



BIGG DIGITAL ASSETS INC.

(Formerly BIG Blockchain Intelligence Group Inc.)

**Condensed Consolidated Interim Financial Statements
For the Nine Months ended November 30, 2020 and 2019**

(Expressed in Canadian dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of BIGG Digital Assets Inc. as at September 30, 2020 and 2019, notes to unaudited condensed consolidated interim financial statements and related Management's Discussion and Analysis have been prepared by and are the responsibility of management.

The Company's independent auditor has not performed a review of these interim financial statements in accordance with the standards established by the CPA Canada for a review of interim financial statements by an entity's auditor.

BIGG DIGITAL ASSETS INC.
(Formerly BIG Blockchain Intelligence Group Inc.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
Expressed in Canadian dollars



As at	September 30, 2020	December 31, 2019
	<i>(Unaudited)</i>	<i>(Audited)</i>
ASSETS		
Current		
Cash and cash equivalents	\$ 1,954,343	\$ 4,283,133
Restricted cash (Note 3)	82,500	137,500
Amounts receivable	297,054	263,351
Investment tax credits receivable	175,325	175,325
Digital currency inventory (Note 4)	2,788,863	510,883
Prepays	156,046	154,442
Total current assets	5,454,131	5,524,634
Digital currencies (Note 5)	1,405,655	952,594
Intangible assets (Note 6)	589,544	842,537
Goodwill	1,071,851	1,071,851
Right-of-use asset (Note 7)	15,855	87,204
Equipment (Note 9)	236,849	476,426
Total assets	\$ 8,773,885	\$ 8,955,246
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities (Note 11)	\$ 462,843	\$ 312,896
Deferred revenue	65,711	288,864
Customer deposits	2,047,454	182,546
Lease liability (Note 8)	16,414	88,286
Total liabilities	2,592,422	872,592
Equity		
Share capital (Note 10)	36,149,331	35,627,862
Equity reserves (Note 10)	6,730,823	6,510,610
Cumulative translation adjustment	(15,702)	(4,690)
Deficit	(36,668,989)	(34,051,128)
Total equity	6,181,463	8,082,654
Total liabilities and equity	\$ 8,773,885	\$ 8,955,246

Nature and continuance of operations (Note 1)

Contingent liabilities (Note 14)

Subsequent events (Note 16)

On behalf of the Board:

“Mark Binns” Director

“Lance Morginn” Director

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

BIGG DIGITAL ASSETS INC.
(Formerly BIG Blockchain Intelligence Group Inc.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited)
Expressed in Canadian dollars



	Three months ended		Nine months ended	
	September 30, 2020	Sept 30, 2019	Sept 30, 2020	Sept 30, 2019
Revenue				
Product Revenue	\$ 205,543	\$ 19,519	\$ 561,136	\$ 24,454
Service Revenue	46,428	41,129	195,076	117,470
Net realized gain on digital currency sales	391,172	95,648	745,428	95,648
	643,143	156,296	1,501,640	237,572
Cost of sales	24,170	10,513	54,780	28,387
	618,973	145,783	1,446,860	209,185
General and Administrative Expenses				
Advertising and promotion	157,901	60,367	389,418	279,766
Amortization (Notes 6, 7, 9)	190,473	109,868	571,774	273,145
Bad debt	75	18,768	715	18,768
Consulting (Note 11)	34,379	136,400	53,874	228,551
Director's fees (Note 11)	4,598	3,064	13,795	9,192
Office	285,637	244,114	813,863	657,381
Professional fees	157,877	91,091	308,859	238,320
Regulatory and listing fees	7,946	3,811	28,059	15,231
Research and development (Note 11)	144,161	466,482	846,969	1,802,712
Share-based compensation (Note 10)	167,489	284,320	239,207	476,951
Shareholder communications	18,593	5,738	25,721	49,327
Travel	(6)	22,315	8,872	79,784
Wages and benefits (Note 11)	679,796	1,092,361	2,285,987	2,207,336
Loss from operating activities	(1,229,945)	(2,392,916)	(4,140,252)	(6,127,279)
Other Income (Expenses)				
Interest income	192	25,773	5,828	109,816
Foreign exchange (loss) gain	(14,638)	(202,179)	21,789	(292,056)
(Loss) gain on sale of digital currencies	(1,335)	(8,941)	(1,335)	43,863
Unrealized gain (loss) on digital currencies	241,058	(326,062)	558,208	68,052
Gain (loss) on sale of digital currency inventory	18,178	-	(24,989)	-
Unrealized foreign exchange gain on digital currency inventory	103,511	1,036	282,297	1,036
Unrealized gain (loss) on digital currency inventory	463,679	(102,383)	666,593	(102,382)
Net loss for the period	\$ (419,300)	\$ (3,005,671)	\$ (2,631,861)	\$ (6,298,950)
Other comprehensive income				
<i>Item that may be reclassified to profit or loss</i>				
Currency translation adjustment	(5,961)	(2,365)	(11,012)	(31)
Other comprehensive income for the period	(5,961)	(2,365)	(11,012)	(31)
Comprehensive loss for the period	\$(425,261)	\$ (3,008,036)	\$(2,642,873)	\$ (6,298,981)
Basic and diluted loss per common share	\$ (0.00)	\$ (0.02)	\$ (0.02)	\$ (0.06)
Weighted average number of common shares outstanding	138,070,420	129,970,088	137,943,132	113,755,324

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

BIGG DIGITAL ASSETS INC.
(Formerly BIG Blockchain Intelligence Group Inc.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited)
Expressed in Canadian dollars



	Share Capital		Equity Reserves	Cumulative Translation Adjustment	Deficit	Total
	Number of Shares	Amount				
Balance at December 31, 2018	105,513,566	\$ 33,038,586	\$ 5,941,219	\$ (6,011)	\$ (25,749,492)	\$ 13,224,302
Shares issued for Netcoins acquisition	37,500,000	2,812,500	-	-	-	2,812,500
Share issue costs	-	(264)	-	-	-	(264)
Share-based compensation	-	-	476,951	-	-	476,951
Loss for the period	-	-	-	-	(6,298,950)	(6,298,950)
Other comprehensive loss	-	-	-	(31)	-	(31)
Balance at September 30, 2019	143,013,566	\$ 35,850,822	\$ 6,418,170	\$ (6,042)	\$ (32,048,442)	\$ 10,214,508
	-	-				
Balance at December 31, 2019	138,292,566	\$ 35,627,862	\$ 6,510,610	\$ (4,690)	\$ (34,051,128)	\$ 8,082,654
Shares issued for private placement (Note 10)	2,282,609	525,000	-	-	-	525,000
Shares issued for fees on private placement (Note 10)	114,130	26,250	-	-	-	26,250
Shares issued on option exercises	278,125	42,644	(18,994)	-	-	23,650
Purchase of common shares for cancellation	(720,000)	(34,450)	-	-	-	(34,450)
Share issue and repurchase costs	-	(37,976)	-	-	-	(37,976)
Share-based compensation	-	-	239,207	-	-	239,207
Loss for the year	-	-	-	-	(2,631,861)	(2,650,161)
Other comprehensive income	-	-	-	(11,012)	-	(11,012)
Balance at September 30, 2020	140,247,430	\$ 36,149,331	\$ 6,730,823	\$ (15,702)	\$ (36,682,989)	\$ 6,181,463

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BIGG DIGITAL ASSETS INC.
(Formerly BIG Blockchain Intelligence Group Inc.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)
Expressed in Canadian dollars



	For the Nine Months ended	
	September 30, 2020	September 30, 2019
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss for the period	\$ (2,631,861)	\$ (6,298,950)
Items not involving cash		
Amortization	500,425	221,379
Amortization -Right of use asset	71,349	21,140
Share-based compensation	239,207	476,951
Foreign exchange loss	21,964	(310,092)
Loss (gain) on sale of investments	1,335	(43,863)
Loss (gain) on the sale of digital currency inventory	24,989	(68,052)
Unrealized gain on digital currencies	(558,208)	(394,114)
Unrealized foreign exchange gain on digital currency inventory	(282,297)	(1,036)
Unrealized (gain) loss on digital currency inventory	(666,593)	42,806
Changes in non-cash working capital items:		
Amounts receivable	(33,703)	(65,456)
Prepays	(1,604)	91,164
Accounts payable and accrued liabilities	149,947	(35,900)
Deferred revenue	(223,153)	-
Customer deposits	1,864,908	11,526
Digital currency inventory	(1,354,078)	(456,850)
Interest paid on operating leases	2,547	(1,230)
Net cash used in operating activities	<u>(2,874,826)</u>	<u>(6,416,463)</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Purchase of equipment	(7,854)	(73,676)
Restricted cash	55,000	-
Short term investments	-	1,255,500
Sale of digital currencies	82,150	173,633
Purchase of digital currencies	-	(725,693)
Cash received on acquisition of Netcoins	-	839,054
Net cash provided by (used in) investing activities	<u>129,296</u>	<u>1,468,818</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Proceeds from issuance of common shares	548,650	-
Purchase and cancellation of common shares	(34,450)	-
Share issue/repurchase costs	(37,976)	(264)
Lease payments	(74,419)	(15,307)
Net cash provided by (used in) financing activities	<u>401,805</u>	<u>(15,571)</u>
Change in cash for the period	(2,343,725)	(4,963,216)
Cash, beginning of period	4,283,133	10,699,858
Effect of foreign exchange on cash	14,935	(30)
Cash, end of period	\$ 1,954,343	\$ 5,736,612
Cash paid for interest or taxes	\$ -	\$ -

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

1. NATURE AND CONTINUANCE OF OPERATIONS

BIGG Digital Assets Inc. (formerly BIG Blockchain Intelligence Group Inc.) (the “Company” or “BIGG”), was incorporated on October 17, 2014 under the *Business Corporations Act* (British Columbia). On November 30, 2017, the Company acquired Blockchain Technology Group Inc. (“BTGI”) through a reverse acquisition transaction. BTGI was incorporated under the *Business Corporations Act* (British Columbia) on May 31, 2010.

Concurrent with the closing of the acquisition on November 30, 2017, the Company changed its name to BIG Blockchain Intelligence Group Inc. from Acana Capital Corp. and effected a change in directors, management and business. On September 26, 2019, the Company changed its name to BIGG Digital Assets Inc. The Company’s shares are traded on the Canadian Securities Exchange (“CSE”) under the symbol “BIGG”.

The Company’s principal business activity is investing in products and companies within the cryptocurrency industry. It has two operating divisions which provide blockchain search products to large enterprises with significant data requirements in the financial and ecommerce sectors globally, and brokerage and exchange software. The Company’s head office and principal place of business is Suite 410 –1199 West Pender Street, Vancouver, BC, Canada.

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2020, the Company has an accumulated deficit of \$36,682,989 and has generated negative cash flows from operations. Management cannot provide assurance that the Company will achieve profitable operations or become cash flow positive, or raise additional funds via equity issuances or debt instruments. Its ability to continue as a going concern depends upon whether it develops profitable operations and continues to raise adequate financing. These factors cast significant doubt on the Company’s ability to continue as a going concern.

There can be no assurance that the Company will be able to raise the funds necessary to continue future operations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the condensed consolidated interim statements of financial position. The condensed consolidated interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

In March 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and the related adverse public health developments have adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company has not been significant. Management continues to monitor the situation.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. As a result, certain disclosures included in the annual financial statements prepared in accordance with IFRS have been condensed or omitted. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated annual financial statements for the year ended December 31, 2019. In preparation of these condensed consolidated interim financial statements, the Company has consistently applied the same accounting policies as disclosed in note 2 to the audited consolidated annual financial statements for the year ended December 31, 2019.

These unaudited condensed consolidated interim financial statements were approved by the Board of Directors on November 30, 2020.

BIGG DIGITAL ASSETS INC.
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Expressed in Canadian dollars
(Unaudited)
For the Nine Months ended September 30, 2020



2. BASIS OF PRESENTATION (cont'd...)

b) Basis of Measurement

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries Blockchain Technology Group Inc., 2140 Software Solutions Inc., BitRank Verification Services Inc., Dark Fibre Systems Inc., QLUE Forensic Systems Inc., CFC Digital Inc., BIG Blockchain Intelligence Group Inc. (Texas), 1208810 B.C. Ltd., Netcoins Inc., NTC Holdings Corp. and NTC Holdings USA Corp. The accounts of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date the control ceases. All significant intercompany transactions and balances have been eliminated upon consolidation.

3. RESTRICTED CASH AND SHORT TERM INVESTMENTS

At September 30, 2020, the Company held restricted cash of \$82,500 (December 31, 2019 - \$137,500) in a Guaranteed Investment Certificate (GIC), at an interest rate of 0.32% with a maturity date of November 12, 2020, pursuant to a demand operating facility agreement with the Toronto-Dominion Bank, to support Visa credit lines of \$75,000.

4. DIGITAL CURRENCY INVENTORY

The Company holds digital currencies as inventory as follows:

	September 30, 2020	December 31, 2019
Bitcoin	\$ 1,895,750	\$ 467,152
Ethereum	329,262	1,614
USDT	298,500	4
XRP	203,693	991
Dai	99	39,490
Other digital currencies	61,559	1,632
	\$ 2,788,863	\$ 510,883

During the period ended September 30, 2020, total proceeds from digital currency inventory sold were \$67,982,262 and the total cost of digital currency inventory sold was \$67,236,834 resulting in a net realized gain from digital currency sales of \$745,428 (2019 - \$95,648).

5. DIGITAL CURRENCIES

The Company holds digital currencies as investments as follows:

	September 30, 2020		December 31, 2019	
	Number of coins held	Value	Number of coins held	Value
Bitcoin	96.79	\$ 1,392,374	100.92	\$ 942,873
Solarcoin	25,916.45	548	25,916.45	523
Bitcoin Cash	22.00	6,690	22.00	5,846
Bitcoin Gold	25.20	270	25.20	173
Bitcoin SV	24.96	5,721	24.96	3,148
Lumen	524.93	52	524.93	31
		\$ 1,405,655		\$ 952,594

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For the Nine Months ended September 30, 2020



6. INTANGIBLE ASSETS

	LMS Platform	Netcoins App	Total
Cost			
December 31, 2018	\$ 129,972	\$ -	\$ 129,972
Additions through acquisition	-	882,000	882,000
September 30, 2020 and December 31, 2019	<u>129,972</u>	<u>882,000</u>	<u>1,011,972</u>
Amortization			
December 31, 2018	3,610	-	3,610
Additions	43,325	122,500	165,825
December 31, 2019	46,935	122,500	169,435
Additions	32,493	220,500	252,993
September 30, 2020	<u>79,428</u>	<u>343,000</u>	<u>422,428</u>
December 31, 2019	\$ 83,037	\$ 779,500	\$ 842,537
September 30, 2020	<u>\$ 50,544</u>	<u>\$ 539,000</u>	<u>\$ 589,544</u>

During the year ended December 31, 2018, the Company recognized \$129,972 as an intangible asset comprised of the development costs of its learning management system (LMS) online content, which will be amortized on a straight-line basis over a period of three years representing the estimated useful life of the intangible asset.

During the year ended December 31, 2019, the Company recognized \$882,000 as an intangible asset comprising the Netcoins App upon the acquisition of Netcoins Inc. The Netcoins App will be amortized on a straight-line basis over a period of three years representing the estimated useful life of the intangible asset.

7. RIGHT-OF-USE ASSET

At September 30, 2020, the right-of-use asset is an office sub-lease held by Netcoins Inc. which terminates on December 31, 2020. The right-of-use asset is amortized over the shorter of the asset's useful life and the lease term on a straight-line basis.

	Office Operating Sub-lease
Initial adoption of IFRS 16 at January 1, 2019	\$ -
Additions through acquisition	126,842
Amortization	(39,638)
Balance at December 31, 2019	<u>\$ 87,204</u>
Amortization	(71,349)
Balance at September 30, 2020	<u>\$ 15,855</u>

8. LEASE LIABILITIES

Initially the lease liability is measured at the present value of the lease payments and discounted using the Company's incremental borrowing rate of 6%. The lease liability is subsequently measured at amortized cost using the effective interest method.

	Office Operating Sub-lease
Initial adoption of IFRS 16 at January 1, 2019	\$ -
Additions through acquisition	126,842
Lease payments	(38,556)
Balance at December 31, 2019	\$ 88,286
Lease payments	(71,872)
Balance at September 30, 2020	\$ 16,414

9. EQUIPMENT

Cost	Total
Balance at December 31, 2018	\$ 836,781
Additions	93,469
Additions through acquisition	152,469
Disposals	(10,537)
Balance at December 31, 2019	\$ 1,072,182
Additions	7,854
Disposals	-
Balance at September 30, 2020	\$ 1,080,036
Depreciation	
Balance at December 31, 2018	\$ 222,529
Additions through acquisition	72,848
Disposals	-
Depreciation for the period	300,379
Balance at December 31, 2019	\$ 595,756
Disposals	-
Depreciation for the period	247,431
Balance at September 30, 2020	\$ 843,187
Carrying amounts	
At December 31, 2019	\$ 476,426
At September 30, 2020	\$ 236,849

10. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares and preferred shares, without par value

Share Issuances

2020 and 2019

During the period ended September 30, 2020 a total of 278,125 common shares were issued upon the exercise of options for gross proceeds of \$23,650 (2019 - \$Nil).

10. SHARE CAPITAL (cont'd...)

Share Issuances (cont'd...)

On September 17, 2020, the Company closed a non-brokered private placement for gross proceeds of \$525,000 through the issuance of 2,282,609 units priced at \$0.23 per unit (the “Units”). Each Unit is comprised of one common share and one share purchase warrant entitling the holder to purchase one additional common share of the Company for period of two years at a price of \$0.27. The share purchase warrants are subject to an accelerated expiry clause whereby if the closing price of the Company’s shares is \$0.40 or greater for a period of twenty consecutive trading days the Company may provide 30 days’ notice of expiration. The fair value of the shares was equal to the proceeds raised in the private placement and as a result, no amount was allocated as the fair value of the share purchase warrants. In connection with the placement, the Company issued 114,130 Units to cover investor costs of \$26,250, with a corresponding increase recorded to share capital. Share issue costs also include \$5,000 in legal expenses.

Repurchase and cancellation of common shares

Pursuant to the policies of the Canadian Securities Exchange (CSE), the Company may be permitted from time to time to repurchase its own common shares for cancellation under a NCIB. Under a NCIB program the Company may, if considered advisable, purchase the common shares through the facilities of the CSE and/or alternative trading systems at the market price, from time to time over a period of 12 months, but shall not, in any event, exceed 5% of the issued and outstanding shares.

On October 10, 2019, the Company announced its intention to acquire for cancellation up to an aggregate \$500,000 worth of existing common shares of the Company. The Company may acquire up to 7,150,679 common shares, representing 5% of the issued and outstanding shares, for cancellation over a 12-month period commencing on October 16, 2019 and ending on the earlier of the date on which purchases under the bid have been completed or on October 15, 2020. The actual number of common shares that may be purchased under NCIB, the value of the consideration per share and the exact timing of any such purchases will be determined by the Company and will depend on, among other things, future market conditions.

During the period from the commencement of the NCIB on October 10, 2019 to December 31, 2019, the Company repurchased 4,721,000 common shares for an aggregate price of \$222,458 and incurred net costs of \$766 related to the repurchase of these common shares. All 4,721,000 common shares were cancelled as of December 31, 2019.

During the initial three months of fiscal 2020, the Company repurchased 720,000 common shares for an aggregate price of \$34,450 and incurred net costs of \$450 related to the repurchase of these common shares. All 720,000 common shares were cancelled as of September 30, 2020.

Share purchase warrants

The Company may issue share purchase warrants to acquire its common shares either in combination with share offerings, or on a stand-alone basis to its consultants and advisors. The terms of warrants issued are determined by the Company’s Board of Directors.

Share purchase warrant transactions are summarized for the nine months ended September 30, 2020 and the year ended December 31, 2019.

	For the Nine Months Ended September 30, 2020		For the Year Ended December 31, 2019	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Opening balance	1,704,650	\$ 0.21	1,704,650	\$ 0.21
Exercised	-	-	-	-
Expired	(1,704,650)	(0.21)	-	-
Ending balance	-	\$ -	1,704,650	0.21
Warrants exercisable	-	\$ -	1,704,650	0.21

10. SHARE CAPITAL (cont'd...)

Share purchase warrants (cont'd...)

As at September 30, 2020 and December 31, 2019 the following share purchase warrants were outstanding:

	Expiry Date	Exercise Price	September 30, 2020	December 31, 2019	Weighted Average Remaining Contractual Life
Warrants	March 11, 2020	\$ 0.21	nil	1,704,650	-

Performance-based share purchase warrants

On May 31, 2016, the Company granted an aggregate 12,000,000 performance warrants to directors, officers and employees at an exercise price of \$0.15 per share with an expiration date of December 31, 2022.

On July 25, 2017, the number of issued and outstanding performance warrants was increased from 12,000,000 to 13,000,000 and the terms were amended by reducing the exercise prices from \$0.15 to a range of Nil to \$0.01 per share for the first three tranches comprised of 8,000,000 performance warrants and from \$0.15 to \$0.07 per share for the final two tranches comprised of 5,000,000 performance warrants.

On November 16, 2017, the exercise prices for the first three tranches comprising an aggregate 8,000,000 performance warrants were amended from a range of Nil to \$0.01 to Nil to \$0.02 per share. Prior to completion of the reverse take-over transaction (the "Transaction") a total of 5,500,000 performance warrants were exercised for proceeds of \$110,000.

Upon closing of the Transaction, each outstanding performance warrant of BTGI became exercisable into the number of common shares of the Company based on the exchange ratio of 1.3395 and the exercise price of each outstanding performance warrant was decreased by the same exchange ratio. A total of 2,500,000 performance warrants were converted into 3,348,750 common shares of the Company for no further consideration.

The performance warrants are subject to vesting upon the achievement of certain milestones by certain dates, as set out below:

Milestone	On or before	No. of Performance Warrants	Exercise price of Performance Warrants	No. of Performance Warrants vested	No. of Performance Warrants exercised
1 Upon completion of product - QLUE 1.0	December 31, 2016	3,348,750	\$ 0.01	3,348,750	3,348,750
2 Upon filing of software patent	June 30, 2017	3,348,750	\$ 0.01	3,348,750	3,348,750
3 Upon signing of first government contract	August 31, 2017	4,018,500	Nil	4,018,500	4,018,500
4 Upon completion of BitRank product	October 31, 2017	2,679,000	\$ 0.05	2,679,000	-
5 Upon completion of global network	December 31, 2017	4,018,500	\$ 0.05	4,018,500	-
		17,413,500		17,413,500	10,716,000

Stock options

The Company adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, employees and 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. Such options will be exercisable for a period of up to ten years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

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(Unaudited)
For the Nine Months ended September 30, 2020



10. SHARE CAPITAL (cont'd...)

Stock options (cont'd...)

Stock option transactions are summarized for the nine months ended September 30, 2020 and year ended December 31, 2019. At closing of the reverse acquisition transaction on November 30, 2017, each outstanding stock option of BTGI became exercisable into the number of common shares of the Company based on the exchange ratio of 1.3395 on the Transaction and the exercise price of each outstanding stock option was decreased by the same exchange ratio. The number of stock options outstanding and the exercise prices have been adjusted retrospectively to show the effect of this adjustment.

	For the Nine Months ended September 30, 2020		For the Year ended December 31, 2019	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Opening balance	11,766,701	\$ 0.14	11,502,979	\$ 0.42
Granted	2,231,605	0.14	6,952,500	0.08
Exercised	(278,125)	0.09	-	-
Expired	(892,151)	0.18	(3,668,279)	0.41
Forfeited/cancelled	(168,750)	0.08	(3,020,499)	0.74
Ending balance	12,659,280	\$ 0.12	11,766,701	\$ 0.14
Options exercisable	11,721,780	\$ 0.13	9,778,785	\$ 0.15

Weighted Average Exercise Price	Expiry Date	Number Outstanding	Number Exercisable	Weighted Average Remaining Contractual Life
\$ 0.15	August 1, 2021	133,125	133,125	0.84 years
\$ 0.15	February 1, 2022	803,700	803,700	1.34 years
\$ 0.19	August 7, 2022	133,950	133,950	1.85 years
\$ 0.26	October 2, 2022	60,277	60,277	2.01 years
\$ 0.19	October 11, 2022	649,720	649,720	2.03 years
\$ 0.26	October 19, 2022	1,400,403	1,400,403	2.05 years
\$ 0.20	September 12, 2023	1,620,250	1,620,250	2.95 years
\$ 0.10	December 20, 2023	310,000	310,000	3.22 years
\$ 0.08	August 8, 2024	4,000,000	3,500,000	3.86 years
\$ 0.08	August 13, 2024	1,433,750	1,433,750	3.87 years
\$ 0.08	January 14, 2025	942,500	505,000	4.29 years
\$ 0.08	July 27, 2025	1,171,605	1,171,605	4.82 years
		12,659,280	11,721,780	

Share-based compensation

During the nine-month period ended September 30, 2020, the Company recorded share-based compensation totaling \$239,207 (2019 - \$476,951) in relation to the stock options, which was expensed as share-based compensation in operations.

10. SHARE CAPITAL (cont'd...)

Share-based compensation (cont'd...)

The fair value of stock options was estimated on the measurement date using the Black-Scholes option-pricing model and amortized over the vesting period of the underlying options. The assumptions used to calculate the fair value were as follows:

	For the Nine Months Ended September 30, 2020	Year Ended December 31, 2019
Share price at measurement date	\$0.09	\$0.08
Risk-free interest rate	0.35 to 1.59%	1.23 to 1.47%
Exercise Price	\$0.14	\$0.08
Expected life of options	5 years	2 to 5 years
Expected volatility	194 - 232%	174 - 175 %
Forfeiture rate	Nil	Nil
Dividend yield	Nil	Nil

Escrowed Shares and Warrants

As of the date of the reverse acquisition transaction that took place on November 30, 2017, 29,223,645 common shares and 6,787,023 share purchase warrants of the Company were subject to an escrow agreement dated November 30, 2017 pursuant to which 10% were released upon closing of the share exchange agreement, and an additional 15% will be released every six months thereafter for a period of 36 months. At September 30, 2020, 4,383,550 common shares and 1,018,055 share purchase warrants remained in escrow.

11. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities.

Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

	For the Nine Months ended September 30,	
	2020	2019
Consulting fees	\$ 20,379	\$ 61,250
Director's fees	13,796	9,192
Wages (included in Research and Development costs)	-	124,370
Wages and benefits	773,018	833,811
Share-based compensation	101,800	252,984
Total	\$ 908,993	\$ 1,281,607
Accounts payable due to related parties	\$ 15,895	\$ 20,562

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at September 30, 2020, the Company's financial instruments are comprised of cash and cash equivalents, restricted cash, accounts payable and lease liability. The fair value of accounts payable approximate their carrying values due to their short-term maturity. Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values. The levels of the fair value hierarchy are as follows:

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – Inputs that are not based on observable market data (unobservable inputs).

As at September 30, 2020, the fair value of cash and cash equivalents and restricted cash held by the Company was based on Level 1 of the fair value hierarchy. Digital currency assets are measured using level two fair values, determined by taking the rate from www.coinmarketcap.com.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company has no significant concentration of credit risk arising from operations. The Company has cash balances but no interest-bearing debt. The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash and cash equivalents, cash on deposit with fiat to cryptocurrency exchanges, and restricted cash. The Company's current policy is to invest excess cash in variable interest investment-grade demand deposit certificates issued by financial institutions with which it keeps its bank accounts and management believes the risk to be remote. Credit risk associated with digital currencies proceeds collected by vendors on behalf of the Company is limited as transactions are usually settled within 1 to 15 days. The Company's credit risk has not changed significantly from the prior year.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by ensuring that it has sufficient cash and other financial resources available to meet its short-term obligations. The Company forecasts cash flows for a period of twelve months to identify financial requirements. These requirements are met by accessing financing through private placements, the risks of which are discussed in Note 1 above.

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 equity prices.

i. Interest rate risk

Interest rate risk arises from changes in market rates of interest that could adversely affect the Company. The Company currently has no interest-bearing financial instruments other than cash, so its exposure to interest rate risk is insignificant.

ii. Foreign currency risk

Foreign currency risk arises from fluctuations in foreign currencies versus the Canadian dollar that could adversely affect reported balances and transactions denominated in those currencies. The Company currently has investment assets, some liabilities and revenue or expenses denominated in a foreign currency, so is exposed to foreign currency risk.

iii. Commodity and equity price risk

Commodity and equity price risk arises from market fluctuations in commodity and equity prices that could adversely affect the Company's operations. The Company's current exposure to equity price risk is limited to declines in the values and volumes including those of its own equity shares, which could impede its ability to raise additional funds when required.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Digital currencies risk

Digital asset prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. The profitability of the Company is directly related to the current and future market price of digital assets. In addition, the Company may not be able liquidate its digital currency inventory at its desired price if required. A decline in the market prices for digital assets could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its sales of digital assets. Digital assets have a limited history and the fair value historically has been very volatile. Historical performance of digital assets is not indicative of their future price performance.

13. CAPITAL MANAGEMENT

The Company includes all components of equity in the definition of capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its blockchain technology and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

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. To maintain or adjust capital structure, the Company may consider issuing new shares, and/or issue debt, acquire or dispose of assets, or adjust the amount of cash and investments on hand. The Company is not currently subject to any externally imposed capital requirements.

The Company has been dependent upon external financings to fund activities. Until such time as it begins to generate revenue, in order to carry out planned expenditures and pay for administrative costs the Company will spend its existing working capital and may seek to raise additional funds as needed.

In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash on deposit in interest bearing Canadian chartered bank accounts. Some cash is kept on deposit with fiat to cryptocurrency exchanges in order to facilitate the Company's business. There have been no significant changes to the Company's approach to capital management during the period ended September 30, 2020.

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

14. CONTINGENT LIABILITIES

During the year ended December 31, 2019, the Company had two legal claims filed against it by former employees:

- a) Ms. Robin Martin (the "Complainant") filed a complaint against the Company with the BC Human Rights Tribunal claiming discrimination contrary to the Human Rights Code: Employment (S.13): Physical Disability. Ms. Martin is seeking the following remedies: (a) a declaration that the Company's is in contravention of the Human Rights Code; (b) an order for the reinstatement of Ms. Martin's employment; (c) alternately, an order for damages in compensation for Ms. Martin's lost wages and benefits, and injury to dignity; and (d) such other relief as may be advised by the Tribunal at the hearing. An early settlement meeting was held in August 2020; however, a resolution was not reached. A meeting date will be set by the Tribunal, which is expected to be in February 2021.
- b) On October 28, 2019, the Company received Notice of Civil Claim in the Supreme Court of British Columbia by Mr. Marty Anstey, the Company's former CTO, alleging constructive dismissal. The claimant has claimed \$450,000 in damages. The claim is being contested by the Company.

The Company believes that neither claim has merit and will vigorously defend against the claims.

No provision has been recognized in respect to these claims as there is no present obligation and the probability of settlement cannot be determined.

15. SEGMENTED INFORMATION

The Company operates two business segments: blockchain technology development and digital currency sales via the Netcoins App. The parent entity manages the two business segments and activities associated with the Company being a public company.

The summarized financial information for the Company's business segments is as follows:

	For the Nine Months ended September 30,					
	2020			2019		
	Parent	Blockchain	Netcoins	Parent	Blockchain	Netcoins
Total assets	\$ 2,377,743	\$ 1,822,739	\$ 4,573,403	\$ 6,921,564	\$ 3,542,587	\$ -
Total liabilities	279,166	157,770	2,155,486	683	337,480	-
Total revenue	-	736,212	765,428	-	81,276	-
Net loss	(1,435,346)	(1,429,528)	233,013	(17,829)	(3,275,450)	-

16. SUBSEQUENT EVENTS

Subsequent to September 30, 2020 the Company;

- announced the closing of a short form prospectus offering (the "Offering") of 28,750,000 units of the Company (each, a "Unit") at a price of \$0.24 per Unit for aggregate gross proceeds of \$6,900,000. The number of Units includes an additional 3,750,000 Units pursuant to the exercise of the Underwriters' over-allotment option. Each Unit is comprised of one common share ("Common Share") and one one-half Common Share purchase warrant of the Company (each such full warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one Common Share (each, a "Warrant Share") at a price of \$0.30 per Warrant Share for a period of 24 months following the closing of the Offering, subject to an accelerated expiry if the volume-weighted average price of the Common Shares is equal to or greater than \$0.60 per Common Share for ten consecutive trading days. The Offering was made pursuant to an underwriting agreement dated November 11, 2020, as amended (the "Underwriting Agreement") among the Company and a syndicate of underwriters led by PI Financial Corp., as sole-lead underwriter, and including Canaccord Genuity Corp., Echelon Wealth Partners, Haywood Securities Inc. and M Partners Inc. (collectively, the "Underwriters"). The Company paid the Underwriters a cash fee equal to 6% of the gross proceeds from the Offering and 3% of the gross proceeds of the Offering from purchasers on the President's List. In addition, the Company has issued to the Underwriters non-transferable broker warrants (each, a "Broker Warrant") equal to 6% of the total number of Units sold pursuant to the Offering and 3% of the total number of Units sold to the President's List. Each Broker Warrant will be exercisable for one Common Share (the "Broker Warrant Share") at a price of \$0.24 per Broker Warrant, and is exercisable for a period of 24 months. The Company has also paid the Underwriters a corporate finance fee of \$50,000 payable in cash. The Company intends to use the majority of the net proceeds of the Offering for research and development, expansion of sales and marketing teams for BIG internationally and Netcoins domestically, additional liquidity for Netcoins trade settlement, increase of long-term Bitcoin investment holdings, and working capital. The Units were issued pursuant to a short form prospectus dated November 25, filed with the securities regulatory authorities in each of the provinces of Canada, other than Québec (the "Prospectus"). A copy of the Prospectus is available under the Company's profile on SEDAR at www.sedar.com;
- entered into a lease agreement in respect of new office space in Vancouver, British Columbia. The lease commences on March 1, 2021, for a term of three years. The new office space is approximately 967 square feet at an average monthly rent of roughly \$4,000;
- filed articles of dissolution for its subsidiary NTC Holdings USA Corp., which was inactive; and,
- received proceeds of \$20,700 from the exercise of 108,750 stock options priced between \$0.08 and \$0.20, and had an aggregate 491,729 options expire unexercised and 6,250 unvested incentive stock options were forfeited. The expired and forfeited options were priced from \$0.08 to \$0.26.