of-use asset*

In accordance with IFRS 16, the Company has recognized a ROU asset for its office premises with a corresponding lease liability (note 10) which is initially measured at the present value of the future lease payments. The Company then recognizes depreciation of ROU asset.

	$
Balance at January 1, 2020	354,590
Depreciation for year	(106,368)
Balance at December 31, 2020	248,222
Depreciation for the period	**(79,785)**
Balance at September 30, 2021	**168,437**

(expressed in Canadian dollars)

During the three and nine months ended September 30, 2021, the Company incurred $nil (2020 - $2,103) and $4,136 (2020 - $9,462), respectively in short-term leases and $nil (2020 - $nil) and $nil (2020 - $nil), respectively in low-value leases.

9. *Accounts payable and accrued liabilities*

Accounts payable of the Company are principally comprised of amounts outstanding for trade purchases and financing activities. The usual credit period taken for trade purchases is between 30 and 60 days.

The following is an analysis of the Company's accounts payable and its accrued liabilities:

	September 30, 2021	December 31, 2020
	$	$
Administration	**241,240**	149,014
Interest	**30,780**	134,768
Investor relations and public reporting	**38,187**	37,883
Legal and regulatory	**1,230,512**	858,012
Marketing and sales	**389,724**	141,429
Research and development	**526,954**	101,954
Total accounts payable and accrued liabilities	**2,457,397**	1,423,060

The September 30, 2021 balance includes $943,316 that has been reallocated from due to related party as those recipients are no longer related.

10. Lease liability

In accordance with IFRS 16, the Company has recognized a ROU asset (note 8) for its office premises with a corresponding lease liability which is initially measured at the present value of the future lease payments. The Company then recognizes interest expense on lease liability.

In order to calculate the present value of the future lease payments, the Company has used a discount rate of 12% which represents its incremental borrowing rate. Prior to the adoption of IFRS 16, this lease was accounted for as an operating lease.

Changes to the Company's lease liability is as follows:

	$
Balance, January 1, 2020	380,349
Interest expense	40,156
Lease payments	(130,181)

(expressed in Canadian dollars)

	$
Balance at December 31, 2020	290,324
Interest expense	**21,956**
Lease payments	**(101,135)**
	211,145
Less: current portion	**(119,095)**
Balance September 30, 2021	**92,050**

Future minimum lease payments (principal and interest) on the lease are as follows:

	September 30, 2021
	$
2021	33,342
2022	138,872
2023	58,634
Total minimum lease payments	230,848
Effect of discounting	(19,703)
Present value of minimum lease payments	211,145
Less: current portion	(119,095)
Balance September 30, 2021	**92,050**

11. Secured, convertible debentures

During the year ended December 31, 2019, the Company completed a non-brokered financing of $620,000 (the "**Financing**"), by way of issuance of secured, convertible debentures (the "**Convertible Debentures**"). The Convertible Debentures carry an interest rate of 12.0%, payable semi-annually, with a maturity date of May 31, 2021. The principal amount of the Convertible Debentures is convertible at any time at the election of the holder. The Convertible Debentures are convertible into units ("**Convertible Units**"), whereby each Convertible Unit consists of one common share of the Company and one share purchase warrant of the Company. The conversion price of the Convertible Debentures is $0.15 per Convertible Unit. Each share purchase warrant entitles the holder to purchase one common share of the Company at a price of $0.20 per common share, expiring May 31, 2021. The Convertible Debentures are secured with a fixed and floating charge against the current and future assets of the Company through a general security agreement.

In connection with the Financing, the Company incurred $17,500 of cash costs and issued 217,233 finder's warrants (together, the "**Debenture Fees**"), exercisable for $0.20 each for a period of 2 years. The fair value of $21,493 was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: Risk-free rate of 1.43%, expected life of 2 years, exercise price of $0.20, volatility of 94.85%, dividend yield of 0% and share price of $0.13. Both the cash costs and the fair value of the

finder's warrants were allocated to the liability and equity components on the same basis as the bifurcation (below). The liability component of the Debenture Fees will be accreted over the life of the Convertible Debentures.
For accounting purposes, the Convertible Debentures are separated into their liability and equity components by first valuing the liability component. The fair value of the liability component at the time of issue of $549,402, was calculated as the discounted cash flows for the Convertible Debentures assuming an 18% discount rate, which was the estimated rate for a similar debenture without a conversion feature. The fair value of the equity component (conversion feature) was determined at the time of issue as the difference between the face value of the Convertible Debentures and the fair value of the liability component, being $70,598. The equity component will be accreted over the life of the Convertible Debentures. Accretion expense for the three and nine months ended September 30, 2021 was $nil (2020 - $19,397) and $21,272 (2020 - $40,296), respectively.

During the three and nine months ended September 30, 2021, the Company incurred $nil (2020 - $18,600) and $31,000 (2020 - $55,800), respectively of interest expense on the Convertible Debentures.

On May 31, 2021, all of the convertible debentures were converted (note 13.2 (iv)) and the accrued interest of $147,300 was settled with the issuance of shares (note 13.2 (i)).

12. Secured debentures

During 2019, the Company completed a non-brokered financing of $136,800, by way of issuance of secured debentures ("**Debentures**"). The Debentures carry an interest rate of 12.0%, payable semi-annually, with a maturity date of November 15, 2021. The Debentures are secured with a fixed and floating charge against the current and future assets of the Company through a general security agreement. For the three and nine months ended September 30, 2021, the Company incurred $4,104 (2020 - $4,104) and $12,312 (2020 - $12,312), respectively of interest expense on the Debentures.

13. *Share capital*

13.1 Authorized

DelphX's authorized share capital consists of an unlimited number of common shares.

13.2 Issued and outstanding

See note 23.1 regarding the exercise of options subsequent to the reporting date that raised proceeds of $75,000.

2021:

(i) In July 2021, the Company completed a private placement (the "**July 21 Private Placement**") raising $2,310,000 with the issuance of 7,000,000 common shares at $0.33 each. In connection with the July 21 Private Placement, the Company paid cash finder fees totaling $266,721 and issued 458,245 finder warrants (the "**July 21 Finder Warrants**"), exercisable at $0.33 each, for a period of 5 years after issue. The fair value of $291,444 of the July 21 Finder Warrants was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: Risk free rate of 0.88%, expected life of 5 years, volatility of 192.56%, a dividend yield of 0% and share price of $0.65.

(ii) In July 2021, 342,000 options and 415,000 warrants were exercised, raising proceeds of $41,500. The fair value of the exercised options and warrants of $26,367 was transferred to common shares from warrants and contributed surplus.

(iii) In June 2021, the Company issued 626,809 common shares in settlement of outstanding accrued interest on its convertible debentures in the amount of $147,300.

(iv) In June 2021, 815,625 options were exercised raising proceeds of $54,000. The fair value of the exercised options of $29,167, was transferred from contributed surplus to share capital.

(v) In June 2021, 200,000 warrants were exercised raising proceeds of $20,000. The fair value of the exercised warrants of $6,813, was transferred from warrants to share capital.

(vi) In May 2021, convertible debenture holders converted the entire principle balance of $620,000 (the "**Conversion**"), resulting in the issuance of 4,133,334 common shares. In connection with the Conversion, the Company issued 4,133,334 warrants (the "**Conversion Warrants**"). Each Conversion Warrant is exercisable for one common share at $0.24 for a period of two years after issue. The fair value of the Conversion Warrants of $289,233 was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: Risk free rate of 0.32%, expected life of 2 years, volatility of 222.3%, a dividend yield of 0% and share price of $0.24.

(vii) In May 2021, 217,233 finder warrants were exercised raising proceeds of $43,447. The fair value of the exercised finder warrants of $21,493, was transferred from warrants to share capital.

(viii) In April 2021, the Company completed at unit financing (the "**April 21 Offering**"). The April 21 Offering comprised 5,700,000 units (the "**Units**"). Each Unit comprised one common share and one common-share purchase warrant (each, an "**April 21 Warrant**"). Each April 21 Warrant is exercisable for one common share at $0.15 for a period of five years after issue. The fair value of the April 21 Warrants of $268,368 was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: Risk free rate of 0.90%, expected life of 5 years, volatility of 192.6%, a dividend yield of 0% and share price of $0.26.

In connection with the April 21 Offering, the Company paid cash finder fees of $28,000 and also issued 280,000 finders warrants (each a "**Finder Warrant**") with an exercise price of $0.10 per finders warrant, exercisable for a period of five years, with a relative fair value of $35,353. The relative fair value of the Finder Warrants was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: Risk free rate of 0.90%, expected life of 5 years, volatility of 192.6%, a dividend yield of 0% and share price of $0.26.

2020:

(ix) In June 2020, the Company issued 5,333,332 units at $0.075 per unit, raising $400,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable for 5 years after issue at an exercise price of $0.10 each with an estimated total fair value of $186,697.

(expressed in Canadian dollars)

In connection with the private placement, the Company also issued 143,500 finders' warrants with an exercise price of $0.075 per finders' warrant for a period of five years, with a fair value of $10,045, with $4,920 allocated to share capital and $3,690 allocated to warrants on the statement of changes in deficiency.

The fair value of the warrants and finders' warrants, was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: Risk free rate of 0.37%, expected life of 5 years, volatility of 92.21%, a dividend yield of 0% and share price of $0.10 (for the warrants) and $0.075 (for the finders' warrants).

The Company paid cash finder's fees of $10,763.

(x) In April 2020, the Company issued 1,076,667 units at $0.06 per unit, raising $64,600. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable for 5 years after issue at an exercise price of $0.08 each with an estimated total fair value of $34,732.

The fair value of the warrants were calculated using the Black-Scholes option pricing model with the following weighted average assumptions: Risk free rate of 0.32%, expected life of 5 years, volatility of 92.49%, a dividend yield of 0% and share price of $0.08.

(xi) In March 2020, the Company issued 2,833,334 units at $0.06 per unit, raising $170,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable for 5 years after issue at an exercise price of $0.08 each with an estimated total fair value of $69,858.

In connection with the private placement, the Company also issued 116,667 finders' warrants with an exercise price of $0.06 per finders' warrant for a period of five years, with a fair value of $8,610, with $4,920 allocated to share capital and $3,690 allocated to warrants on the statement of changes in deficiency.

The fair value of the warrants and finders' warrants, were calculated using the Black-Scholes option pricing model with the following weighted average assumptions: Risk free rate of 0.75%, expected life of 5 years, volatility of 91.5%, a dividend yield of 0% and share price of $0.08.

The Company paid cash finder's fees of $7,000.

14. Warrants

The outstanding issued warrants balance as at September 30, 2021 is comprised of the following items:

Date of expiry	Type	Number of warrants	Exercise price
			$

May 15, 2022	Warrants[1]	8,116,500	0.30
May 31, 2023	Warrants	4,133,334	0.24
March 26, 2025	Warrants	2,833,334	0.08
June 12, 2025	Warrants	4,718,332	0.10
April 15, 2026	Warrants	5,700,000	0.15
April 24, 2025	Warrants	1,076,667	0.08
March 26, 2025	Finder warrants	116,667	0.06
June 12, 2025	Finder warrants	143,500	0.075
April 15, 2026	Finder warrants	280,000	0.10
July 14, 2026	Finder warrants	458,245	0.33
		27,576,579	**0.20**

[1]In May 2021, the expiry date of these warrants was extended to May 15, 2022. The incremental fair value of the extension of $152,183, was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: Risk free rate of 0.37%, expected life of 1 year, volatility of 98.3%, a dividend yield of 0% and share price of $0.13. The fair value was transferred from share capital to warrants.

A continuity of the warrants to purchase common shares is as follows:

	Average exercise price	**Number of warrants**
	$	$
Balance at December 31, 2020	0.56	8,888,928
Issued	0.09	9,503,500
Expired	0.64	(162,040)
Outstanding at December 31, 2020	0.19	18,230,388
Issued	**0.20**	**10,571,579**
Exercised	**0.13**	**(832,233)**
Expired	**0.30**	**(393,155)**
	0.20	**27,576,579**

(expressed in Canadian dollars)

15. Contributed surplus

15.1 Options

DelphX has a stock option plan (the "**Plan**") pursuant to which options to purchase common shares of the Company may be granted to certain officers, directors, employees and consultants of the Company with a maximum term of 10 years and variable vesting as determined by the directors of the Company upon issuance. The Plan allows for the issuance of options up to 10% of the issued and outstanding common shares. As at September 30, 2021, the Company had 1,714,654 (December 31, 2020 – 663,654) options available for issuance. A continuity of the unexercised options to purchase common shares is as follows:

	Exercise price	Number of options
	$	$
Balance at December 31, 2019	0.27	8,719,000
Issued	0.15	1,928,000
Forfeit	0.19	(1,650,000)
Outstanding at December 31, 2020	0.26	8,997,000
Issued	**0.35**	**4,400,000**
Exercised	**0.12**	**(1,157,625)**
Expired	**0.37**	**(2,348,375)**
Outstanding at September 30, 2021	**0.29**	**9,891,000**
Exercisable at September 30, 2021	**0.29**	**9,891,000**

The table below provides additional information regarding the outstanding options:

Number outstanding	Number exercisable	Exercise price (per option)	Expiry date	Vested Fair value
		$		$
2,350,000	2,350,000	0.10	Calendar 2021	135,066
1,470,000	1,470,000	0.15	Calendar 2022	107,928
1,369,000	1,369,000	0.15	Calendar 2023	121,841
1,381,000	1,381,000	0.35	Calendar 2023	390,823
1,100,000	1,100,000	0.50	Calendar 2023	482,900
550,000	550,000	0.55	Calendar 2023	265,100
1,071,000	1,071,000	0.70	Calendar 2023	522,698
600,000	600,000	0.20	Calendar 2024	79,904
		Fair value of expired options		887,532

(expressed in Canadian dollars)

		Fair value of expired/cancelled warrants	305,993
9,891,000	9,891,000		3,299,785

15.2 Share-based payments

Vesting of options accounted for share-based compensation of $774,432 (2020 - $81,139) and $1,316,164 (2020 - $219,992), respectively, for the three and nine months ended June 30, 2021 and 2020, respectively. Such amounts have been expensed on the consolidated statements of loss and comprehensive loss.
The grant-date fair value of $748,000 for the 1,650,000 options issued during the third quarter of 2021, was estimated using the Black-Scholes option pricing model with the following weighted-average assumptions: Risk-free interest rate of 0.29%, exercise price of $0.25, volatility of 218.21%, maturity of 2 years; dividend yield of nil% and an underlying share price of $0.52.

The grant-date fair value of $512,664 for the 2,750,000 options issued during the second quarter of 2021, was estimated using the Black-Scholes option pricing model with the following weighted-average assumptions: Risk-free interest rate of 0.29%, exercise price of $0.25, volatility of 216.57%, maturity of 2 years; dividend yield of nil% and an underlying share price of $0.22.

The grant-date fair value of $134,898 for the 1,928,000 options issued during calendar 2020 was estimated using the Black-Scholes option pricing model with the following weighted-average assumptions: Risk-free interest rate of 0.27%, exercise price of $0.15, volatility of 201.78%, maturity of 2 years; dividend yield of nil% and an underlying share price of $0.09.

16. Sublease income

During 2019, the Company adopted IFRS 16 for its Canadian office premises lease ("**Head Lease**"). Also, the Company entered into a sub-lease (as such is defined pursuant to IFRS 16) for its office premises in Canada. DelphX as the intermediate lessor has classified the sub-lease as an operating lease and during the term of the sublease, has accounted for it by retaining both the ROU asset and lease liability already recognized for the Head Lease and records lease income from the sub-lease.

17. Compensation

For the expense categories listed below, each contain the disclosed amount of compensation opposite the category:

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	**2021**	2020
	$	$	**$**	$
Expense category				
Administration	**-**	60,718	**57,523**	191,993
Legal and regulatory	**-**	139,493	**139,274**	427,218

(expressed in Canadian dollars)

Marketing and sales	**-**	127,925	**53,659**	256,713
Research and development	**-**	88,013	**40,876**	268,342
	-	416,149	**291,332**	1,144,266

18. Research and development costs

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	**2021**	2020
	$	$	**$**	$
ATS development	**-**	-	**-**	1,700
Compensation	**-**	88,013	**40,876**	268,342
	-	88,013	**40,876**	270,042

19. Segmented information

Operating segments

As at September 30, 2021, the Company has a single operating segment being its principal business activity to develop and operate a global facility for transparent offering, purchase, sale, collection and storage of certain fixed income securities and derivatives, and to manage date, research, analytics and valuations of such instruments. As the operations comprise a single reporting segment, the amounts disclosed in the consolidated financial statements also represent the single reporting segment.

Geographic segments

The Company operates in both Canada and the United States.

As at	Canada	United States	**Total**
	$	$	**$**
September 30, 2021			
Right of use of asset	168,437	-	**168,437**
	168,437	-	**168,437**
December 31, 2020			
Right of use asset	248,222	-	**248,222**

(expressed in Canadian dollars)

	248,222	-	**248,222**

20. Changes in non-cash working capital

Nine months ended September 30,	2021	2020
	$	$
Changes in non-cash working capital		
Harmonized sales taxes	**(26,282)**	(12,888)
Deposits and prepaid expenses	**10,641**	(472)
Accounts payable and accrued liabilities	**1,047,069**	45,214
Due to related parties	**(2,124,698)**	1,086,081
	(1,093,270)	1,117,935

21. *Supplemental cash flow information*

Nine months ended September 30,	2021	2020
	$	$
Non-cash financing activities		
Capitalized interest income from related party	**2,250**	2,250
Capitalized interest on debentures	**12,312**	12,312
Capitalized in interest on convertible debentures	**31,000**	55,800
Interest paid	**nil**	nil
Income taxes paid	**nil**	nil

22. Contingencies

Legal proceedings

The Company is, from time to time, involved in various claims and legal proceedings. In June 2021, the Company was served with a statement of claim filed with the Chester County (Pennsylvania) Court against the Company by its former Executive Chairman. The case pertains to alleged breaches of the claimant's employment contract with the Company and ownership of various intellectual property. The Company's lawyers are managing the claim and are vigorously defending against this action and have launched a counter-claim.

The Company cannot reasonably predict the likelihood or outcome of these activities. The Company does not believe that adverse decisions in any ending or threatened proceedings related to any matter, or any amount which may be required to be paid by reasons thereof, will have a material effect on the financial condition or future results of operations.

23. Subsequent events

23.1 Option exercises and expiries

After the reporting date, 750,000 options were exercised, raising proceeds of $75,000. In November 2021, 450,000 options with an exercise price of $0.10 each, expired unexercised.

23.3 Issuance of options

In November 2021, the Company issued 300,000 options with an exercise price of $0.50 and expiry dates 2 years after issue.

DelphX Capital Markets Inc.

Interim Management's Discussion and Analysis

Quarterly Highlights

Three months ended September 30, 2021

November 29, 2021

DelphX Capital Markets Inc.

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
QUARTERLY HIGHLIGHTS
Three months ended September 30, 2021

*This interim management discussion and analysis – quarterly highlights ("Interim MD&A") has been prepared based on information available to DelphX Capital Markets Inc., ("**DelphX**" or the "**Company**") as at November 29, 2021. This Interim MD&A is based on information available to DelphX and updates disclosure previously provided in the Company's Annual and interim MD&A's, up to the date of this Interim MD&A and should be read in conjunction with the Company's unaudited interim consolidated financial statements and the related notes as at and for the three and nine months ended September 30, 2021 and 2020 (the "**Unaudited Interim Consolidated Financial Statements**") and the Company's audited consolidated financial statements for the years ended December 31, 2020 and 2019 (the "**Audited Consolidated Financial Statements**"). Both the Audited Consolidated Financial Statements and the Unaudited Interim Consolidated Financial Statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") and all amounts are expressed in Canadian dollars unless otherwise noted. Other information contained in this Interim MD&A has also been prepared by management and is consistent with the data contained in the Financial Statements. Additional information relating to the Company can be found on SEDAR at www.sedar.com or on the Company's website at www.delphx.com.*

As the Company is a Venture Issuer (as defined under under *National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings*) ("**NI 52-109**"), the Company and Management are not required to include representations relating to the evaluation, design, establishment and/or maintenance of disclosure controls and procedures ("**DC&P**") and/or Internal Controls over Financial Reporting ("**ICFR**"), as defined in NI 52-109, **nor has it completed such an evaluation**. Inherent limitations on the ability of the certifying officers to design and implement on a cost-effective basis DC&P and ICFR for the issuer may result in additional risks of quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION AND STATEMENTS

This document contains "forward-looking statements" which may include, but are not limited to, statements with respect to the future financial or operating performance of DelphX or future events related to DelphX which reflect expectations regarding growth, results of operations, performance, business prospects or opportunities or industry performance or trends. These forward-looking statements reflect DelphX's current internal projections, expectations or beliefs and are based on information currently available to DelphX. Often, but not always, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "intend", "plan", "anticipate", "believe", "predict", "potential", "continue", "budget", "schedule", "estimate", "forecast" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements expressed or implied by the forward-looking statements to differ materially from those anticipated in such statements. Such factors include, among others: general business, economic, competitive, political and social uncertainties; changes in project parameters as plans continue to be refined; changes in labour costs and other costs of materials, equipment or processes to operate as anticipated; accidents, labour disputes and other risks and delays in obtaining governmental approvals or financing or in the completion of research and development activities. Although DelphX has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this Interim MD&A and, unless otherwise required by applicable securities laws, DelphX disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

CAUTIONARY NOTE REGARDING THE NOVEL CORONAVIRUS

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by Novel Coronavirus ("**COVID-**

19"). The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

DelphX Capital Markets Inc.

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
QUARTERLY HIGHLIGHTS
Three months ended September 30, 2021

General

DelphX Capital Markets Inc. ("**DelphX**" or the "**Company**") was incorporated as Seaside Exploration Partners Corp. ("**Seaside**") on October 21, 2016, pursuant to the *Business Corporations Act* (British Columbia), and was a Capital Pool Company, pursuant to the policies of the TSX Venture Exchange ("**TSXV**"). On April 25, 2018, DelphX Corporation and Seaside completed a Qualifying Transaction ("**QT**"), as is defined pursuant to TSXV Policy 2.4, pursuant to a definitive share-exchange agreement dated December 12, 2017. The QT constituted a reverse take-over ("**RTO**") of Seaside. Details of the QT are disclosed in note 23 of the Audited Consolidated Financial Statements. Prior to the QT, Seaside had a fiscal year end of January 31st, which has been changed to December 31st to coincide with the reporting year end of the DelphX Corporation (the RTO accounting acquirer).

The principal address of the Company is 15 Prince Arthur Street, Toronto, Ontario, M5R 1B2. DelphX's principal business activity is to develop and operate a global facility for transparent offering, purchase, sale, collection and storage of certain fixed income securities and derivatives, and to manage data, research, analytics and valuations of such instruments, as more fully described below.

The Unaudited Interim Consolidated Financial Statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities as they fall due in the normal course of business for the foreseeable future. As the Company is in the development stage and has not yet realized profitable operations, it has relied on non-operational sources of financing to fund operations. DelphX's ability to continue as a going concern is dependent on successfully executing its business plan, which includes the raising of additional funds. The Company will continue to seek additional forms of debt and/or equity financing, but it cannot provide assurance that it will be successful in doing so. These material uncertainties lend significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness, ultimately, of the use of accounting principles applicable to a going concern. The Unaudited Interim Consolidated Financial Statements do not reflect the adjustments to the carrying amounts of assets and liabilities and the reported expenses and consolidated statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

The Unaudited Interim Consolidated Financial Statements have also been prepared in accordance with *International Accounting Standards ("**IAS**") 34* 'Interim Financial Reporting' using accounting policies consistent with the IFRS issued by the International Accounting Standards Board ("**IASB**") and Interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**"). They consolidate the accounts of the Company and all its subsidiaries. The Company acquired 100% of the issued and outstanding shares of DelphX Services Corporation ("**DSC**") on November 27, 2017. DSC is an SEC-registered securities broker-dealer that was previously owned by the Company's President and CEO and has an objective to manage the DelphX Alternative Trading System ("**ATS**"). The Company's other wholly-owned subsidiaries are as follows: DelphX Data Corporation (incorporated on February 21, 2018, pursuant to the laws of Canada), the Company's Canadian operations entity; Quantem Capital Corporation (incorporated on April 11, 2018, pursuant to the laws of Bermuda) (inactive), Quantem Capital LLC (a limited liability company formed on September 3, 2021, pursuant to the laws of Delaware) and DelphX Corporation (incorporated on February 18, 2016, pursuant to the laws Delaware, USA), the Company's US operations entity. The Unaudited Interim Consolidated Financial Statements include the financial position, results of operations and cash flows of its subsidiaries subsequent to acquisition or formation.

The Unaudited Interim Consolidated Financial Statements were approved for issuance by the Board of Directors of the Company on November 29, 2021.

Any reference to "note" or "notes" in this Interim MD&A are to the corresponding notes in the Unaudited Interim Consolidated Financial Statements.

Principal Business and Stated Business Objectives

DelphX is a financial product and technology company that is designing solutions to improve access, liquidity and trading and negotiation in the credit market. The Company operates its proprietary facility under a wholly-owned special purpose vehicle called "**Quantem**".

This facility addresses a significant problem in existing structured products markets of lower liquidity, ease of access, and lack of transparency in risk mitigation tools currently used by institutional investors seeking risk mitigation solutions. It also allows institutional investors to attain higher yields than reference bonds with a pari-passu risk of default.

To solve these problems, DelphX (with guidance from the SEC) created and owns two proprietary securities solutions that offer both secure risk protection and yield improvement for currently issued underlying bonds: Collateralized Put Options ("**CPO**s") and Collateralized Reference Notes ("**CRN**s").

CPOs are 144A securities that pay holders the interest and principal payments as due under a referenced credit security that has defaulted. CPOs are structured to indemnify both individual and portfolios of referenced corporate bonds and other credit securities.

CRNs are fixed coupon/maturity 144A securities that fund all CPO protection, on a CUSIP-specific basis, and pay materially-enhanced yields.

All CPOs and CRNs on this platform will be issued by Quantem, collateralized by US Treasuies held in custody by BNY Mellon. Each will be transparently priced and available for secondary trading with dealers and within the upcoming regulated DelphX ATS.

The Company's primary business objective has been to develop a sustainable revenue model by using advanced products and technologies to solve major unmet problems in the credit markets – with an emphasis on unlocking liquidity, providing default protection, and boosting yield in existing and future bond portfolios.

DelphX is currently in final-stage completions for official launch of its proprietary solution.

Financial condition

As at September 30, 2021, the Company had assets totaling $2,337,284 and shareholders' deficiency of $568,058. This compares with assets of $545,916 and shareholders' deficiency of $4,096,477, as at December 31, 2020.

During the quarter ended September 30, 2021, the Company's net assets increased by $2,894,411. Details follow:

Item	Change Favourable / (Unfavourable)	Explanation of change
	$	
Cash	1,735,004	Cash used for operating activities of $810,113 offset by cash provided from financing activities of $2,051,427. Foreign exchange had a negative impact on cash balances, totalling $156,461.
HST recoverable	18,287	Increased taxable expenditures made in Q3-2021.
Deposits and prepaids	(5,295)	Expensing of prepaid consulting and insurance costs.

Item	Change Favourable / (Unfavourable)	Explanation of change
	$	
Due from related party	750	Current period's interest on secured loan provided to the Company's former CFO. Details disclosed in note 7 of the Unaudited Interim Consolidated Financial Statements or in the *Transactions with related parties'* section of this MD&A.
Right-of-use (ROU) assets	(26,595)	The decrease is attributable to the depreciation for the period. Details provided in note 8 of the Unaudited Interim Consolidated Financial Statements.
Accounts payable and accrued liabilities	156,571	The decrease relates mainly to decreased term to payment.
Due to related parties	988,867	Details disclosed in note 7 of the Unaudited Interim Consolidated Financial Statements or the *Transactions with related parties'* section of this MD&A. Main reason for decrease was that settlements were made to former senior staff regarding accrued salaries.
Lease liabilities	26,822	The decrease results from the addition of accreted interest in the amount of $6,530 less payments for the period of $33,352. Details provided in note 10 of the Unaudited Interim Consolidated Financial Statements.
	2,894,411	

Corporate activities

During the quarter ended September 30, 2021, the following securities were issued:

Common shares:

(i) In July 2021, the Company completed a private placement (the "**July 21 Private Placement**") raising $2,310,000 with the issuance of 7,000,000 common shares at $0.33 each. In connection with the July 21 Private Placement, the Company paid cash finder fees totaling $266,721 and issued 458,245 finder warrants (the "**July 21 Finder Warrants**"), exercisable at $0.33 each, for a period of 5 years after issue. The fair value of $291,444 of the July 21 Finder Warrants was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: Risk free rate of 0.88%, expected life of 5 years, volatility of 192.56%, a dividend yield of 0% and share price of $0.65.

Options and warrants:

(ii) In July 2021, 342,000 options and 415,000 warrants were exercised, raising proceeds of $41,500. The fair value of the exercised options and warrants of $26,367 was transferred to common shares from warrants and contributed surplus.

After the reporting date, the following securities transacted:

(i) In October 2021, 750,000 options were exercised, raising proceeds of $75,000. In November 2021, 450,000 options with an exercise price of $0.10 each, expired unexercised.

(ii) In November 2021, the Company issued 300,000 options with an exercise price of $0.50 and expiry dates 2 years after issue.

Related-party transactions and balances

Due from related party

As at September 30, 2021, amounts due to the Company comprise a secured loan in the amount of $50,000 plus accrued interest of $9,910 provided to its former Chief Financial Officer (December 31, 2020 - $57,660). The maturity of the loan has been extended to December 31, 2021, and interest accrues at the rate of 6% per annum. Both principal and accrued interest are payable on or before the maturity date and the loan is secured by a promissory note from the borrower. As further security to the Company, the borrower agreed not to sell, pledge or otherwise encumber, 62,000 of the Company's common shares owned by him, until the full amount of the loan was repaid (including applicable interest). The borrower has also agreed to surrender the shares to the Company upon its request to do so.

Due to related parties

As at September 30, 2021, amounts due to related parties include $100,000, comprising a settlement amount due to a senior officer of the company. Amounts due at December 31, 2020, of $2,193,482 comprise salary and consulting charges due to senior officers of the Company.

Related party settlements

In September 2021, the Company settled outstanding amounts due to various shareholders at a discount of $1,326,148. Pursuant to IFRIC 19.6, the discount is not reflected in the statements of loss and comprehensive loss but to common shares.

Key management compensation

Key management includes those individuals having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly. Key management includes the directors, named executive officers, being the chief executive officer and the chief financial officer and the Company's Chief Actuary. The Interim Consolidated Financial Statements include balances and transactions with directors and/or officers of the Company and/or corporations related to or controlled by them.

Related-party compensation paid or payable to key management is detailed below:

Three months ended September 30,	**2021**	2020
	$	$
Compensation to key management	**52,500**	426,830
Share-based compensation	**218,430**	50,269

Equity participation

During the three months ended September 30, 2021 and 2020, related parties participated in equity financings of the Company as follows:

Three months ended September 30,	**2021**	2020
	$	$
Equity financings	**120,000**	64,600

In September 2021, the Company settled outstanding amounts due to various shareholders at a discount of $1,326,148. Pursuant to IFRIC 19.6, the discount is not reflected in the statements of loss and comprehensive loss but to common shares.

Outstanding securities

As at the date of this Interim MD&A, DelphX has the following securities outstanding:

Security	**Number outstanding**
Common shares	116,806,543
Options (Exercisable – 8,991,000)	8,991,000
Warrants	26,578,167
Broker warrants	998,412