

GLOBALBLOCK DIGITAL ASSET TRADING LIMITED
(formerly Helix Applications Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SIX MONTHS ENDED JUNE 30, 2021

(EXPRESSED IN CANADIAN DOLLARS UNLESS OTHERWISE NOTED)

Introduction

This Management's Discussion and Analysis ("MD&A") of the financial condition and results of the operations of GlobalBlock Digital Asset Trading Limited (formerly Helix Applications Inc.) (the "Company" or "GlobalBlock") constitutes management's review of the factors that affected the Company's financial and operating performance for the six months ended June 30, 2021. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended December 31, 2020 and 2019, together with the notes thereto, and unaudited condensed interim financial statements for the six months ended June 30, 2021, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. Information contained herein is presented as at August 26, 2021 unless otherwise indicated.

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC") in preparing the aforementioned financial statements of the Company.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors of the Company (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from the offices of the Company or on SEDAR at www.sedar.com.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should

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not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

The Company's business objectives are to develop software applications, technologies and platforms that will benefit real world business and institutions in the new operating paradigms that blockchain technology is bringing to the market. With the acquisition of GlobalBlock Limited ("GlobalBlock UK") (see below), the Company is focused in the near term on growing and advancing GlobalBlock UK's digital brokerage business.

Outlook

Further to the Q1 purchase of blockchain patents and the Q2 proposed acquisition of GlobalBlock UK, a United Kingdom based crypto-asset brokerage, the start of Q3 has seen the completion of this transaction (see GlobalBlock UK Transaction, below) along with the Company's name change to GlobalBlock Digital Asset Trading Limited. The name change reflects the significant focus the Company has placed upon digital platforms and the major operational shift towards this business and its growing revenues. September will see the launch of a targeted marketing campaign aimed at boosting the Company's established client base. The Company is also targeting the release of a new mobile app, whose IP will be 100% owned by the Company and which enhanced features will include a vastly increased offering of digital assets for clients to trade.

Q1 & Q2 2021 Highlights

GlobalBlock UK Transaction

GlobalBlock UK is a fast-growing United Kingdom based digital asset broker that provides a personalised telephone brokerage service, trading platform and mobile app. GlobalBlock UK was established in 2018 by an experienced team of financial services professionals and acts as a trusted agent serving the cryptocurrency needs of individuals, corporates, institutional financial firms and intermediaries, providing best execution trading and safe custody of digital assets.

Pursuant to the definitive share exchange agreement ("Definitive Agreement") signed in May 2021, and completed July 19, 2021, the Company acquired 100% of the outstanding shares of GlobalBlock UK in exchange for an aggregate of 48,450,000 common shares of the Company. These common shares are subject to a two year escrow of which 15% will be released from escrow six months after close and an additional 15% will be released every three months thereafter. In addition, the Company issued 2,550,000 common shares as finders fees.

In connection with the completion of the GlobalBlock UK acquisition, David Thomas was appointed a director and Chief Operating Officer of the Company, and Stuart Olley was appointed a director, replacing Jay Sujir. See 'Management Changes' below for further info on new management in connection with the GlobalBlock UK acquisition.

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Acquisition of Patents

In February 2021, the Company acquired 4 blockchain patents and their related patent applications and development work for consideration of an upfront cash payment of \$150,000 and an ongoing royalty agreement of 5% of profits relating to any commercial application of these patents.

Private Placement

In April 2021, the Company completed a private placement of 2,000,000 common shares at a price of \$1.50 for gross proceeds of \$3,000,000. In connection with this financing, the Company paid a 7% cash finders fee and issued a agent's option to acquire up to 140,000 common shares of the Company, with an exercise price of \$1.50 and a term of 24 months.

Selected Quarterly Information

Three Months Ended	Revenues (\$)	Net Loss (\$)	Net Loss (Per Share) (\$)
June 30, 2021	nil	(198,537)	(0.00)
March 31, 2021	nil	(245,571)	(0.00)
December 31, 2020	nil	(192,120)	(0.00)
September 30, 2020	nil	(93,730)	(0.00)
June 30, 2020	nil	(161,183)	(0.00)
March 31, 2020	nil	(178,006)	(0.00)
December 31, 2019	Nil	(841,058)	(0.01)
September 30, 2019	nil	(12,060,733)	(0.19)

Discussion of Operations

Financial Performance

For the six months ended June 30, 2021, the Company incurred a net loss of \$444,108 (2020 - \$339,189). The significant items that caused variance for the loss for the six month period ended June 30, 2021 included:

	Six months ended June 30, 2021	Six months ended June 30, 2020	Variance	Explanation
Professional fees	\$124,147	\$36,292	\$87,855	Increased professional fees incurred in connection with GlobalBlock UK acquisition
Marketing costs	\$138,340	\$nil	\$138,340	Increased visibility of Company in light of acquisition and renewed interest in blockchain space
Salaries	\$75,786	\$139,584	(\$63,798)	Reduction of staff in 2021 as majority of staff laid off beginning of 2020 with rollback of operations

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Stock-based compensation	\$nil	\$126,896	(\$126,896)	No options granted or vested in the six months ended June 30, 2021
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For the three months ended June 30, 2021, the Company incurred a net loss of \$198,537 (2020 - \$161,183). The significant items that caused variance for the loss for the three month period ended June 30, 2021 included:

	Three months ended June 30, 2021	Three months ended June 30, 2020	Variance	Explanation
Professional fees	\$97,797	\$30,056	\$67,741	Increased professional fees incurred in connection with GlobalBlock UK acquisition
Listing costs	\$33,928	\$5,400	\$28,528	Increased TSXV fees in 2021 in connection with TSXV review of GlobalBlock UK transaction
Salaries	\$31,651	\$68,047	(\$36,396)	Reduction of staff in 2021 as majority of staff laid off beginning of 2020 with rollback of operations
Stock-based compensation	\$nil	\$34,028	(\$34,028)	No options granted or vested in the three months ended June 30, 2021

Liquidity and Financial Position

As at June 30, 2021, the Company held unrestricted cash of \$5,229,245 and had working capital of \$5,233,412. As at June 30, 2021, the Company believes they have the adequate cash on hand to fulfil its planned operations for the next twelve months. The Company's ability to carry out its business plan is dependent upon the ability of the Company to generate sufficient revenues and positive cash flows from its operating activities and/or obtain sufficient additional financing to settle its obligations and fund its planned operations.

Related Party Transactions

The amounts in the table below are amounts recognized as expense related to certain directors and senior officers identified as key management personnel by the Company. The following table is for the six months ended June 30, 2021 and 2020.

	2021	2020
Paid to the Company's CEO	72,620	71,237
Paid to the Company's CFO	15,000	-
Paid to the Company's former CFO	-	60,000
Paid to non-executive directors	27,500	25,750
Paid to a Law Firm which has a former director as a partner	69,240	-
Share-based compensation	-	126,896

Off-Balance-Sheet Arrangements

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The Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on its results of operations or financial condition, including, without limitation, such considerations as liquidity, capital expenditures and capital resources that would be considered material to investors.

Financial instruments

As at June 30, 2021, the Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities. At June 30, 2021, the carrying values of these instruments approximate their fair values given their short term nature.

The fair values of financial assets and financial liabilities are characterized using a hierarchy as follows:

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

The Company has no financial instruments for which fair value is determined based on a level 3 category.

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include currency, credit, interest rate and liquidity risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and amounts receivable. The Company aims to protect its cash and cash equivalents from undue risk by holding them with various high credit quality financial institutions.

(ii) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payments obligations. The Company has limited credit risk from its amounts receivable as these amounts are due from the federal and provincial Canadian governments.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at June 30, 2021, the Company is not exposed to any significant interest rate risk.

(iv) Currency risk

The Company operates primarily in Canada. The Company has exposure to foreign exchange risk. Foreign exchange risk arises from purchase and sales transactions, as well as recognized financial assets and liabilities denominated in foreign currencies. As at June 30, 2021, the Company is not exposed to significant currency risk.

(v) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company has sufficient cash to meet its financial obligations as at June 30, 2021.

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Share Capital

As of the date of this MD&A, the Company had 104,948,738 issued and outstanding common shares and outstanding dilutive instruments as follows:

- i) 175,000 options, \$0.95 exercise price, expiring November 1, 2021
- ii) 650,525 options, \$0.95 exercise price, expiring June 5, 2023
- iii) 300,000 options, \$0.23 exercise price, expiring June 13, 2024
- iv) 140,000 agent's options, \$1.50 exercise price, expiring in April 1, 2023
- v) 1,330,000 options, \$0.82 exercise price, expiring July 22, 2026
- vi) 1,000,000 options, \$0.95 exercise price, expiring August 9, 2026

Management

As part of the acquisition of GlobalBlock UK, the Company's management team was expanded to include the directors and key management of GlobalBlock UK as follows:

- David Thomas, (Appointed Director & COO of GlobalBlock, Director & Co-Founder of GlobalBlock UK): Before founding London based digital asset broker GlobalBlock UK, David was a partner at the FCA regulated foreign exchange business GlobalReach Group, where he spent fourteen years and was responsible for the business's corporate and private client relationships, helping grow the business into a leader in the international payments space. In 2018, David co-founded GlobalBlock UK to serve the growing demands of both retail and institutional investors in trading, clearing, and settling cryptocurrency transactions.
- Karl Thompson, (Co-Founder of GlobalBlock UK): Karl has been in financial services for over twenty years, working in the equity trading and brokerage space. In 2012 Karl set up Peregrine & Black Capital, offering bespoke stockbroking services to professional and institutional clients. Karl went on to cofound Peregrine & Black Investment Management in 2015, offering discretionary investment management services to individuals, trusts and charities and later P&B Wealth, a full financial advice firm. The Peregrine & Black Group has offices in London and Bermuda and is correspondingly regulated by the FCA and BMA. Karl co-founded GlobalBlock UK in 2018 to meet the demands from clients looking to trade in digital assets.
- Patrick Bullman, (Director & Co-Founder of GlobalBlock UK): Patrick commenced his career as a broker at Tullett Prebon before moving to BGC Partners in 2009. In 2013 he established Peregrine & Black capital with co-founder Karl Thompson and then set up the firm's investment management arm. In 2018, he established GlobalBlock UK along with David Thomas and Karl Thompson.
- Tim Bullman, (Co-Founder of GlobalBlock UK): Tim Bullman co-founded GlobalBlock UK in 2018. Prior to that he founded institutional agency broker Mint Partners in 2005 and in his role as CEO guided it from a start up to revenues of over \$100 million per annum with offices in London, New York, Paris and Dubai. His previous roles included Head of Sovereign Debt at ICAP, MD Europe at Investor Select Advisors fund of hedge fund group and Senior Managing Director at BGC Partners.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and (ii)

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the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Company uses the Venture Issuer Basic Certificate, which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i) 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
- ii) 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 issuer's generally accepted accounting principles (IFRS). The Company'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 in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Significant Accounting Judgments and Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The determination of estimates requires the exercise of judgment based on various assumptions and other factors, such as historical experience and current and expected economic conditions. Actual results may differ from these estimates.

GlobalBlock UK Operational Information

As of the date of this MD&A, GlobalBlock UK only accepts United Kingdom and Ireland resident clients or customers for its digital asset broker or trading services. To be specific, measures (including comprehensive AML/KYC procedures) have been implemented to prevent residents in the provinces and territories of Canada and the United States from becoming clients or customers owing to regulatory restrictions.

The Company aims to conduct business to the highest industry standards and within the constantly developing global, regulatory environment with regards to digital assets. GlobalBlock UK primarily holds client assets through the Qredo custodian platform as described below, and through GlobalBlock UK's accounts on digital asset exchanges. GlobalBlock UK has engaged third party digital asset custody provider, Qredo Limited (the "Custodian") to manage client assets being held internally, through an omnibus account in the name of GlobalBlock UK. The Custodian accepts an ever growing list of digital assets with more being added, on a frequent basis. The Custodian is not a Canadian or foreign financial institution and is awaiting SOC1&2 attribution, expected in December 2021. The Company is unaware of any related parties between itself and the Custodian. The Custodian is based in London, United Kingdom and utilizes a multi-

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signature, MPC (multi-party computation), decentralised storage protocol. The Custodian currently provides US\$5 million equivalent of insurance per wallet.

Risks Factors

Permits and licenses

Certain operations of GlobalBlock UK require licenses and permits from various governmental authorities. Presently, to operate in the United Kingdom, GlobalBlock UK has been temporarily registered under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 as a cryptoasset business until 31st March 2022, pending the determination of the application by the Financial Conduct Authority. There can be no assurance that GlobalBlock UK will be able to obtain a permanent license from the Financial Conduct Authority or all other necessary licenses and permits that may be required. Furthermore, failure or delays in obtaining necessary approvals for licenses and permits, could have a materially adverse effect on the Company's financial condition and result of operations. Should GlobalBlock UK seek to expand its business outside of the United Kingdom and Ireland, it will need to comply with the laws and regulations of each jurisdiction in which it carries on such business. There is no assurance that GlobalBlock UK will be able to comply with the laws and regulations of each jurisdiction in which it seeks to expand.

Management experience and dependence on key personnel, employees and third party providers

The Company's success is currently largely dependent on the performance of its directors and officers, and its key GlobalBlock UK management and employees. The management team and key employees have specialized expertise within the cryptocurrency industry. The experience of these individuals is a factor which will contribute to the Company's continued success and growth. The amount of time and expertise expended on the Company's affairs by each of its management team, key Globalblock UK management and employees and the directors will vary according to the Company's needs. The loss of any of these individuals could have a material detrimental impact on the Company's business. The Company does not intend to acquire any key man insurance policies for any of its current executives and key GlobalBlock UK employees, and therefore there is a risk that the death or departure of any key member of management, a director, or employee or consultant could have a material adverse effect on the Company's future. Investors who are not prepared to rely on the Company's management team and board of directors should not invest in the Company's securities.

Competition from other digital asset / cryptocurrency companies

In the cryptocurrency industry, there exist multiple exchanges and brokers offering online trading and wallets. In contrast, GlobalBlock UK delivers best execution for every customer by providing a more personalised platform whereby customers are able to gain access through GlobalBlock UK's telephone brokerage service, trading platform and mobile app. Other market participants in the cryptocurrency industry include investors and speculators, retail users transacting in cryptocurrencies, and service companies that provide a variety of services including buying, selling, payment processing and storing of cryptocurrencies.

There are material risks and uncertainties associated with the Company's anti-money-laundering ("AML"), "know your customer" ("KYC") and other protocols to detect and deter illegal activity on the Company's platforms

The Company seeks to implement and maintain anti-money-laundering, "know your customer" and other policies and procedures that are consistent with applicable United Kingdom and non-UK law and regulation and with financial services industry best practices. Nonetheless, the Company may not be able to prevent illegal activity from occurring on or through its platforms, including the unauthorized use of a validly opened account. The use of cryptocurrencies or other digital assets for illegal purposes on or through the

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Company's platforms, or allegations or investigations with respect to potential such use, could result in significant legal and financial exposure to the Company and damage to the Company's reputation. Similarly, failure to meet applicable AML/KYC legal and regulatory requirements could result in regulatory fines, sanctions or restrictions, which in each case could materially and adversely affect the Company's reputation, financial condition, trading execution, and asset value and the value of any investment in the Company. Furthermore, the Company will use and rely on third-party service providers to complete key aspects of AML/KYC screenings. Although the Company will perform due diligence on such providers, there can be no assurance that in all events such providers will detect all potential illegal activity or comply with all aspects of applicable law and regulation. If such a provider were to fail to perform to agreed standards or maintain full compliance, it could have a material and adverse effect on the Company's business and operations.

The Company's use of proprietary and non-proprietary software, data and intellectual property may be subject to substantial risk

The Company's investment strategy may rely heavily on the use of proprietary and non-proprietary software, data and intellectual property of the Company and third parties in the digital asset sector. The reliance on this technology and data is subject to a number of important risks. First, the operation of any element of the cryptocurrencies or digital assets network or any other electronic platform may be severely and adversely affected by the malfunction of its technology and the technology of third parties. For example, an unforeseen software or hardware malfunction could occur as a result of a virus or other outside force, or as result of a design flaw in the design and operation of the network or platform. Furthermore, if the Company's software, hardware, data or other intellectual property is found to infringe on the rights of any third party, the underlying value of the assets of the Company could be materially and adversely affected. Cybersecurity breaches and other systems and technology problems may materially and adversely affect the Company.

Additional Funding Requirements

Further expansion of the Company's business outside of the United Kingdom and Ireland, will require additional capital; and the ongoing costs of operations may not generate positive cash flow for the near or long term. Although the Company has adequate funds to operate for the next 12 months, there is no assurance that it will be successful in obtaining the required financing for these or other purposes, including for general working capital. The Company's ability to secure any required financing to sustain operations will depend in part upon prevailing capital market conditions and business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to management. If additional financing is raised by issuance of additional shares from treasury, control may change and shareholders may suffer dilution. If adequate funds are not available, or are not available on acceptable terms, the Company may be required to scale back its current business plan or cease operating.

Market Risk for Securities

There can be no assurance that an active trading market for the Company's shares will be sustained. The market price for the Company's shares may be subject to wide fluctuations. Factors such as government regulation, cryptocurrency price fluctuations, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the Company's securities. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

Foreign Exchange Risk

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The Company is a Canadian company, and most of its fund raising is done in Canadian dollars. Most of the expenses and revenues of the Company's subsidiaries are denominated in British Pounds. As a result, the Company is subject to foreign exchange risks relating to the relative value of the British Pound as compared to the Canadian dollar.

Limited operating history

GlobalBlock UK has a relatively limited history of operations in the digital asset / cryptocurrency sector. GlobalBlock UK will be subject to many risks common to start-up enterprises and its viability must be viewed against the background of the risks, expenses and problems frequently encountered by companies in the early stages of development in new and rapidly evolving markets such as the digital asset / cryptocurrency market. This includes, without limitation, under-capitalization, cash shortages, limitations with respect to personnel, and lack of revenues and/or other resources (financial or otherwise). The Company does not generate material revenue from operations, and there is no assurance that GlobalBlock UK will develop its business profitably, and the likelihood of success of the Company must be considered in light of GlobalBlock UK's early stage of operations. There is no assurance that the Company will be successful in achieving a return on shareholders' investment.

Changes in the value of digital assets / cryptocurrencies may affect trading

The markets for digital assets / cryptocurrencies have experienced much larger fluctuations than other markets, and there can be no assurances that erratic swings in price will slow in the future. In the event that the price of cryptocurrency declines, the value of an investment in the Company will likely decline. Several factors may affect the price and volatility of cryptocurrency including, but are not limited to: (i) global cryptocurrency demand, depending on the acceptance of cryptocurrency by retail merchants and commercial businesses; (ii) the perception that the use and holding of cryptocurrency is safe and secure, and the related lack of or inconsistency in regulatory restrictions, particularly across various jurisdictions; (iii) conversely, heightened regulatory measures restricting the use of cryptocurrency as a form of payment or the purchase of cryptocurrency; (iv) investor's expectations with respect to the rate of inflation; (v) interest rates; (vi) currency exchange rates, including exchange rates between cryptocurrency and fiat currency; (vii) fiat currency withdrawal and deposit policies on cryptocurrency exchanges and liquidity on such cryptocurrency exchanges; (viii) interruption of services or failures of major cryptocurrency exchanges; (ix) general governmental monetary policies, including trade restrictions, currency revaluations; (x) global or regional political, economic or financial events and situations, including increased threat or terrorist activities; and/or (xi) self-fulfilling expectations of changes in the cryptocurrency market. As well, momentum pricing is typically associated with assets whose valuation, as determined by the investing public, accounts for anticipated future appreciation in value. Momentum pricing of cryptocurrency may result in speculation regarding future appreciation in the value of cryptocurrency. As a result, changing investor confidence could adversely affect an investment in the Company.

The further development and acceptance of the cryptographic and algorithmic protocols governing the issuance of and transactions in digital assets / cryptocurrencies is subject to a variety of factors that are difficult to evaluate

The use of digital assets / cryptocurrencies to, among other things, buy and sell goods and services and complete other transactions, is part of a new and rapidly evolving industry that employs digital assets based upon a computer-generated mathematical and/or cryptographic protocol. The growth of this industry in general, and the use of cryptocurrencies in particular, is subject to a high degree of uncertainty, and the slowing, or stopping of the development or acceptance of developing protocols may adversely affect the Company's operations. The factors affecting the further development of the industry, include, but are not limited to:

- Continued worldwide growth in the adoption and use of digital assets / cryptocurrencies;

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- Governmental and quasi-governmental regulation of cryptocurrencies and their use, or restrictions on or regulation of access to and operation of the network or similar cryptocurrency systems;
- Changes in consumer demographics and public tastes and preferences;
- The maintenance and development of the open-source software protocol of the network;
- The availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies;
- General economic conditions and the regulatory environment relating to digital assets; and
- Negative consumer sentiment and perception of digital assets / cryptocurrencies generally.

Acceptance and/or widespread use of digital assets / cryptocurrency is uncertain

Currently, there is relatively small use of digital assets/ cryptocurrencies in the retail and commercial marketplace in comparison to relatively large use by speculators, thus contributing to price volatility that could adversely affect the Company's operations, investment strategies, and profitability. As relatively new products and technologies, cryptocurrency has not been widely adopted as a means of payment for goods and services by major retail and commercial outlets. Conversely, a significant portion of cryptocurrency demand is generated by speculators and investors seeking to profit from the short-term or long-term holding of cryptocurrencies. The relative lack of acceptance of cryptocurrencies in the retail and commercial marketplace limits the ability of endusers to use them to pay for goods and services. A lack of expansion by cryptocurrencies into retail and commercial markets, or a contraction of such use, may result in increased volatility or a reduction in their market prices, either of which could adversely impact the Company's business.

Misuse of cryptocurrencies and malicious actors

Since the existence of cryptocurrencies, there have been attempts to use them for speculation or malicious purposes. Although lawmakers increasingly regulate the use and applications of cryptocurrencies, and software is being developed to curtail speculative and malicious activities, there can be no assurances that those measures will sufficiently deter those and other illicit activities in the future. Advances in technology could lead to a malicious actor being able to alter the blockchain on which cryptocurrency transactions rely. In such circumstances, the malicious actor could control, exclude or modify the ordering of transactions, or generate new cryptocurrency or transactions using such control. Such changes could adversely affect an investment in the Company.

Uninsured or Uninsurable Risks

The Company intends to insure its operations in accordance with technology industry practice. However, given the novelty of the business, such insurance may not be available, uneconomical for the Company, or the nature or level may be insufficient to provide adequate insurance cover. The Company may become subject to liability for hazards against which it cannot insure or against which it may elect not to insure because of high premium costs or for other reasons. The payment of any such liabilities would reduce or eliminate the funds available for operations. Payments of liabilities for which the Company does not carry insurance may have a material adverse effect on its financial position.

Pandemics and COVID-19

The Company cautions that current global uncertainty with respect to the spread of COVID-19 and its effect on the broader global economy may have a significant negative effect on the Company. While the precise impact of the COVID-19 virus on the Company remains unknown, rapid spread of COVID-19 may have a material adverse effect on global economic activity, and can result in volatility and disruption to global supply chains, operations, mobility of people and the financial markets, which could affect interest rates, credit ratings, credit risk, inflation, business, financial conditions, results of operations and other factors relevant to the Company.