

**GLOBAL BLOCKCHAIN TECHNOLOGIES CORP.**  
**(formerly Carrus Capital Corporation)**

**Condensed Interim Financial Statements**

**For the six months ended October 31, 2017**

*(Unaudited - Expressed in Canadian dollars)*

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENT**

Under National Instrument 51-102, Continuous Disclosure Requirement, if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the unaudited condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Global Blockchain Technologies Corp. (formerly Carrus Capital Corporation) (the “Company”) have been prepared by and are the responsibility of management. These condensed interim financial statements for the six months ended October 31, 2017 and 2016 have not been reviewed or audited by the Company’s independent auditors in accordance with standards established by the Chartered Professional Accountants of Canada.

**Global Blockchain Technologies Corp.**  
**(formerly Carrus Capital Corporation)**  
**Condensed Interim Statements of Financial Position**  
**As at October 31, 2017 and April 30, 2017**  
*(Unaudited - Expressed in Canadian dollars)*

	October 31, 2017	April 30, 2017 (Audited)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 6,272,871	\$ 531,489
Amounts receivable	65,959	-
Interest receivable (Note 5)	5,868	2,045
Prepaid	1,630,612	536
Marketable securities (Note 4)	9,463	21,375
Other investment (Note 5)	9,985	9,819
<b>TOTAL ASSETS</b>	<b>\$ 7,994,758</b>	<b>\$ 565,264</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables (Note 6)	\$ 494,670	\$ 93,299
<b>TOTAL LIABILITIES</b>	<b>494,670</b>	<b>93,299</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 7)	9,715,202	1,869,933
Subscriptions received in advance	(110,533)	-
Reserves (Note 7)	9,034,731	1,247,173
Accumulated deficit	(11,139,312)	(2,645,141)
	<b>7,500,088</b>	<b>471,965</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 7,994,758</b>	<b>\$ 565,264</b>

These interim financial statements were authorized for issue by the Board of Directors on January 2, 2018.

They are signed on the Board's behalf by:

“Brendan Purdy”

\_\_\_\_\_  
Director

“Peter McCague”

\_\_\_\_\_  
Director

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

**Global Blockchain Technologies Corp.**  
**(formerly Carrus Capital Corporation)**  
**Condensed Interim Statements of Operations and Comprehensive Loss**  
**For the three and six months ended October 31, 2017 and 2016**  
*(Unaudited - Expressed in Canadian dollars)*

	<b>Three months ended October 31, 2017</b>	Three months ended October 31, 2016	<b>Six months ended October 31, 2017</b>	Six months ended October 31, 2016
<b>Investment loss</b>				
Fair value loss on marketable securities (Note 4)	\$ (10,829)	\$ (17,327)	\$ (11,912)	\$ (38,986)
<b>Expenses</b>				
Consulting fees	1,897,143	6,753	1,971,084	10,450
Corporate development expenditures	2,178,187	-	2,178,187	-
Investor communications	7,062	165	7,097	242
Office, general & administration	58,750	946	59,193	1,999
Professional fees	60,089	4,690	60,515	9,184
Transfer agent, regulatory and listing fees	107,948	940	116,445	6,916
Share-based payments (Note 7)	3,941,085	-	4,058,832	-
<b>Total expenses</b>	<b>8,250,264</b>	13,494	<b>8,451,353</b>	28,791
<b>Loss from operations</b>	<b>(8,261,093)</b>	(30,821)	<b>(8,463,265)</b>	(67,777)
Foreign exchange loss	(34,720)	-	(34,895)	-
Finance costs	-	(7,498)	-	(14,996)
Interest income (Note 5)	3,564	351	3,989	703
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (8,292,249)</b>	\$ (37,968)	<b>\$ (8,494,171)</b>	\$ (82,070)
Basic and diluted loss per share for the period	\$ (0.44)	\$ (0.02)	\$ (0.51)	\$ (0.04)
Weighted average number of common shares outstanding	18,734,912	2,292,414	16,629,438	2,292,414

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

**Global Blockchain Technologies Corp.**  
**(formerly Carrus Capital Corporation)**  
**Condensed Interim Statements of Changes in Shareholders' Equity**  
**For the six months ended October 31, 2017 and 2016**  
*(Unaudited - Expressed in Canadian dollars)*

	Number of common shares	Share capital	Subscriptions received in advance (receivable)	Reserves			Total	Accumulated deficit	Total shareholders' equity
				Equity settled share-based payment reserve	Finders fees	Other reserves			
<b>Balance, April 30, 2016</b>	<b>2,292,414</b>	<b>\$ 1,665,195</b>	<b>\$ -</b>	<b>\$ 10,436</b>	<b>\$ -</b>	<b>\$ 105,004</b>	<b>\$ 115,440</b>	<b>\$ (1,882,711)</b>	<b>\$ (102,076)</b>
Net loss for the period	-	-	-	-	-	-	-	(82,070)	(82,070)
<b>Balance, October 31, 2016</b>	<b>2,292,414</b>	<b>\$ 1,665,195</b>	<b>\$ -</b>	<b>\$ 10,436</b>	<b>\$ -</b>	<b>\$ 105,004</b>	<b>\$ 115,440</b>	<b>\$ (1,964,781)</b>	<b>\$ (184,146)</b>
<b>Balance, April 30, 2017</b>	<b>4,725,912</b>	<b>\$ 1,869,933</b>	<b>\$ -</b>	<b>\$ 1,183,733</b>	<b>\$ (36,560)</b>	<b>\$ 100,000</b>	<b>\$ 1,247,173</b>	<b>\$ (2,645,141)</b>	<b>\$ 471,965</b>
Net loss for the period	-	-	-	-	-	-	-	(8,494,171)	(8,494,171)
Conversion of special warrants	10,731,200	500,000	-	(536,560)	36,560	-	(500,000)	-	-
Issuance of special warrants	-	11,500,000	-	-	-	-	-	-	11,500,000
Private placement	366,667	55,000	-	-	-	-	-	-	55,000
Proceeds from warrants exercised	8,365,048	543,277	(103,333)	-	-	-	-	-	439,944
Proceeds from options exercised	1,624,045	625,718	(7,200)	-	-	-	-	-	618,518
Share issuance costs	-	(5,378,726)	-	-	4,228,726	-	4,228,726	-	(1,150,000)
Share-based payments	-	-	-	4,058,832	-	-	4,058,832	-	4,058,832
<b>Balance, October 31, 2017</b>	<b>25,812,872</b>	<b>\$ 9,715,202</b>	<b>\$ (110,533)</b>	<b>\$ 4,706,005</b>	<b>\$ 4,228,726</b>	<b>\$ 100,000</b>	<b>\$ 9,034,731</b>	<b>\$ (11,139,312)</b>	<b>\$ 7,500,088</b>

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

**Global Blockchain Technologies Corp.**  
**(formerly Carrus Capital Corporation)**  
**Condensed Interim Statements of Cash Flows**  
**For the six months ended October 31, 2017 and 2016**  
*(Unaudited - Expressed in Canadian dollars)*

	<b>Six months ended</b>		<b>Six months ended</b>	
	<b>October 31, 2017</b>		<b>October 31, 2016</b>	
<b>Cash provided by (used in):</b>				
<b>OPERATING ACTIVITIES</b>				
Net loss for the period	\$	(8,494,171)	\$	(82,070)
Purchase of marketable securities		-		(2,000)
		<b>(8,494,171)</b>		<b>(84,070)</b>
Items not affecting operating cash:				
Share-based payments		4,058,832		-
Fair value loss on marketable securities		11,912		38,986
Finance costs on promissory notes payable		-		14,996
		<b>(4,423,427)</b>		<b>(30,088)</b>
<b>Net changes in non-cash working capital:</b>				
Amounts receivable		(65,959)		-
Interest receivable on promissory notes receivable		(3,989)		(703)
Prepaid expenses		(1,630,076)		-
Trade and other payables		401,371		9,295
		<b>(5,722,080)</b>		<b>(21,496)</b>
<b>FINANCING ACTIVITIES</b>				
Private placement		55,000		-
Issuance of special warrants		11,500,000		-
Exercise of warrants		438,611		-
Exercise of options		619,851		-
Share issuance costs		(1,150,000)		-
		<b>11,463,462</b>		<b>-</b>
Increase in cash		5,741,382		(21,496)
Cash, beginning of the period		531,489		21,811
<b>Cash, end of the period</b>	<b>\$</b>	<b>6,272,871</b>	<b>\$</b>	<b>315</b>
<b>OTHER SUPPLEMENT INFORMATION</b>				
Interest paid	\$	-	\$	-
Income taxes paid	\$	-	\$	-

**Supplemental disclosure with respect to cash flows (Note 11)**

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**Global Blockchain Technologies Corp.**  
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**Notes to the Condensed Interim Financial Statements**  
**For the six months ended October 31, 2017**  
*(Unaudited - Expressed in Canadian dollars)*

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## **1 NATURE AND CONTINUANCE OF OPERATIONS**

Global Blockchain Technologies Corp. (formerly Carrus Capital Corporation) (“Carrus” or the “Company”) was incorporated under the *Business Corporations Act* (British Columbia) as a biotechnology company on February 12, 2010.

On August 19, 2011, the Company received TSX Venture Exchange (“TSXV”) approval of its change of business from a biotechnology company to an investment issuer and its application to list its common shares for trading on the TSXV as a tier 2 “investment issuer”.

On February 11, 2014, the Company entered into a plan of arrangement agreement (“Arrangement”). Pursuant to the Arrangement, the Company incorporated three wholly-owned Canadian subsidiaries: BioAB Strategies Ltd. (“BioAB”), BioDE Ventures Ltd. (“BioDE”) and BioHEP Technologies Ltd. (“BioHEP”) and transferred certain biotechnology assets to the subsidiaries in exchange for common shares of the respective entities. Subsequently, the Company distributed the shares of BioAB, BioDE and BioHEP to its shareholders in a spin-out arrangement.

On October 4, 2017, the Company received TSXV approval to change its name to Global Blockchain Technologies Corp. and on October 5, 2017, the Company traded under its new name and a new trading symbol of “BLOC”. The Company is a publicly traded investment company whose primary objective is to invest its funds for purposes of generating returns from capital appreciation and investment income. It intends to accomplish these goals through the identification of and investment in securities of private and publicly listed entities that are involved in the cryptocurrency and blockchain industries, as well investment in their digital assets. The company will provide investors access to a mixture of assets in the blockchain space, strategically chosen to balance stability and growth. The Company’s registered office is located at 810 – 789 West Pender Street, Vancouver, British Columbia V6C 1H2.

These condensed interim financial statements have been prepared on a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. During the six months ended October 31, 2017 the Company generated a net loss of \$8,494,171 and had working capital of \$7,500,088 as at October 31, 2017 (April 30, 2017 – \$471,965). The Company might require additional financing or need to liquidate certain of its investments to continue operating. Management is planning to raise additional capital to finance operations and expected growth, and continues to seek high return opportunities through the identification of investment in the securities of other companies, assets or businesses. These financial statements do not include any adjustments to the recorded asset amounts and classification of liabilities that might be necessary, should the Company be unable to continue as a going concern.

The Company’s ability to continue as a going concern and realize its assets is dependent on its ability to raise capital through public equity financing, or upon the generation of income from the disposition of its investments, the outcome of which cannot be predicted at this time.

## **2 BASIS OF PREPARATION**

### **(a) Statement of compliance**

These condensed interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, of the International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and the interpretations of the International Financial Reporting Interpretation Committee (“IFRIC”). Accordingly, these condensed interim consolidated financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting process.

These condensed interim financial statements follow the same accounting policies and methods of application as the Company’s audited financial statements for the year ended April 30, 2017. The policies applied in these condensed interim financial statements are based on IFRS issued as of the date the Board of Directors approved the financial statements. These condensed interim financial statements should be read in conjunction with the Company’s annual financial statements for the year ended April 30, 2017.

## **2 BASIS OF PREPARATION (CONTINUED)**

### **(b) Basis of presentation**

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The presentation and functional currency of the Company is the Canadian dollar.

### **(c) Significant accounting judgments and estimates**

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impact of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

Significant assumptions about the future and other sources of estimation uncertainty and judgments that management has made at the statements of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

#### **Critical accounting estimates**

Critical accounting estimates and assumptions made by management that may result in a material adjustment to the carrying amounts of assets and liabilities include, but are not limited to the following:

##### *The fair value of financial instruments*

The fair value of certain financial instruments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates made by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

##### *Interest rate*

The Company estimates a fair value interest rate in determining the bifurcation of the promissory notes payable into its liability and equity components.

##### *The recoverability of other receivables*

Other receivables are recorded at the estimated recoverable amount, which involves the estimate of uncollectible accounts.

While management believes judgments and the estimates are reasonable, actual results could differ from those judgments and estimates and could impact future results of operations and cash flows.

## **2 BASIS OF PREPARATION (CONTINUED)**

### **Critical accounting judgments (continued)**

#### *Share-based payment expense*

The Company grants share-based awards to certain officers, employees, directors and other eligible persons. For equity settled awards, the fair value is charged to the statement of operations and comprehensive loss and credited to contributed surplus, over the vesting period using the graded vesting method, after adjusting for the estimated number of awards that are expected to vest.

The fair value of the equity-settled awards is determined at the date of the grant using the Black-Sholes option pricing model. Option pricing models require the input of highly subjective assumptions, including the expected price, expected volatility and expected life of the options. Changes in these assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

Information about critical judgments in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements include, but are not limited to:

#### *Going concern assumption*

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

While management believes judgments and the estimates are reasonable, actual results could differ from those judgments and estimates and could impact future results of operations and cash flows.

## **3 SIGNIFICANT ACCOUNTING POLICIES**

### **Future changes to accounting standards**

The following is an overview of new accounting standards that the Company will be required to adopt in future years. The Company does not expect to adopt any of these standards before their effective dates. The Company continues to evaluate the impact of these standards on its financial statements.

- **IFRS 9 - *Financial Instruments*** - This standard provides added guidance on the classification and measurement of financial liabilities. The standard is effective for annual periods beginning on or after January 1, 2018.
- **IFRS 16, *Leases*** - On January 13, 2016, the IASB published a new standard, IFRS 16, Leases. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Under the new standard, a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly. The liability accrues interest. This will typically produce a front-loaded expense profile (whereas operating leases under IAS 17 would typically have had straight-line expenses). The standard is effective for annual periods beginning after December 15, 2019 (i.e., calendar periods beginning on January 1, 2020), and interim periods thereafter. Early adoption is permitted.

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**Notes to the Condensed Interim Financial Statements**  
**For the six months ended October 31, 2017**  
*(Unaudited - Expressed in Canadian dollars)*

**4 MARKETABLE SECURITIES**

	October 31, 2017			April 30, 2017		
	Number	Cost	Fair Value	Number	Cost	Fair Value
<b>Free trading equities</b>						
BlueOcean NutraSciences Inc.	216,588	\$ 341,922	\$ 6,498	216,588	\$ 341,922	\$ 18,410
<b>Other securities</b>						
BioDE Ventures Ltd.	80,000	2,339	2,339	80,000	2,339	2,339
BioHEP Technologies Ltd.	80,000	626	626	80,000	626	626
		<b>\$ 344,887</b>	<b>\$ 9,463</b>		<b>\$ 344,887</b>	<b>\$ 21,375</b>

A continuity schedule of the fair value of the Company's marketable securities is as follows:

<b>Balance, April 30, 2016</b>	<b>\$ 65,942</b>
Cost of purchases	2,000
Fair value adjustment	(46,567)
<b>Balance, April 30, 2017</b>	<b>\$ 21,375</b>
Fair value adjustment	(11,912)
<b>Balance, October 31, 2017</b>	<b>\$ 9,463</b>

**5 INVESTMENTS**

On November 13, 2015, the Company, as a lender, entered into a loan agreement for an amount of \$10,000. The loan agreement provides for a term of two years and bears simple interest at 14% per annum, with interest receivable upon maturity date. The loan is unsecured. As additional consideration of the risk associated with the loan, the borrower issued 80,000 common shares, valued at \$626 using the residual method, to the Company during the year ended April 30, 2016.

The loan is being amortized up to its maturity value over the term of the loan using the effective interest method. For the six months ended October 31, 2017, the Company recorded interest and accretion income of \$873 (2016 - \$703) related to this loan. Subsequent to October 31, 2017 the loan has been repaid (note 13).

**6 TRADE AND OTHER PAYABLES**

Trade and other payables are comprised of the following:

	October 31, 2017	April 30, 2017
Trade payables	\$ 494,670	\$ 18,299
Accrued liabilities	-	70,000
Due to related parties	-	5,000
	<b>\$ 494,670</b>	<b>\$ 93,299</b>

## **7 SHARE CAPITAL**

### **Authorized**

There are an unlimited number of common shares without par value authorized for issue.

### **Issued**

During the year ended April 30, 2017, the Company issued 800,000 shares pursuant to the exercise of 800,000 warrants raising \$40,000. As a result, previously recorded warrant fair value of \$5,004 was reclassified from reserves to share capital.

On March 14, 2017, the Company completed a non-brokered private placement to raise gross proceeds of \$245,025 for the issuance of 1,633,498 units ("Units") of the Company at a price of \$0.15 per Unit. Each Unit will comprise of one common share ("Share") and one share purchase warrant ("Warrant"); each Warrant entitling the holder to acquire one additional Share at \$0.20 for a period of 24 months.

In conjunction with the private placement, the Company incurred finders' fees consisting of cash of \$24,002, legal and share issue costs of \$22,476, and finders' warrants measured at a fair value of \$38,813. A total of 163,013 Finders' warrants were granted with the same terms as the warrants issued as part of the private placement units. Finders' warrants were measured using the Black-Scholes option pricing model with the following assumptions: stock price - \$0.30; exercise price - \$0.20; expected life - 2 years; volatility - 167%; dividend yield - \$0; and risk-free rate - 0.85%.

On May 8, 2017, the Company converted the special warrants and special finders' warrants into an equivalent number of free trading units in the capital of the Company. Each unit consists of one common share and one share purchase warrant; each warrant entitling the holder to acquire one additional share at \$0.05 for a period of 24 months.

In August 2017, the Company issued a total of 583,340 common shares pursuant to an exercise of warrants at a price of \$0.05 per share for a total consideration of \$29,167.

On August 14, 2017, the Company issued a total of 336,667 units at a price of \$0.15 per unit for gross proceeds of \$55,000 pursuant to the non-brokered private placement that closed on March 20, 2017. Each unit consists of one common share and one share purchase warrant; each warrant entitling the holder to acquire one additional share at \$0.20 on or before August 14, 2019.

In September 2017, the Company issued a total of 1,916,800 common shares pursuant to the exercise of warrants at a price of \$0.05 per share for a total consideration of \$95,840.

In October 2017, the Company issued a total of 5,031,410 common shares pursuant to the exercise of warrants at a price of \$0.05 per share for a total consideration of \$251,570.

In October 2017, the Company issued a total of 833,498 common shares pursuant to the exercise of warrants at a price of \$0.20 per share for a total consideration of \$166,700.

In October 2017, the Company issued a total of 1,195,000 common shares pursuant to the exercise of options at a price of \$0.38 per share for a total consideration of \$454,100.

In October 2017, the Company issued a total of 429,045 common shares pursuant to the exercise of options at a price of \$0.40 per share for a total consideration of \$171,618.

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**For the six months ended October 31, 2017**  
*(Unaudited - Expressed in Canadian dollars)*

**7 SHARE CAPITAL (CONTINUED)**

**Stock Options**

The Company's 2006 share option plan ("2006 Plan") was approved by the shareholders on September 12, 2006 (with amendments approved effective March 19, 2010 and August 8, 2011), under which the Company grants share options to executive officers, directors, employees and consultants. Options granted to non-executive directors under the share option plan generally vest immediately and options granted to other optionees generally vest in equal amounts over a three or four year period or as determined by the Board of Directors. Options are exercisable for five years from the date of grant.

In February 2014, the Company replaced the 2006 Plan with a "rolling" stock option plan (the "New Plan"), pursuant to which 10% of the issued and outstanding shares as of that date are available for purchase upon the exercise of options awarded by the Company, including options previously awarded under the 2006 Plan. The New Plan provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company. Pursuant to the New Plan all options expire on a date not later than ten years after the date of grant of an option. All options outstanding under the 2006 Plan were rolled into the New Plan.

On March 30, 2017, the Company granted 1,545,000 stock options at an exercise price of \$0.38 per option with a term of five years. The options become exercisable at the earlier of May 6, 2017 or receipt for a final prospectus by the Company to qualify the issuance of shares and warrants upon conversion of the special warrants. The grant date fair value of the options was measured as \$726,107, with \$608,360 recognized during the year ended April 30, 2017, with the remainder to be recognized when the options become exercisable. The Options were measured using the Black-Scholes option pricing model with the following assumptions: stock price - \$0.50; exercise price - \$0.38; expected life - 5 years; volatility - 161%; dividend yield - \$0; and risk-free rate - 1.10%.

On August 28, 2017, the Company granted 2,429,045 stock options at an exercise price of \$0.40 per option with a term of five years. The grant date fair value of the options was measured as \$928,891. The Options were measured using the Black-Scholes option pricing model with the following assumptions: stock price - \$0.40; exercise price - \$0.40; expected life - 5 years; volatility - 179%; dividend yield - \$0; and risk-free rate - 1.52%.

On September 26, 2017, the Company granted 2,850,000 stock options at an exercise price of \$1.00 per option with a term of five years. The grant date fair value of the options was measured as \$3,012,193. The Options were measured using the Black-Scholes option pricing model with the following assumptions: stock price - \$1.10; exercise price - \$1.00; expected life - 5 years; volatility - 181%; dividend yield - \$0; and risk-free rate - 1.51%.

A continuity schedule of the Company's outstanding options is as follows:

	Number of optioned common shares	Weighted average exercise price
<b>Outstanding, April 30, 2016</b>	<b>42,857</b>	<b>\$ 0.77</b>
Expired	(42,857)	0.77
Granted	1,545,000	0.38
<b>Outstanding, April 30, 2017</b>	<b>1,545,000</b>	<b>\$ 0.38</b>
Granted	5,279,045	0.72
Exercised	(1,624,045)	0.39
<b>Outstanding, October 31, 2017</b>	<b>5,200,000</b>	<b>\$ 0.73</b>

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**For the six months ended October 31, 2017**  
*(Unaudited - Expressed in Canadian dollars)*

**7 SHARE CAPITAL (CONTINUED)**

**Stock Options (continued)**

As of October 31, 2017, the Company had options outstanding and exercisable to acquire common shares of the Company as follows:

Expiry Date	Exercise price	Number of options outstanding	Number of options exercisable	Weighted average remaining contractual life (in years)
March 30, 2022	\$ 0.38	350,000	350,000	4.41
August 28, 2022	\$ 0.40	2,000,000	2,000,000	4.83
September 26, 2022	\$ 1.00	2,850,000	2,850,000	4.91

**Common Share Purchase Warrants**

At October 31, 2017, the following warrants are outstanding:

Expiry Date	Exercise Price	Number of Warrants
March 14, 2019	\$0.20	800,000
May 8, 2019	\$0.05	3,199,650
<b>Total warrants outstanding</b>		<b>3,999,650</b>
<b>Weighted Average</b>	<b>\$0.08</b>	

At October 31, 2017, the following finders' warrants are outstanding:

Expiry Date	Exercise Price	Number of Warrants
March 14, 2019	\$0.20	163,013
<b>Total warrants outstanding</b>		<b>163,013</b>
<b>Weighted Average</b>	<b>\$0.20</b>	

**Special Warrants**

On December 5, 2016, the Company completed a non-brokered private placement, of 10,000,000 special warrants of the Company at a price of \$0.05 per special warrant. Each special warrant will entitle the holder to receive, without payment of any additional consideration or need for further action, one unit of the Company, each unit comprising of one common share and one share purchase warrant; each warrant entitling the holder to acquire one additional share at \$0.05 for a period of 24 months. An additional 731,200 of special warrants were issued as finders' fees with the same terms as the special warrants received pursuant to the private placement. As such, a fair value of \$36,560 was included as share issue costs within reserves. On May 8, 2017, the Company converted the special warrants and special finders' warrants into an equivalent number of free trading units in the capital of the Company. Each unit consists of one common share and one share purchase warrant; each warrant entitling the holder to acquire one additional share at \$0.05 for a period of 24 months (Note 11).

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**7 SHARE CAPITAL (CONTINUED)**

**Special Warrants (continued)**

On August 16, 2017, the Company completed a non-brokered private placement, of 23,333,333 special warrants of the Company at a price of \$0.15 per special warrant for a gross proceeds of \$3,500,000. Each special warrant will entitle the holder to receive, without payment of any additional consideration or need for further action, one unit of the Company, each unit comprising of one common share and one share purchase warrant; each warrant entitling the holder to acquire one additional share at \$0.20 on or before August 16, 2019. The special warrants will convert to units on the earlier of (i) four months and a day after closing of the placement; and (ii) the receipt of a final prospectus qualifying the shares and underlying warrants. Finders' fees of 2,333,333 special warrants, with the same terms, and \$350,000 were paid in connection with this financing (Notes 11 and 13).

On September 25, 2017, the Company completed a non-brokered private placement, of 26,666,666 special warrants of the Company at a price of \$0.30 per special warrant for a gross proceeds of \$8,000,000. Each special warrant will entitle the holder to receive, without payment of any additional consideration or need for further action, one unit of the Company, each unit comprising of one common share and one share purchase warrant; each warrant entitling the holder to acquire one additional share at \$0.40 on or before September 25, 2019. The special warrants will convert to units on the earlier of (i) four months and a day after closing of the placement; and (ii) the receipt of a final prospectus qualifying the shares and underlying warrants. Finders' fees of 2,666,666 special warrants, with the same terms, and \$800,000 were paid in connection with this financing (Note 11).

**8 FINANCIAL INSTRUMENTS**

The fair value of the Company's trade and other payables and interest receivable approximate the carrying amount due to the short-term nature of the instruments. The Company's investment and promissory notes payable are measured at amortized cost and marketable securities are measured at fair value.

The Company's financial assets and liabilities are classified as follows:

	<b>October 31, 2017</b>	April 30, 2017
<b>Financial Assets</b>		
<i>Held for trading:</i>		
Cash	\$ 6,272,871	\$ 531,489
Interest receivables	\$ 5,868	\$ 2,045
Marketable securities	\$ 9,463	\$ 21,375
<i>Amortized cost:</i>		
Investment	\$ 9,985	\$ 9,819
<b>Financial Liabilities</b>		
<i>Other financial liabilities:</i>		
Trade and other payables	\$ 494,670	\$ 93,299

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**8 FINANCIAL INSTRUMENTS (CONTINUED)**

**(a) 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's maximum credit risk exposure is as follows:

	<b>October 31, 2017</b>	April 30, 2017
Cash	\$ <b>6,272,871</b>	\$ 531,489
Interest receivable	<b>5,868</b>	2,045
Marketable securities	<b>9,463</b>	21,375
Investment	<b>9,985</b>	9,819
	<b>\$ 6,298,187</b>	\$ 564,728

The Company deposits the majority of its cash with high credit quality financial institutions in Canada. Therefore, management considers its exposure to credit risk arising from its cash to be minimal. Credit risk with respect to receivables has been assessed as low from management as receivables are due from companies with related parties and the Company has strong working relationships with the parties involved. All transactions executed by the Company in listed securities are settled upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase only once the broker has received the securities. The trade will fail if either party fails to meet its obligation

**(b) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Board of Directors approves the Company's annual operating budget as well as any material transactions outside the ordinary course of business.

At October 31, 2017, the Company had cash of \$6,272,871 (April 30, 2017 - \$531,489) and current liabilities of \$494,670 (April 30, 2017 - \$93,299). During the year ended April 30, 2017, the Company has raised \$500,000 through the issuance of special warrants, \$40,000 through the exercise of warrants, \$245,025 through the issuance of units pursuant to a private placement, which will be used to fund ongoing operations. During the six months ended October 31, 2017, the Company has raised over \$10,000,000 from the issuance of special warrants and over \$1,000,000 from the exercise of options and warrants. The Company does not believe it is exposed to significant liquidity risk.

**(c) Market risk**

Market risk consists of currency risk, interest rate risk and other price risk. These are discussed further below.

**Currency risk**

Foreign currency risk is limited to the portion of the Company's business transactions denominated in currencies other than the Canadian dollar.

The Company has not entered into any foreign currency contracts to mitigate this risk, but manages the risk by minimizing the value of financial instruments denominated in foreign currency. The Company is not exposed to significant currency risk.

## **8 FINANCIAL INSTRUMENTS (CONTINUED)**

### **(c) Market risk (continued)**

#### **Interest rate risk**

Interest rate risk consists of two components:

- i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company is not exposed to any significant interest rate risk.

#### **Other price risk**

The Company is exposed to other price risk on its marketable securities due to fluctuations in the current market prices and fluctuations in trading volumes of those securities. At October 31, 2017, the Company held marketable securities with a fair value of \$9,463 (April 30, 2017 - \$21,375). These investments are subject to market price fluctuations; however, the risk is not significant.

The Company has an investment policy governing the purchase of marketable securities, pursuant to which the Company monitors these investments on a regular basis. The investment policy contains objectives for the purchase of investments including preservation of capital, liquidity and return, as well as specifying minimum credit ratings for investments, types of permitted investments and diversification requirements. The Company's investment policy is periodically reviewed by the Company's audit committee.

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in levels 1 to 3 of the fair value hierarchy based on the degree to which inputs used in measuring fair value is observable:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (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 (unobservable inputs).

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**8 FINANCIAL INSTRUMENTS (CONTINUED)**

The Company's financial instruments are classified in the fair value hierarchy as follows:

<b>October 31, 2017</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Cash	\$ 6,272,871	\$ -	\$ -
Interest receivable	5,868	-	-
Marketable securities	6,498	-	2,965
Investment	-	9,985	-
	<b>\$ 6,285,237</b>	<b>\$ 9,985</b>	<b>\$ 2,965</b>

  

<b>April 30, 2017</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Cash	\$ 531,489	\$ -	\$ -
Interest receivable	2,045	-	-
Marketable securities	18,410	-	2,965
Investment	-	9,819	-
	<b>\$ 551,944</b>	<b>\$ 9,819</b>	<b>\$ 2,965</b>

**9 RELATED PARTY TRANSACTIONS**

Key management personnel are persons responsible for planning, directing and controlling the activities of the entity, and include all directors and officers. Key management compensation for the six months ended October 31, 2017 and 2016 are comprised of the following.

	<b>October 31, 2017</b>	<b>October 31, 2016</b>
Consulting fees	\$ 93,101	\$ 10,450
	<b>\$ 93,101</b>	<b>\$ 10,450</b>

As at October 31, 2017 Company held investments with an amortized balance of \$9,985 (April 30, 2017 - \$9,819) by issuance of debt with a company with former directors and former management in common (Note 5). As at October 31, 2017, accrued interest on the investment was \$2,751 (April 30, 2017 - \$2,045).

**10 SEGMENTED INFORMATION**

The Company operates primarily in one business segment as an investment issuer and all of the Company's non-current assets are located in a single geographic segment in Canada.

## **11 SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

On May 8, 2017, the Company converted the special warrants and special finders' warrants into an equivalent number of free trading units in the capital of the Company. Each unit consists of one common share and one share purchase warrant; each warrant entitling the holder to acquire one additional share at \$0.05 for a period of 24 months (Note 7).

On August 16, 2017, the Company completed a non-brokered private placement, of 23,333,333 special warrants of the Company at a price of \$0.15 per special warrant for a gross proceeds of \$3,500,000. Finders' fees of 2,333,333 special warrants, with the same terms, valued at \$1,283,846 (Note 7).

On September 25, 2017, the Company completed a non-brokered private placement, of 26,666,666 special warrants of the Company at a price of \$0.30 per special warrant for a gross proceeds of \$8,000,000. Finders' fees of 2,666,666 special warrants, with the same terms, valued at \$2,944,879 (Note 7).

## **12 MANAGEMENT OF CAPITAL**

The Company's objectives in managing capital are to ensure sufficient liquidity to finance its corporate administration and working capital. In managing its liquidity, the Company aims to minimize shareholder dilution whenever possible. The Company manages its capital through regular board meetings and ongoing review of financial information. The Company considers shareholders' equity as its capital.

The Company is not subject to any externally imposed capital requirements. Other than the steps taken by the Company to conserve capital as described above, there have been no changes to the Company's objectives and what it manages as capital for the six months ended October 31, 2017.

## **13 SUBSEQUENT EVENTS**

- (a) In November 2017, the Company incorporated a wholly owned subsidiary, Global Blockchain Mining Corp.
- (b) On November 7, 2017, the Company, through its wholly owned subsidiary Global Blockchain Mining Corp. has entered into an agreement to acquire a 49.9% interest in Coinstream Mining Corp. ("Coinstream"). The completion of the investment under the letter agreement between the parties remains subject to the negotiation and execution of a definitive agreement. The company continues to work with Coinstream to finalize the definitive agreement with respect to the company's proposed investment to acquire a 49.9-per-cent interest in Coinstream, for a price of \$10-million (U.S.) and the issuance to Coinstream, or its shareholders, of 3.8 million common shares of the Company. The Company's investment is subject to a number of conditions, including the entering into of a definitive streaming agreement between Coinstream and Cryptoba Corp. The previously announced letter agreement between Coinstream and Cryptoba remains subject to the negotiation and execution of a definitive agreement between the parties. Pursuant to the proposed agreement, Coinstream will provide Cryptoba \$10-million (U.S.), to be used to finance a capital investment by Cryptoba into cryptocurrency mining equipment and infrastructure. In exchange for this proposed investment, Cryptoba has agreed to deliver a stream of bitcoins to Coinstream, consisting of 2,500 bitcoins per year, for five years. Under the proposed streaming agreement, Coinstream will pay \$1,000 (U.S.) per bitcoin, increasing to \$1,500 (U.S.) per bitcoin if bitcoins trade at greater than \$15,000 (U.S.) at the time of delivery. The parties have agreed, in their binding letter agreement, to negotiate a further adjustment to the price per bitcoin payable by Coinstream in the event that network hashrates rise above certain agreed levels for a sustained period of time. These key rate adjustments have not yet been finalized by the parties. The company's investment into Coinstream is conditional upon the streaming agreement between Coinstream and Cryptoba being completed on terms acceptable to the company. The company will have pro rata participation rights in any future financings undertaken by Coinstream. The company's investment into Coinstream remains subject to the approval of the TSX Venture Exchange. The investment in Coinstream is also subject to the company raising not less than US \$30-million.

### **13 SUBSEQUENT EVENTS (CONTINUED)**

Coinstream, an Ontario company incorporated in November, 2017, has assembled a team of industry professionals, including a total of four full-time employees, headed by chief executive officer Michael Kahiri. Coinstream, which commenced preliminary mining operations, pre-incorporation, in early September, and has to date mined two bitcoins, will focus its strategy on becoming a diversified cryptominer through a variety of approaches. In addition to direct mining, Coinstream will look to provide capital to cryptomining operations globally through streaming arrangements, as well as making strategic investments in companies like Distributed Mining Inc., as further described in the company's news release dated November 16, 2017. The proposed streaming agreement between Coinstream and Cryptoba would represent Coinstream's first streaming agreement. Cryptoba, an Ontario company incorporated in November, 2017, is not yet mining cryptocurrencies and requires the capex investment from Coinstream under the proposed streaming agreement to commence operations. Cryptoba is currently leasing a 10-megawatt purpose-built data centre located in Manitoba, with costs per kilowatt-hour of less than four U.S. cents. It is expected that Coinstream will move its operations into this facility under the terms of its proposed streaming agreement with Cryptoba.

- (c) On November 7, 2017, the Company entered into an agreement with Canaccord Genuity Corp. acting as lead underwriter and sole bookrunner on behalf of a syndicate of underwriters (the "Underwriters"), pursuant to which the Underwriters have agreed to purchase 11,800,000 units of the Company, on a "bought deal" private placement basis, at a price of \$2.55 per unit (the "Offering Price"), for total gross proceeds of \$30,090,000 (the "Offering"). Each unit consist of one common share of the Company and one common share purchase warrant. Each warrant shall entitle the holder thereof to acquire one common share at a price of \$3.50 for a period of 24 months.

The Company has also granted the Underwriters an option to purchase up to an additional 1,770,000 units at the Offering Price, for aggregate gross proceeds of up to an additional \$4,513,500, exercisable in whole or in part, at any time prior to the closing of the Offering at the Underwriter's sole discretion.

- (d) On November 8, 2017, the Company entered into an amended agreement with Canaccord Genuity Corp. to increase the size of the Offering by an additional 3,900,000 units and increase the Underwriters' Option (as defined below). Under the amended terms of the offering, the Underwriters have agreed to purchase 15,700,000 units of the Company, on a "bought deal" private placement basis, at a price of \$2.55 per unit, for total gross proceeds of \$40,035,000 (the "Offering"). Each unit consist of one common share of the Company and one common share purchase warrant. Each warrant shall entitle the holder thereof to acquire one common share at a price of \$3.50 for a period of 24 months.

The Company has also increased the size of the option granted to the Underwriters (the "Unnderwriters' Option") from 15% to 20% of the Offering, allowing them to purchase up to an additional 3,925,000 units at the Offering Price, for aggregate gross proceeds of up to an additional \$10,008,750, exercisable in whole or in part, at any time up to 243 hours prior to the closing of the Offering at the Underwriters' sole discretion.

- (e) In November 2017, the Company issued a total of 2,716,740 common shares pursuant to the exercise of warrants at a price of \$0.05 per share for a total consideration of \$135,837.
- (f) In November 2017, the Company issued a total of 1,128,010 common shares pursuant to the exercise of warrants at a price of \$0.20 per share for a total consideration of \$225,602.
- (g) In November 2017, the Company issued a total of 100,000 common shares pursuant to the exercise of options at a price of \$0.38 per share for a total consideration of \$38,000.
- (h) In November 2017, the Company issued a total of 600,000 common shares pursuant to the exercise of options at a price of \$1.00 per share for a total consideration of \$600,000.

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- (i) In December 2017, the Company issued a total of 483,210 common shares pursuant to the exercise of warrants at a price of \$0.05 per share for a total consideration of \$24,160.
- (j) In December 2017, the Company issued a total of 2,000,000 common shares pursuant to the exercise of options at a price of \$0.40 per share for a total consideration of \$800,000.
- (k) In December 2017, the Company issued a total of 1,250,000 common shares pursuant to the exercise of options at a price of \$1.00 per share for a total consideration of \$1,250,000.
- (l) On December 6, 2017 the Company received \$10,000 as full repayment relating the loan entered into on November 13, 2015, as a lender, for an amount of \$10,000. The loan agreement provided for a term of two years and simple interest at 14% per annum, with interest receivable upon maturity date.
- (m) On December 16, 2017, the Company converted 23,333,333 special warrants and 2,333,333 special finders' warrants into an equivalent number of free trading units in the capital of the Company. Each unit consists of one common share and one share purchase warrant; each warrant entitling the holder to acquire one additional share at \$0.20 on or before August 16, 2019.
- (n) On December 21, 2017, the Company closed its Offering issuing 16,849,170 units on a bought deal private placement basis, at a price per unit of \$2.55, for gross proceeds of \$42,965,383. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at a price of \$3.50 for a period of 24 months from the closing of the Offering. In consideration for their services, the Underwriters received a cash commission of 7% of the gross proceeds from the Offering and non-transferable compensation options equal to 7% of the number of units issued pursuant to the Offering. Each compensation option is exercisable for one year from the closing date of the Offering to acquire units consisting of one common share and one warrant at a price of \$2.55 per unit, with the warrants being exercisable for a period of one year from the closing date at a price of \$3.50 per common share.
- (o) On December 27, 2017 Global Blockchain Technologies Corp.'s subsidiary Global Blockchain Mining Corp., further to and pursuant to its declared strategy of investing in the blockchain mining space as one of the key prongs of its multifaceted approach to the sector, has agreed to purchase 6,666 Antminer S9s from Bitmain Technologies Ltd., a privately owned multinational semiconductor company headquartered in Beijing, China, for a total purchase price of \$20-million (U.S.). The estimated delivery of these units is March, 2018.