



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

This Management Discussion and Analysis (“MD&A”) of BIGG Digital Assets Inc. (the “Company” or “BIGG”) provides analysis of the Company’s financial results for the three and nine months ended September 30, 2021 and should be read in conjunction with the Company’s unaudited condensed consolidated interim financial statements and the notes thereto for the three month and nine period ended September 30, 2021 and the audited consolidated financial statements and notes thereto for the year ended December 31, 2020, which are available on SEDAR at www.sedar.com.

The September 30, 2021 financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements. The Company’s significant accounting policies are the same as those applied in the Company’s annual financial statements as at and for the year ended December 31, 2020, unless as otherwise provided for in the financial statements. All amounts are expressed in Canadian dollars, unless otherwise stated.

This MD&A is current as at November 29, 2021, the date of preparation, and includes certain statements that may be deemed “forward-looking statements”. We direct investors to the sections “Forward-Looking Statements” and “Risk and Uncertainties” included within this MD&A.

Additional information relating to BIGG is available on the SEDAR website at www.sedar.com and on the Company’s website at www.biggdigitalassets.com.

NATURE OF BUSINESS

BIGG Digital Assets Inc. is dedicated to the digital assets and blockchain technology industry. It has two operating business segments: blockchain technology development and digital currency sales brokerage.

The Company’s global blockchain search and analytics operations focus specifically on crypto investigations and managing financial risk. With the exponential growth of digital currency, the global marketplace must navigate increased risks and regulatory compliance. BIGG’s mission is to bring digital currency mainstream - by providing trust and real-time risk evaluation through its language agnostic proprietary platforms. The Company offers business, government and law enforcement clients a suite of forensic solutions, advanced analytics and risk-scoring capabilities to meet security needs and the growth of the digital currency marketplace.

On August 1, 2019, BIGG acquired Netcoins Inc., NTC Holdings Corp. and NTC Holdings USA Corp. (together referred to as “Netcoins”) in exchange for 37,500,000 common shares issued from its treasury. (see “Netcoins Acquisition” below). Netcoins is in the business of developing software to make the purchase and sale of digital currency easily accessible to the mass consumer and investor through brokerage services. Netcoins enables crypto transactions a self-serve crypto purchase portal and an Over-The-Counter (OTC) trading desk. The business of BIGG and Netcoins are highly complementary, and this acquisition is expected to create value for shareholders in both the near and long-term. It has offered BIGG an opportunity to step into the world of digital currency trading, in an immediately operational capacity.

BIGG Digital Assets Inc. was incorporated under the *Business Corporations Act* (British Columbia) on October 17, 2014 under the name Ameri-can Agri Co. Inc., which was subsequently changed to Acana Capital Corp. (“Acana”). On November 30, 2017, the Company acquired Blockchain Technology Group Inc. (“BTGI”) through a reverse acquisition transaction (“RTO” or “Transaction”) through the closing of a Share Exchange Agreement (the “SEA”) dated September 14, 2017. BTGI, now along with Netcoins, is the continuing business of the Company.

On September 26, 2019, the Company changed its name to BIGG Digital Assets Inc. to better reflect its planned future growth and existing businesses.

At September 30, 2021, the Company had not yet achieved profitable operations, had experienced significant losses and negative cash flows from operations since inception, and has a deficit of \$40,005,069 (December 31, 2020 - \$36,999,656). It may incur further losses in the development of its business. The continued operations of the Company are dependent on continued support from its directors, and its ability to achieve and maintain profitable operations and positive cash flows from operations in the future.

BUSINESS OVERVIEW

BIGG Digital Assets Inc. believes the future of crypto is a safe, compliant, and regulated environment. BIGG invests in products and companies to support this vision.

BTGI's has developed a blockchain-agnostic search and analytics engine, QLUE™, enabling Law Enforcement, RegTech, Regulators and Government Agencies to visually track, trace and monitor digital currencies transactions at a forensic level. Our commercial product, BitRank Verified®, offers a "risk score" for digital currencies, enabling RegTech, banks, ATMs, exchanges, and retailers to meet traditional regulatory/compliance requirements. Both utilize the blockchain, which is fundamentally a digital ledger of transactions with unique characteristics designed to create records that are secure, reliable, transparent, and accessible. In late 2018, BTGI launched its Certified Cryptocurrency Investigator (CCI) designation program (<https://www.cryptoinvestigatortraining.com/>). Students are taught how to track, trace and investigate cryptocurrency transactions and/or crimes through a 5-module program, taking 8 hours of study.

QLUE™ enables Law Enforcement, RegTech, regulators and government agencies to literally "follow the virtual money". Investigators are able to quickly and visually trace, track and monitor transactions in their fight against terrorist financing, human trafficking, drug trafficking, weapons trafficking, child pornography, corruption, bribery, money laundering, and other cyber crimes. Initially built around Bitcoin, BTGI has more recently incorporated Ethereum, Bitcoin Cash, ERC20, and Litecoin.

Netcoins was acquired in August 2019, expanding the Company's footprint in the digital assets industry. Netcoins develops brokerage and exchange software to make the purchase and sale of digital currency easily accessible to the mass consumer and investor with a focus on compliance and safety.

Netcoins Acquisition

On August 1, 2019, the Company acquired 100% ownership of Netcoins Inc., NTC Holdings Corp. and NTC Holdings USA Corp. (together referred to as "Netcoins") by issuing 37,500,000 of its common shares. The acquisition was recognized as a business combination, under IFRS 3 *Business Combinations* ("IFRS 3"), as the assets acquired and liabilities assumed constitute a business. The transaction was accounted for using the acquisition method of accounting whereby the assets acquired and the liabilities assumed were recorded at their estimated fair value at the acquisition date.

Details of the purchase consideration, the fair value of the net assets acquired and goodwill are as follows:

Purchase consideration:	
37,500,000 common shares issued at \$0.075 per share	\$ 2,812,500
Assets and liabilities recognized as a result of the acquisition:	
Cash and cash equivalents	839,054
Amounts receivable	45,218
Digital currency inventory	147,304
Prepays	8,202
Right-of-use-asset	126,842
Equipment	79,621
Intangible asset – Netcoins App	882,000
Accounts payable and accrued liabilities	(20,788)
Customer deposits	(239,962)
Lease liability	(126,842)
Identifiable net assets acquired	1,740,649
Goodwill	1,071,851
	\$ 2,812,500

The Company applied a cost approach, specifically a historical cost approach, for measuring the fair value of the Netcoins App. This valuation method used historical costs of development related to the development and enhancement of the Netcoins App.

The goodwill is attributable to the workforce and the highly specialized nature of the acquired business and is not deductible for tax purposes.

RESULTS OF OPERATIONS

We are continuing to build out our core businesses - resulting in greater customer traction and higher on-boarding numbers.

Both business segments continue to make significant strides during 2021, with a focus on excelling at delivering quality products and services. We are seeking to meet the needs of customers today, as well as anticipating their future needs in the ever-changing landscape of the digital assets industry.

Q3 2021 Highlights

Netcoins operations:

- Obtained its Restricted Dealer License from Canadian regulators - see “*Restricted Dealer License Application*” section below
- Launched its Android and Apple iOS native crypto trading apps on the Google Play store and Apple Store
- Netcoins revenues decreased by 47% during the quarter, in comparison to the prior quarter which saw a record level of transactional activity, as Bitcoin and other cryptocurrencies traded sideways below recent highs throughout the Summer and into Fall. The Q3 2021 margin rate was 1.32%, up from the Q2 2021 margin rate of 1.2%. Overall, the year-over-year (YoY) growth rate, for the first nine months, remained strong at 1205%
- Active Users totaled approximately 11,300 during Q3 2021, up 395% YoY but down 40% quarter-over-quarter (QoQ) from the Q2 2021 high
- Continued to grow the team –including the hire of Kim Dwyer as Chief Operating Officer
- Continued to ramp up marketing across all channels, including radio and television
- Continued its review of licensing requirements for expansion into the United States

BTGI operations:

- BTGI revenues increased by 11% during the quarter with a margin rate of 85%, resulting in a 70% increase over revenues for Q3 2020. Overall, the year-over-year (YoY) growth rate was 48%
- Secured a contract with the XDC Network valued at \$213,800, to support XDC addresses and transactions on its crypto investigation platform, QLUE™. Customers will have the ability to query for address and transaction scores, flags and entities using BitRank Verified®, monitor addresses for suspicious behavior using Address Watch and perform in-depth investigations using QLUE™
- Continued performance enhancements were made to BTGI’s products, including:
 - ❖ Introduced an enhanced BitRank API product that delivers new functionality and enables access to our extensive database to partners
 - ❖ Launched several enhancements of the i-graph (investigation graph) including full support for the Ethereum chain and multi-chains. We also enabled a significant level of user customization of the graph
 - ❖ Launched a case management system in BitRank
- Continued improvements made to our data management software with an emphasis placed on data integrity and auditing

Restricted Dealer License Application

BIGG strongly believes the future of crypto is a safe, compliant, and regulated environment.

On September 30, 2020, the Company applied for registration with the British Columbia Securities Commission (the “BCSC”) and other provincial and territorial securities regulators and the Canadian Securities Administrators (the “CSA”) regulatory sandbox to allow Netcoins to operate as a regulated open-loop crypto asset trading platform.

On September 29, 2021, Netcoins obtained its registration as a restricted dealer in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Prince Edward Island, and Nova Scotia. Shortly thereafter, Netcoins was also registered in Newfoundland.

BIGG continues to be at the forefront of regulation in the Canadian crypto space and, notably, is the first publicly traded company in the country to own and operate a registered crypto trading platform. This marks a significant milestone for BIGG, Netcoins, and the crypto trading industry, with a new regulatory regime for an emerging industry that is growing exponentially.

Netcoins is now one of the first crypto trading platforms (CTPs) to be registered as a restricted dealer in Canada, which will provide a distinct early mover advantage as the industry continues to mature and evolve into a regulated framework. Under this framework, Netcoins will continue to operate and market to new customers across Canada, including Ontario. Netcoins anticipates continued growth on its platform through:

- the addition of new coins;
- the launch of Netcoins Pay and other new products
- expansion into the United States, and
- expanding advertising campaigns to new channels to reach new audiences.

Custody and Safeguarding of Digital Currencies

Netcoins has made safeguarding and custody of customer assets a priority, and has dedicated significant time and resources to evaluating third-party custody providers to ensure the solution offered through Netcoins provides the most integrity and security to its customers.

Netcoins does not maintain custody of (or otherwise hold) crypto assets owned by customers. BitGo Trust Company, Inc. (“BitGo”) acts as the third-party custodian for customer crypto assets (including providing cold wallet custodian services). BitGo is solely responsible for holding and safeguarding these crypto assets. BitGo does not act as a payment processor in connection with their custodian service arrangements with Netcoins.

BitGo is a trust company organized under the laws of the State of South Dakota and regulated as a trust company by the Division of Banking in South Dakota. BitGo has not appointed any sub-custodian to hold any of the crypto assets. All of the Company’s long-term Bitcoin investment holdings are also held in cold storage with BitGo.

BitGo provides insured wallet management and custody solutions for a variety of digital assets. BitGo maintains a comprehensive insurance policy for digital assets covering \$100 million in losses for crypto assets held in cold storage and in hot wallets, including the assets owned by Netcoins’ customers. BitGo is not responsible for any losses resulting from inaccurate instructions and the Company is responsible for maintaining adequate security and control of any and all keys, IDs, passwords, hints, personal identification numbers, non-custodial wallet keys, API keys, yubikeys, 2-factor authentication devices or backups, or any other codes that the Company uses to access BitGo. Furthermore, BitGo is not responsible for any damage or interruptions caused by any computer viruses, spyware, scareware, Trojan horses, worms or other malware that may affect the Company’s computer or other equipment, or any phishing, spoofing or other attack, unless such damage or interruption directly resulted from BitGo’s gross negligence, fraud, or willful misconduct. There are no limitations on liability if BitGo breaches its confidentiality obligations or if any damage or interruptions directly result from BitGo’s gross negligence, fraud, or willful misconduct. All other damages are limited to the fees paid to BitGo within the twelve-month period preceding the incident giving rise to such liability.

The due diligence process for BitGo included the following:

- Review of BitGo Inc’s (which licenses technology to BitGo Trust Company, Inc.) SOC 2 Type 2 report and certification (System and Organization Controls Report Relevant to Security conducted by Deloitte for the periods from December 1, 2018 to November 30, 2019 and December 1, 2019 to September 30, 2020).
- Review of BitGo’s comprehensive insurance policy for digital assets which currently covers \$100 million in losses for funds held in cold storage, includes a set of corporate insurance policies, and optional hot wallet insurance.
- Confirmation that BitGo will hold all crypto assets in trust for customers of Netcoins in an omnibus account in the name of Netcoins, and separate and distinct from the assets of Netcoins and all of BitGo’s other clients.
- Review of BitGo systems that permit Netcoins to generate a unique address for each customer account so it can track who sent the funds in, and which account to credit. When a customer sends funds, it creates a new BitGo sub-account, which feeds into one main account which is in the name of Netcoins. Once a customer account is funded with the

relevant crypto asset, BitGo custodies the crypto asset. BitGo utilizes 100% multi-signature technology to remove single points of failure, user and wallet controls to establish and enforce internal policies and procedures, and two-factor authentication for all accounts.

- Review of BitGo's policies and procedures which it has established and applied that manage and mitigate the custodial risks, including, but not limited to, an effective system of controls and supervision to safeguard the crypto assets for which it acts as custodian.
- Confirmation that BitGo has an independent internal audit performed by Eide Bailly LLP, a public accounting firm.

Netcoins has conducted due diligence on BitGo and has not identified any material concerns. The Company is not aware of anything with regards to BitGo's operations that would adversely affect the Company's ability to obtain an unqualified audit opinion on its audited financial statements. The Company is not aware of any security breaches or other similar incidents involving BitGo as a result of which crypto assets have been lost or stolen. There are no restrictions on the Company's ability to move crypto assets from the custodianship of BitGo, and these transfers can occur immediately, subject to the control processes, such as two video conferences to authorize cold storage transfers.

Netcoins has assessed the risks and benefits of using BitGo and has determined that in comparison to a Canadian custodian it is more beneficial to use BitGo, a U.S. custodian, to hold client assets than using a Canadian custodian, as there is not a suitable Canadian custodian option at this time.

In addition to the initial due diligence on BitGo, Netcoins continues to conduct ongoing due diligence on BitGo. As part of an annual review, Netcoins will require BitGo to:

- provide copies of any completed SOC reports and reviewing same for any increase risk to Netcoins;
- confirm from BitGo that it maintains adequate insurance coverage;
- verify the amount of BitGo's equity and other financial metrics to address counterparty risk; and
- verify that BitGo maintains any requisite licenses including licenses issued by the Division of Banking in South Dakota or any other regulator.

The Company currently uses both hot and cold wallet systems within BitGo. A warm wallet may be added during 2021 in connection with a larger operational float.

- The cold wallet is completely segregated, is not connected to the internet and is used for long term storage of crypto assets. The cold wallet requires two of four authorized signatories, as representatives of the Company, to verify any transfers from the cold wallet via video conference.
- The warm wallet will be connected to the internet, but not connected to the Netcoins web application via API and does not require video verification to initiate transactions. The warm wallet is whitelisted directly to the hot wallet, meaning funds can only be transferred from the warm wallet to the hot wallet. The warm wallet will require manual review and verification from two of four authorized signatories.
- The hot wallet is connected through the internet, is connected to the Netcoins web application via API and all customer deposits and withdrawals are processed through the hot wallet. As thresholds are met, transfers are reviewed and signed manually by one of four authorized signatories. The relevant thresholds include limits of 4 BTC per transaction, 30 BTC per hour, or 100 BTC per day. Additional thresholds will be put in place for other crypto assets during 2021.

Summary of Quarterly Information

Selected financial information for each of the eight most recently completed quarters are as follows:

	Revenue (\$)	Operating expenses (\$)	Share-based payments (\$)	Net income (loss) (\$)	Other comprehensive income (loss) (\$)	Basic and diluted income (loss) per share (\$)
Q3 2021	2,624,999	6,325,919	2,508,606	1,026,876	1,310,219	(0.00)
Q2 2021	4,547,198	7,028,530	2,495,835	(7,968,795)	(3,408,052)	(0.03)
Q1 2021	3,672,638	4,190,486	1,091,582	3,936,505	4,327,578	0.02
Q4 2020	1,012,889	2,248,269	2,531	(316,667)	2,694,451	(0.00)
Q3 2020	643,143	1,848,918	167,489	(419,300)	(5,961)	(0.00)
Q2 2020	478,497	1,844,509	37,029	(715,344)	9,326	(0.01)
Q1 2020	380,000	1,893,685	34,689	(1,497,217)	(14,377)	(0.01)
Q4 2019	328,648	2,072,409	92,440	(2,002,686)	1,352	(0.02)

Three Months Ended September 30, 2021

The Company recorded total revenues of \$2,624,999 (2020 - \$643,143), marking an increase of \$1,981,856 or 308% over the same period of the prior year.

BTGI revenues were comprised of \$278,614 (2020 - \$205,543) in product sales and \$148,581 (2020 - \$46,428) for services rendered. Service revenues included \$140,593 (2020 - \$21,425) received from an investigator-developed, 8-hour online certification course for digital currency investigations - the Cryptocurrency Investigator Certification Course (available online at www.CryptoInvestigatorTraining.com) launched by the Company in December 2018. Overall, revenues increased by 70% over the same period of the prior year. Cost of sales was \$63,574 (2020 - \$24,170). Gross margin was 85% (2020 - 90%).

Revenues from Netcoins' digital currency sales during the period were \$2,197,804 (2020 - \$391,172), marking a 462% increase over the same quarter of the prior year. During the three months ended September 30, 2021, total proceeds from digital currency inventory sold were \$166,181,182 - representing a 338% increase over Q3 2020 revenues, and a 52% decrease from those of the prior quarter (June 30, 2021 - \$346,492,161) when the company experienced a significant increase in transactional activity. The total cost of digital currency inventory sold was \$163,983,377. Gross margin was up slightly at 1.32%.

The Company reported net income of \$1,026,876 for the three-month period ended September 30, 2021, as compared to a net loss of \$419,300 for same period of the prior fiscal year.

General and administrative expenses for the three months ended September 30, 2021 totaled \$6,325,919 (2020 - \$1,848,918). Share-based compensation expense was \$2,508,606 (2020 - \$167,489), which related to the grant of stock options that vested during the quarter and/or amounts accrued for services provided to the end of the period.

Wages and benefits for three-month period ended September 30, 2021 totaled \$1,292,836 (2020 - \$679,796), marking an increase of \$613,040 over the 2020 comparative quarter. This increase reflects the additional staff, particularly within the Netcoins operations, to meet the growth of the business and customer needs.

Corporate activity levels increased over those of the prior year with office expenses rising by \$154,615 to \$440,251 (2020 - \$285,636), which included: bank charges of \$52,174 (2020 - \$24,599); office expenses of \$94,044 (2020 - \$8,898); office rent of \$7,365 (2020 - \$25,241); telecommunications of \$2,019 (2020 - \$3,213); insurance of \$30,071 (2020 - \$29,290), and computer and internet expenses of \$254,578 (2020 - \$194,395). Amortization of equipment was \$28,690 (2020 - \$82,359), with \$101,359 (2020 - \$108,114) recorded against intangible assets.

Expenditure on advertising and promotion totaled \$1,243,140 (2020 - \$157,901). Costs paid included meals and entertainment of \$4,008 (2020 - \$1,965) and other promotional expenses of \$1,239,132 (2020 - \$155,936). During 2021, the Company continues to grow its relationships and reputation within the digital assets community. With the onset of the COVID-19 pandemic travel was curtailed, with \$18,377 incurred during the period (2020 - recovery of \$6). Shareholder communications costs decreased from those of the prior year, totaling \$7,562 (2020 - \$18,593).

During the quarter, the Company recorded professional fees in the amount of \$239,047 (2020 - \$157,877) in relation to audit accruals and fees, and legal fees. Consulting fees were \$181,083 (2020 - \$34,379).

During the three months ended September 30, 2021, the Company recorded research and development costs in the amount of \$203,886 (2020 - \$144,161). These costs pertain to the on-going development of the BTGI's products. This marks a decrease in cost over the same period of the prior year of \$59,725, and correlates with a decrease in development staffing levels.

During the quarter, the Company recorded regulatory and listing fees of \$20,705 (2020 - \$7,946). In addition, the Company paid director's fees of \$37,701 (2020 - \$4,598) to its non-management directors.

Interest income for the quarter ended September 30, 2021 was \$28,010 (2020 - \$192). The increase over the same period of the prior year being attributable to higher cash balances held during 2021.

The Company recorded a foreign exchange gain of \$192,584 (2020 - loss of \$14,638). A revaluation gain of \$495,000 was recorded on marketable securities held for trading and measured at fair value through profit and loss ("FVTPL").

A gain of \$34,977 (2020 - loss of \$1,335) was recorded on the sale of digital currencies. An unrealized loss on investments in digital currencies of \$574 (2020 - unrealized gain of \$241,058) was recorded. The Company recorded an unrealized foreign exchange loss of \$2,788,072 (2020 - unrealized gain of \$103,511) on its digital currency inventory during the quarter. An unrealized gain of \$6,829,445 (2020 - \$463,679) was recorded as result of the increase in market prices of digital currencies held in inventory - largely driven by the decreasing Bitcoin price.

Nine Months Ended September 30, 2021

The Company recorded total revenues of \$10,844,835 (2020 - \$1,501,640), marking an increase of \$9,343,195 or 622% over the same period of the prior year.

BTGI revenues were comprised of \$662,269 (2020 - \$561,136) in product sales and \$453,946 (2020 - \$195,076) for services rendered. Service revenues included \$414,581 (2020 - \$97,067) received from an investigator-developed, 8-hour online certification course for digital currency investigations - the Cryptocurrency Investigator Certification Course (available online at www.CryptoInvestigatorTraining.com) launched by the Company in December 2018. Overall, revenues increased by 48% over the same period of the prior year. Cost of sales was \$144,687 (2020 - \$54,780). Gross margin was 87% (2020 - 93%).

Revenues from Netcoins' digital currency sales during the period were \$9,728,620 (2020 - \$745,428). During the nine months ended September 30, 2021, total proceeds from digital currency inventory sold were \$772,681,245 - representing a 1037% increase from the same period of the prior year (2020 - \$67,982,262). The total cost of digital currency inventory sold was \$762,952,625 (2020 - \$67,236,834). Gross margin was consistent at 1.26%.

The Company reported a net loss of \$3,005,414 for the period ended September 30, 2021, as compared to a net loss of \$2,631,861 for same period of the prior fiscal year.

General and administrative expenses totaled \$17,544,935 (2020 - \$5,587,112). Share-based compensation expense was \$6,096,023 (2020 - \$239,207), which related to the grant of stock options that vested during the quarter and/or amounts accrued for services provided to the end of the period.

Wages and benefits for the period ended September 30, 2021 totaled \$3,844,953 (2020 - \$2,285,987), marking an increase of \$1,558,966 over the 2020 comparative period. This increase reflects the additional staff, particularly within the Netcoins operations, to meet the growth of the business and customer needs.

Corporate activity levels were fairly consistent with those of the prior year with office expenses rising by \$209,935 to \$1,023,797 (2020 - \$813,862), which included: bank charges of \$140,759 (2020 - \$44,195); office expenses of \$252,822 (2020 - \$37,991); office rent of \$17,800 (2020 - \$68,404); telecommunications of \$8,481 (2020 - \$7,901); insurance of \$79,458 (2020 - \$57,851), and computer and internet expenses of \$524,477 (2020 - \$597,520). Amortization of equipment was \$140,483 (2020 - \$247,432), with \$285,499 (2020 - \$324,342) recorded against intangible assets.

Expenditure on advertising and promotion totaled \$4,425,196 (2020 - \$389,418). Costs paid included meals and entertainment of \$4,753 (2020 - \$7,642) and other promotional expenses of \$4,420,444 (2020 - \$381,776). The majority of the promotional expenditures incurred comprised Netcoins' radio and television advertising and other marketing initiatives at a cost of

\$3,885,042. With the onset of the COVID-19 pandemic travel was curtailed, leading to incurred costs of \$17,963 – marking an increase of \$9,091 over the same period of the prior year (2020 - \$8,872). Shareholder communications costs increased from those of the prior year, totaling \$37,113 (2020 - \$25,721).

During fiscal 2021, the Company recorded professional fees in the amount of \$701,733 (2020 –\$309,859) in relation to audit accruals and fees, and legal fees. The increase is reflective of the expansion of business and the increased costs associated with the cryptocurrency industry due to a higher degree of regulatory oversight. Consulting fees were \$299,642 (2020 - \$53,874), and included costs of \$52,500 incurred by Netcoins in respect of compliance.

During the period ended September 30, 2021, the Company recorded research and development costs in the amount of \$715,310 (2020 - \$702,808), which were offset by government grants of \$198,291, for net expenditures of \$517,019. These costs pertain to the on-going development of the BTGI's products. This marks a net decrease in cost over the same period of the prior year of \$846,969, and correlates with a decrease in development staffing levels.

During the period, the Company recorded regulatory and listing fees of \$76,438 (2020 - \$28,059). In addition, the Company paid director's fees of \$76,400 (2020 - \$13,795) to its non-management directors.

Interest income was \$71,970 (2020 - \$5,828). The increase over the same period of the prior year being attributable to higher cash balances held during 2021.

The Company recorded a foreign exchange loss of \$47,935 (2020 – gain of \$21,789). A revaluation gain of \$495,000 was recorded on marketable securities held for trading and measured at fair value through profit and loss ("FVTPL").

A gain of \$34,977 (2020 – loss of \$1,335) was recorded on the sale of digital currencies. An unrealized gain on investments in digital currencies of \$5,360 (2020 - \$558,208) was recorded. The Company recorded an unrealized foreign exchange loss of \$4,203,373 (2020 – gain of \$282,297) on its digital currency inventory. An unrealized gain of \$7,483,374 (2020 - \$666,593) was recorded as result of overall favourable changes in the market prices of digital currencies held in inventory. The price of digital currencies continues to be volatile, resulting in significant revaluation fluctuations at end of each period.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2021, the Company had working capital of \$62,966,813 (December 31, 2020 - \$9,180,122). Cash as at September 30, 2021 was \$48,830,215, as compared with \$12,778,242 at December 31, 2020. Restricted cash of \$82,500 (December 31, 2020 - \$82,500) was held in a Guaranteed Investment Certificate in favour of the Toronto-Dominion Bank, as security for corporate credit cards.

On January 28, 2021, the Company closed a bought deal prospectus offering issuing a total of 27,594,500 units for gross proceeds of \$13,797,378. Each unit comprises one common share and one one-half share purchase warrant, with each full warrant entitling the holder thereof to acquire one additional common share of the Company at a price of \$0.70 for a period of 24 months from closing of the offering. The units issued under the offering were offered by way of a short form prospectus dated January 21, 2021 filed in each of the provinces of Canada (other than Québec). The offering was conducted by a syndicate of underwriters led by PI Financial Corp. and included Canaccord Genuity Corp. and Echelon Wealth Partners. The underwriters received a cash commission equal to 6% of the gross proceeds of the offering. As at the date of this MD&A, an aggregate 10,639,200 warrants have been exercised for proceeds of \$7,447,440.

The Company announced the closing of a second bought deal public offering on April 16, 2021. A syndicate of underwriters led by PI Financial Corp. and including Canaccord Genuity Corp., and Echelon Wealth Partners, purchased 13,800,000 units of the Company at a price of C\$2.10 per unit for gross proceeds of \$28,980,000 (the "Offering"). The number of Units includes an additional 1,800,000 units pursuant to the exercise of the underwriters' over-allotment option. Each unit is comprised of one common share and one-half common share purchase warrant. Each full warrant entitles the holder thereof to purchase one additional common share at a price of \$2.70 for a period of 24 months following the closing of the Offering. The units were offered by way of short form prospectus in each of the provinces of Canada (other than Quebec). The underwriters were paid a cash commission equal to 6% of the gross proceeds of the Offering. As at the date of this MD&A, a total of 72,000 warrants have been exercised for proceeds of \$194,400.

The Company relies upon various sources of funds for its ongoing operating and investing activities. These sources include proceeds from dispositions of investments, interest income from investments, and capital raising activities such as private

placement equity financings. As at September 30, 2021, and as at the date of this MD&A, the Company has no debt or borrowings.

At September 30, 2021 and 2020, the Company had investment tax credits receivable of \$175,325, comprised of a refundable federal investment tax credit of \$136,365 and a refundable provincial investment tax credit of \$38,960. The credits relate to scientific research and experimental development (“SRED”) expenditure claims filed with and approved by the Canada Revenue Agency. Additionally, the Company submitted a SRED claim for 2017, and filed a claim for the 2018 financial year end, for non-refundable tax credits.

During the period ended September 30, 2021 the Company experienced cash outflows of \$14,827,643 (2020 - \$2,874,826) from operating activities. Investing activities used cash of \$1,371,115 (2020 – provided cash of \$129,296), of which \$234,866 was used for the purchase of equipment, \$181,464 went to the purchase of the Netcoins.com domain, \$451,859 was used to acquire certain marketable securities investments and \$589,371 was used to purchase digital currencies. Financing activities realized inflows of \$52,259,534 (2020 - \$401,805). Proceeds of \$52,309,842 were received for the issuance of an aggregate 72,624,151 common shares as follows: \$42,777,378 pursuant to the two short-form prospectus offerings; \$681,488 on the exercise of 5,150,694 stock options; and, \$11,669,891 on the exercise of 26,078,957 warrants. Share issue costs totaled \$32,821 (2020 - \$37,976). During the period, the Company recorded the reduction of the lease liability of \$17,487 (2020 - \$74,419). In the prior year, the Company used \$34,450 to repurchase and cancel an aggregate 720,000 of its common shares and incurred net costs of \$450 related to the repurchase of these shares.

Overall, cash increased by \$36,060,776, as compared to a decrease of \$2,343,725 during the same period of the prior year.

As at September 30, 2021, the Company held \$6,658,620 (2020 - \$3,827,003) in digital currency investments that could be converted to cash should the Company need additional liquidity.

In management’s opinion, the Company has sufficient working capital at this time to meet its current financial obligations and administration costs required to operate the Company.

The Company has historically raised funds through the sale of securities. The Company expects that it will continue to obtain funding through similar or other means depending on market conditions and other relevant factors at the time. However, there can be no assurance that the Company will be able to obtain such additional funding or obtain it on acceptable terms.

Management's Response to the COVID-19 Pandemic

The World Health Organization declared the Novel Coronavirus (“COVID-19”) a pandemic on March 11, 2020. On March 13, the Company responded rapidly and proactively to COVID-19, closing its Vancouver headquarters indefinitely. As the Company operates in the technology sector, it was already well positioned for and able to accommodate a quick transition to remote working – resulting in minimal impact on the Company’s operations.

The health and safety of our employees, their families and the communities in which we operate is management’s first priority. To date, BIGG has not had any confirmed cases of COVID-19 among any of its employees or contractors. The Company is adopting the advice of public health authorities and adhering to government regulations with respect to COVID-19 in the jurisdictions in which it operates. The following measures have been instituted across the Company to prevent the potential spread of the virus: • Indefinite closure of its corporate offices • Employees are working remotely • Social distancing practices have been implemented for any and all in-person meetings, with meeting participation via teleconferencing strongly encouraged • Elimination of all non-essential business travel • Required 14-day quarantine for any employees returning from out of country travel.

FORWARD-LOOKING INFORMATION

This MD&A contains certain statements that may constitute “forward-looking information” (also referred to as “forward-looking statements”) within the meaning of Canadian securities legislation. Forward-looking statements are provided for the purpose of furnishing information about management’s current expectations and plans and allowing investors and others to get a better understanding of the Company’s operating environment. All statements, other than statements of historical fact, are forward-looking statements.

In this MD&A, forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause the Company's actual financial results, performance, or achievements to be materially different from those expressed or implied herein. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the uncertainties associated with: future anticipated business developments and the timing thereof, business and financing plans, and the overall impact of misjudgments made in good faith in the course of preparing forward-looking information as well as other risks and uncertainties referenced under "Risks and Uncertainties" in this MD&A.

Forward-looking statements involve risks, uncertainties, assumptions, and other factors including those referenced in the "Risks and Uncertainties" section of this MD&A, and, as a result they may never materialize, prove incorrect or materialize other than as currently contemplated which could cause the Company's results to differ materially from those expressed or implied by such forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of fact and may be forward-looking statements.

Investors are cautioned not to put undue reliance on forward-looking statements, and investors should not infer that there has been no change in the Company's affairs since the date of this report that would warrant any modification of any forward-looking statements made in this document, other documents periodically filed with or furnished to the relevant securities regulators or documents presented on the Company's website. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice. The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, subject to the Company's disclosure obligations under applicable Canadian securities regulations. Investors are urged to read the Company's filings with Canadian securities regulatory agencies, which can be viewed online at www.sedar.com.

RISKS AND UNCERTAINTIES

The Company is an early-stage technology company with limited operating history and, in addition to facing all of the competitive risks it will also face all the risks inherent in developing a business including: access to capital, ability to attract and retain qualified employees, ability to attract and maintain customers and the ability to put in place appropriate operating and control procedures routines.

Industry specific risks include, but are not limited to:

- *Entry into Digital Asset Development and Exchange Business:* The digital currency business is highly competitive, and is populated with many companies, large and small, with the capital and expertise to evaluate, purchase and exploit new innovative opportunities. Even with capital and experience, industry risks are significant. Regulatory compliance is an increasingly complex and costly obstacle to many new projects, and often times, and even if compliance is obtained, they may be sufficiently restrictive or stifle innovation of start-up opportunities with distributed ledger technology. The Company may not be able to finance its potential growth as demand on human resources increases. There is no assurance that its entry into this business activity will be successful.
- *Failure to Innovate:* The Company's success depends upon its ability to design, develop, test, market, license and support new software products and enhancements of current products on a timely basis in response to both competitive threats and marketplace demands. In addition, software products and enhancements must remain compatible with the other software products and systems used by its customers. Often, the Company must integrate software licensed or acquired from third parties with its proprietary software to create or improve its products. If the Company is unable to successfully integrate third party software to develop new software products and enhancements to existing products, or to complete products currently under development, its operating results will materially suffer. In addition, if the integrated or new products or enhancements do not achieve acceptance by the marketplace, the Company's operating results will materially suffer. Also, if new industry standards emerge that the Company does not

anticipate or adapt to, its software products could be rendered obsolete and, as a result, its business and operating results, as well as its ability to compete in the marketplace, would be materially harmed.

- **Competition:** The Company is engaged in an industry that is highly competitive. Because its industry is evolving and characterized by technological change, it is difficult for the Company to predict whether, when and by whom new competing technologies may be introduced or when new competitors may enter the market. The Company faces increased competition from companies with strong positions in certain markets the Company intends to serve and in new markets and regions it may enter. Many of the Company's competitors have significantly greater financial and other resources than the Company currently possesses and may spend significant amounts of resources to gain market share. The Company cannot assure investors that it will be able to compete effectively against current and future competitors. In addition, increased competition or other competitive pressures may result in price reductions, reduced margins or loss of market share, any of which could have a material adverse effect on the Company's business, financial condition or results of operations. Competitors may be able to respond to new or emerging technologies and changes in customer requirements more effectively than the Company can, or devote greater resources to the development, promotion and sale of products than the Company can. Current and potential competitors may establish cooperative relationships among themselves or with third parties, including through mergers or acquisitions, to increase the ability of their products to address the needs of the Company's prospective customers. If these competitors were to acquire significantly increased market share, it could have a material adverse effect on the Company's business, financial condition or results of operations. The Company's competitors may also establish or strengthen co-operative relationships with systems integrators, third-party consulting firms or other parties with whom the Company has relationships, thereby limiting its ability to promote its products.
- **Failure to Protect its Intellectual Property:** Failure to protect the Company's intellectual property could harm its ability to compete effectively. The Company is highly dependent on its ability to protect its proprietary technology. The Company intends to rely on a combination of copyright, trademark and trade secret laws, as well as non-disclosure agreements and other contractual provisions to establish and maintain its proprietary rights. The Company intends to protect its rights vigorously. However, there can be no assurance that these measures will, in all cases, be successful. Enforcement of the Company's intellectual property rights may be difficult, particularly in some nations outside of North America in which the Company may seek to market its products. While U.S. and Canadian copyright laws, international conventions and international treaties may provide meaningful protection against unauthorized duplication of software, the laws of some foreign jurisdictions may not protect proprietary rights to the same extent as the laws of Canada or of the United States. The absence of internationally harmonized intellectual property laws makes it more difficult to ensure consistent protection of the Company's proprietary rights. Software piracy has been, and is expected to be, a persistent problem for the software industry, and piracy of the Company's products represents a loss of revenue to the Company. Despite the precautions the Company may take, unauthorized third parties, including its competitors, may be able to: (i) copy certain portions of its products; or (ii) reverse engineer or obtain and use information that the Company regards as proprietary. Also, the Company's competitors could independently develop technologies that are perceived to be substantially equivalent or superior to the Company's technologies. The Company's competitive position may be materially adversely affected by its possible inability to effectively protect its intellectual property.
- **Intellectual Property Infringement:** Other companies may claim that the Company has infringed their intellectual property, which could materially increase costs and materially harm the Company's ability to generate future revenue and profits. Claims of infringement are becoming increasingly common as the software industry develops and as related legal protections, including patents are applied to software products. Although the Company does not believe that its products infringe on the rights of third parties, third parties may assert infringement claims against the Company in the future. Although most of the Company's technology is proprietary in nature, the Company does include significant amounts of third-party software in its products. In these cases, this software is licensed from the entity holding the intellectual property rights. Although the Company believes that it has secured proper licenses for all third-party software that is integrated into its products, third parties may assert infringement claims against the Company in the future. Any such assertion may result in litigation or may require the Company to obtain a license for the intellectual property rights of third parties. Such licenses may not be available, or they may not be available on reasonable terms. In addition, such litigation could be disruptive to the Company's ability to generate revenue or enter into new market opportunities and may result in significantly increased costs as a result of the Company's efforts to defend against those

claims or its attempt to license the patents or rework its products to ensure they comply with judicial decisions. Any of the foregoing could have a significant adverse impact on the Company's business and operating results as well as its ability to generate future revenue and profits. The loss of licenses to use third-party software or the lack of support or enhancement of such software could materially adversely affect the Company's business. The Company could also be forced to do one or more of the following: (i) stop selling, incorporating or using its products that use the challenged intellectual property; (ii) obtain from the owner of the infringed intellectual property right a license to sell or use the relevant technology, which license may not be available on reasonable terms, or at all; (iii) redesign those products that use allegedly infringing technology which may be costly or time-consuming; or (iv) refund license fees and other amounts received, and make payments of additional amounts in damages or settlement payments, for allegedly infringing technology or products.

- **Reliance on Third Party Software:** The Company currently depend upon third-party software products to develop its products. If in future such reliance existed and the software products were not available, the Company might experience delays or increased costs in the development of its products. The Company currently does not rely on software products that it licenses from third-parties. Should the Company in the future rely upon third-party software licenses that may not continue to be available to the Company, and the related software may not continue to be appropriately supported, maintained, or enhanced by the licensors, the loss by the Company of the license to use, or the inability by licensors to support, maintain, and enhance any of such software, could result in increased costs or in delays or reductions in product shipments until equivalent software is developed or licensed and integrated with internally developed software. Such increased costs or delays or reductions in product shipments could materially adversely affect its business. The loss of the Company's rights to use software licensed to it by third parties could increase its operating expenses by forcing the Company to seek alternative technology and materially adversely affect its ability to compete. In addition, the Company's web-based software applications depend on the stability, functionality and scalability of the underlying infrastructure software including application servers, databases, java platform software and operating systems produced by IBM, Microsoft and others. If weaknesses in such infrastructure software exist, the Company may not be able to correct or compensate for such weaknesses. If the Company is unable to address weaknesses resulting from problems in the infrastructure software such that its products do not meet customer needs or expectations, its reputation, and consequently, its business may be significantly harmed.
- **Regulatory Risks:** The activities of the Company may be subject to regulation by governmental authorities. Achievement of the Company's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Company.
- **Use of Open Source Software:** The Company's software makes use of and incorporates open source software components. These components are developed by third parties over whom the Company has no control. There are no assurances that those components do not infringe upon the intellectual property rights of others. The Company could be exposed to infringement claims and liability in connection with the use of those open source software components, and the Company may be forced to replace those components with internally developed software or software obtained from another supplier, which may increase its expenses. The developers of open source software are usually under no obligation to maintain or update that software, and the Company may be forced to maintain or update such software itself or replace such software with internally developed software or software obtained from another supplier, which may increase its expenses. Making such replacements could also delay enhancements to its products. Certain open source software licenses provide that the licensed software may be freely used, modified and distributed to others provided that any modifications made to such software, including the source code to such modifications, are also made available under the same terms and conditions. As a result, any modifications the Company makes to such software will be available to all downstream users of the software, including its competitors. In addition, certain open source licenses provide that if the Company wishes to combine the licensed software, in whole or in part, with its proprietary software, and distribute copies of the resulting combined work, the Company may only do so if such copies are distributed under the same terms and conditions as the open source software component of the work was licensed to the Company,

including the requirement to make the source code to the entire work available to recipients of such copies. The types of combinations of open source software and proprietary code that are covered by the requirement to release the source code to the entire combined work are uncertain and much debated by users of open source software. An incorrect determination as to whether a combination is governed by such provisions will result in non-compliance with the terms of the open source license. Such non-compliance could result in the termination of the Company's license to use, modify and distribute copies of the affected open source software and the Company may be forced to replace such open source software with internally developed software or software obtained from another supplier, which may increase its expenses. In addition to terminating the affected open source license, the licensor of such open source software may seek to have a court order that the proprietary software that was combined with the open source software be made available to others, including its competitors, under the terms and conditions of the applicable open source license.

- *Lack of Operating History:* The Company has only recently started to carry on its business. The Company is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. The failure by the Company to meet any of these conditions could have a materially adverse effect on the Company and may force it to reduce, curtail, or discontinue operations. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations. The Company may not successfully address all of the risks and uncertainties or successfully implement its existing and new products and services. If the Company fails to do so, it could materially harm its business and impair the value of its common stock, resulting in a loss to shareholders. Even if the Company accomplishes these objectives, the Company may not generate the anticipated positive cash flows or profits. No assurance can be given that the Company can or will ever be successful in its operations and operate profitably.
- *Growth and Consolidation in the Industry:* Acquisitions or other consolidating transactions could have adverse effects on the Company. The Company could lose strategic relationships if its partners are acquired by or enter into agreements with a competitor, causing the Company to lose access to distribution, content and other resources. The relationships between the Company and its strategic partners may deteriorate and cause an adverse effect on the business. The Company could lose customers if competitors or user of competing technology consolidate with the Company's current or potential customers. Furthermore, the Company's current competitors could become larger players in the market or new competitors could form from consolidations. Any of the foregoing events could put the Company at a competitive disadvantage, which could cause the Company to lose customers, revenue, and market share. Consolidation in the industry could also force the Company to divert greater resources to meet new or additional competitive threats, which could harm the Company's operating results.
- *Intellectual Property Risks:* The Company's ability to compete largely depends on the superiority, uniqueness, and value of its intellectual property and technology, including both internally-developed technology and the ability to acquire patent protection and/or trademark protection. To protect its proprietary rights, the Company will rely on a combination of trademark, copyright, and trade secret laws, trademark and patent applications, confidentiality agreements with its employees and third parties, and protective contractual provisions. Despite these efforts, certain risks may reduce the value of the Company's intellectual property. The Company's applications for trademarks and copyrights relating to its business may not be granted, and if granted, may be challenged or invalidated. There is no guarantee that issued trademarks and registered copyrights will provide the Company with any competitive advantages. The Company's efforts to protect its intellectual property rights may not be effective in preventing misappropriation of its technology and may not prevent the development and design by others of products or technology similar to, competitive with, or superior to those the Company develops. There is a risk that another party may obtain a blocking patent and the Company would need to either obtain a license or design around the patent in order to continue to offer the contested feature or service in its products.

An investment in the Company's common shares is highly speculative and subject to a number of risks and uncertainties. Only those persons who can bear the risk of the entire loss of their investment should participate. An investor should carefully consider the risks described above before investing in the Company's common shares. The risks described above are not the only ones faced. Additional risks that the Company currently believes are immaterial may become important factors that

affect the Company's business. If any of these risks occur, or if others occur, the Company's business, operating results and financial condition could be seriously impacted and investors may lose some or all of their investment.

RELATED PARTY TRANSACTIONS

During the period ended September 30, 2021, the Company entered into the following transactions with related parties:

- a) paid consulting fees of \$Nil (2020 - \$20,379) to a company controlled by Anthony Zelen, a former director of the Company;
- b) paid salaries of \$290,281 (2020 - \$177,000) to Mark Binns, a director and officer of the Company;
- c) paid salaries of \$199,535 (2020 - \$164,423) to Lance Morginn, a director and officer of the Company;
- d) paid salaries of \$291,219 (2020 - \$150,000) to Kim Evans, a director and officer of the Company;
- e) paid salaries of \$267,609 (2020 - \$21,429) to Mitchell Demeter, a former director of the Company and former President of Netcoins who resigned October 15, 2021;
- f) paid salaries of \$153,821 (2020 - \$218,064) to Robert Whitaker, a former officer of the Company;
- g) paid salaries of \$60,634 (2020 - \$41,012) to Kumiko Morginn, the spouse of a director and officer of the Company;
- h) paid director's fees of \$76,400 as follows: Robert Birmingham \$25,380 (2020 - \$4,598), Shone Anstey \$25,165 (2020 - \$4,598), and Thomas Kennedy \$25,855 (2020 - \$4,598), the independent directors of the Company; and,
- i) as at September 30, 2021 recorded amounts owing to directors and officers of \$18,929 (2020 - \$15,895) in accounts payable.

The amounts due to related parties are unsecured, non-interest bearing and have no specific terms of repayment. These transactions were in the normal course of operations.

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, the Company does not pay out dividends. The Company's investment policy is to keep its cash on deposit in an interest bearing Canadian chartered bank account. Some cash is kept on deposit with fiat digital currency 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, 2021.

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

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at September 30, 2021, the Company's financial instruments are comprised of cash and restricted cash and accounts payable, customer deposits and lease liabilities. 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:

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, 2021, the fair value of cash 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, cash on deposit with fiat to digital currency exchanges, investments and due from related parties. The Company's current policy is to invest excess cash in variable interest investment-grade demand deposit certificates issued by reputable 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 and public share offerings.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates 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. Equity price risk

Equity price risk arises from market fluctuations in 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 shares, which could impede its ability to raise additional funds when required.

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.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as of September 30, 2021 and as at the date of this MD&A.

SUBSEQUENT EVENTS

Subsequent to September 30, 2021, the Company:

- a) appointed KPMG LLP as its auditor;
- b) acquired an additional 65.52 Bitcoin at an average cost of \$77,330 per coin;
- c) reached an agreement with Robin Martin, on a without prejudice basis, and paid \$36,000 to settle an on-going labour dispute;
- d) granted 750,000 incentive stock options to directors, officers, employees and consultants exercisable at a price of \$1.60, for a period of up to five years and subject to vesting provisions over a period of 24 months; and,
- e) received proceeds of \$17,120 from the exercise of 148,000 stock options priced between \$0.08 and \$0.19, and \$654,566 from the exercise of 2,424,538 share purchase warrants priced between \$0.24 and \$0.70.

USE OF ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates on the resulting effects of the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

The Company's significant accounting policies and estimates, unless as otherwise provided for in the financial statements for the nine months ended September 30, 2021, are included in Note 3 of its audited consolidated financial statements for the year ended December 31, 2020.

OUTSTANDING SHARE DATA AS AT THE DATE OF THIS MD&A

- (a) Authorized and issued share capital:

Class	Par Value	Authorized	Issued Number
Common	No par value	Unlimited	244,853,494

- (b) Summary of options outstanding:

Security	Number	Number Exercisable	Exercise Price Range
Options	16,389,482	10,890,732	\$0.08 to \$3.00

- (c) Summary of warrants outstanding:

Security	Number	Exercise Price	Expiry Date
Prospectus offering	1,793,153	0.30	November 30, 2022
Broker Warrants	336,313	0.24	November 30, 2022
January 2021 bought deal offering	1,360,800	0.70	January 28, 2023
January 2021 bought deal offering – overallotment exercise	1,800,000	0.70	February 5, 2023
April 2021 bought deal offering	6,828,000	2.70	April 16, 2023
Performance Warrants	4,777,750	0.05	December 31, 2022
	16,896,016		

CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer’s Annual and Interim Filings (“NI 52-109”), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited condensed consolidated interim financial statements and the respective accompanying Management’s Discussion and Analysis for the period ended September 30, 2021.

DISCLOSURE CONTROLS

Disclosure controls and procedures (“DC&P”) are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting (“ICFR”) are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with IFRS.

CSE listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in NI 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the IFRS.

The issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making.