

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

This management discussion and analysis (“MD&A”) of the results of the operations and financial position of CryptoStar Corp. and its subsidiaries (the “Company” or “CryptoStar”) is dated as of April 27, 2023 and should be read in conjunction with the Company’s consolidated financial statements and the related notes for the years ended December 31, 2022. All amounts are expressed in United States dollars (\$) unless otherwise stated.

Management’s Responsibility

The Company’s management is responsible for the preparation and presentation of the consolidated financial statements and the MD&A. This MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators. Information provided in this report, including the consolidated financial statements, is the responsibility of management. In the preparation of these statements, estimates and judgements are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates and judgements have been based on careful assessments and have been properly reflected in the accompanying consolidated financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company’s assets are safeguarded and to facilitate the preparation of relevant and timely information.

Non-IFRS Measures

This MD&A presents certain non-IFRS (“IFRS” refers to International Financial Reporting Standards) financial measures to assist readers in understanding the Company’s performance. These non-IFRS measures do not have any standardized meaning and therefore are unlikely to be comparable to similar measures presented by other issuers and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

The following terms are used, which are not found in the Chartered Professional Accountants of Canada Handbook and do not have a standardized meaning under IFRS:

- “Net gain from operations” represents gross profit or loss excluding depreciation and amortization.
- “EBITDA” represents net income or loss excluding net finance income or expense, income tax or recovery, depreciation, and amortization.
- “Adjusted EBITDA” represents EBITDA adjusted to exclude non-cash share-based compensation, fair value loss or gain on remeasurement of foreign currency and digital assets, and costs associated with one-time or non-recurring transactions.

The Company uses these non-IFRS measures to supplement the analysis and evaluation of operating performance as it provides an indication of the operational results generated by its business activities prior to taking into consideration how those activities are financed and taxed and also prior to taking into consideration asset depreciation and amortization and it excludes items that could affect the comparability of our operational results and could potentially alter the trends analysis in business performance. Excluding these items does not necessarily imply they are non-recurring, infrequent or unusual. Net gain from operations, EBITDA and Adjusted EBITDA are also used by some investors and analysts for the purpose of valuing a company. Investors are cautioned that Net gain from operations, EBITDA and Adjusted EBITDA should not be construed as an alternative to operating earnings or net earnings determined in accordance with IFRS as an indicator of the Company’s financial performance or as a measure of the Company’s liquidity and cash flows. Net gain from operations, EBITDA and Adjusted EBITDA do not take into account the impact of working capital changes, capital expenditures, debt principal reductions and other sources and uses of cash, which are disclosed in the consolidated statements of cash flows.

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

Non-IFRS Measures (continued)

See “Reconciliation of Non-IFRS Measures” section of this MD&A for reconciliations of non-IFRS measures to IFRS measures.

Description of Business

CryptoStar operates in the distributed ledger technology space, utilizing specialized equipment (“miners”) to perform computationally intensive cryptographic operations to validate transactions on the Blockchain (a process known as “mining”), receiving digital currencies (primarily Bitcoin and Ethereum). CryptoStar has cryptocurrency mining operations with data centres located in Canada and the USA and is currently dedicated to becoming one of the lowest cost cryptocurrency producers in North America. The Company also provides equipment hosting services to customers worldwide, for which services the Company receives hosting fees, as well as sells miners to customers.

CryptoStar Corp. was incorporated under the Ontario Business Corporations Act on January 6, 2017. The registered and head office of the Company is located at 181 Bay Street, Suite 4400, Toronto, Ontario, Canada M5J 2T3. CryptoStar Corp.’s common shares are listed on the TSX Venture Exchange (“TSXV”) under the trading symbol “CSTR” and the OTCQB Venture Market under the trading symbol “CSTXF”.

2022 Highlights

Significant events and operating highlights for the fourth quarter and year ended December 31, 2022 include the following:

- On February 10, 2022, the Company announced that it had signed a letter of intent (the "LOI") with a Kansas, USA based energy company (the "Kansas Partner") effective February 9, 2022 for up to 87.2 megawatts (MW) of power to be supplied at among the lowest electricity rates in North America. The Company also provided an update on operations.

Highlights of the proposed Transaction:

- Under the terms of the LOI, it was anticipated that CryptoStar and the Kansas Partner would enter into a power supply agreement (the "Power Supply Agreement") for the first 21.8 MW of power by February 28, 2022.
- It was anticipated that the first 21.8 MW of power would be operational within 60 to 90 days from the execution of the Power Supply Agreement.
- The Kansas Partner currently possesses, controls or has access to certain sites in Kansas, USA and, upon approval by applicable regulatory authorities, intends to generate and supply to CryptoStar an aggregate 87.2 MW of power.
- CryptoStar has the option to enter into power supply agreements for up to an additional 65.4MW of electricity, exercisable in increments of 21.8 MW.
- The Power Supply Agreement would have a term of five (5) years, which shall automatically renew for additional five (5) year terms unless terminated in accordance with the terms thereof.

The Company anticipated commencing operations in Kansas, USA in Q2, 2022.

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

2022 Highlights (continued)

Alberta Operations and Termination of Equipment Hosting Agreements:

The natural gas power generation site of 611890 Alberta Inc. DBA Avila Energy (the "Alberta Partner") remained shut down. Litigation against the Alberta Partner et al. was ongoing with respect to the non-compliance with terms of the power supply agreement for up to 30 MW and damages arising therefrom.

The Company had terminated the equipment hosting agreements announced on August 31, 2021 for 5 MW and September 2, 2021 for 10 MW of mining capacity to be deployed in Alberta, Canada due to the delays in the deployment of power by the Alberta Partner.

Expansion in Quebec:

The Company's subsidiary, Neuro Digital Inc., had commenced its expansion of operations in Quebec, progressing on its application with Hydro Quebec to secure the first 5 MW of power at its data centre.

Operations:

- As at February 10, 2022, the Company had Equipment Hosting Agreements for an aggregate mining capacity of 12 MW located at its award-winning data centre facilities in Utah, USA.
- As at February 10, 2022, the Company had an aggregate self-mining Hashrate of 103,660 MH/s from GPU miners and 15.6 PH/s from ASIC miners running at its data centres.
- The 103,660 MH/s and 15.6 PH/s of existing self-mining Hashrate was contributing USD \$245,513.30 per month in self-mining revenue for CryptoStar. (Source: <https://whattomine.com/> Mining metrics are calculated based on and ETH - USD exchange rate of 1 ETH = \$3,242.08 and a BTC - USD exchange rate of 1 BTC = \$44,711.51 updated at 2022-02-10 12:27:38 UTC).
- The Company continued to plan to redeploy its previously announced reduced self-mining Hashrate of 53,514 MH/s from GPU miners and 50.3 PH/s from ASIC miners that were previously running at the Alberta Partner's site in Alberta, Canada as expeditiously as possible in Q1, 2022.
- The Company purchased 600 high performance ASIC miners to be delivered in 6 equal tranches of 100 miners during calendar 2022 commencing in January and ending in June, with the first 100 miners in transit to the Company's data centres. This would increase the Company's self-mining Hashrate from ASIC miners by 8.8 PH/s each delivery month, resulting in a total self-mining Hashrate increase from ASIC miners of 52.8 PH/s once deployed.

Future Growth:

- The Company planned to continue to further expand its self-mining inventory of mining hardware. Additional ASIC miners had been ordered for delivery in Q1, 2022 and Q2, 2022 and further orders for mining hardware would be placed using astute capital management strategies based upon prevailing market conditions for delivery in Q2, 2022 and beyond.

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

2022 Highlights (continued)

- The Company planned to continue to further expand its data centre operations in North America by partnering with large cryptocurrency miners seeking operating locations in North America. The Company continued to consider and perform diligence on several potential transactions and opportunities.

Financial Position:

- The Company was in a strong financial position and was well capitalized.
- As at February 10, 2022, the Company held 461.62 ETH, 80.99 BTC and USD\$5.0 million (CAD\$6.4 million) in cash.
- Additionally, the Company had made payments and deposits for ASIC miners, buildings and infrastructure equipment of USD\$6.1 million (CAD\$7.7 million).
- On April 5, 2022, the Company announced the expansion of its self-mining Hashrate and operations in Quebec, Canada. The Company also provided an update on operations.

Redeployment of Hashrate and Expansion in Quebec:

In March 2022, the Company secured an aggregate mining capacity of 1.5 megawatts (MW) of green, hydro-based power in Quebec, Canada, effective April 1, 2022. As at April 1, 2022, the Company had successfully redeployed 88% of its ASIC self-mining Hashrate equating to 44.35 PH/s and 52% of its GPU self-mining Hashrate equating to 39.16 MH/s from ASIC and GPU miners that were relocated from Alberta, Canada in its data centres in Quebec, Canada.

In addition, through a subsidiary, the Company continued to make progress on its expansion of operations in Quebec, Canada, and on its application with Hydro Quebec to secure an additional 5 MW of power at its data centre.

Self-Mining Operations:

- As at April 5, 2022, the Company had received and deployed at its award-winning data centre facilities in Utah, USA, 300 of the 600 high performance ASIC miners previously announced on September 24, 2021, representing an additional self-mining Hashrate of 26.48 PH/s.
- As at April 5, 2022, the Company had an aggregate self-mining Hashrate of 78.8 PH/s from ASIC miners and 121,944 MH/s from GPU miners running at its data centres.
- The 78.8 PH/s and 121,944 MH/s of existing self-mining Hashrate was contributing USD \$674,342.98 per month in self-mining revenue for CryptoStar. (Source: <https://whattomine.com/> Mining metrics are calculated based on a BTC - USD exchange rate of 1 BTC = \$46,609.30 and ETH - USD exchange rate of 1 ETH = \$3,515.04 updated at 2022-04-05 11:07:26 UTC).
- The previously announced purchase of 600 high performance ASIC miners to be delivered in 6 equal tranches of 100 miners during calendar 2022 commencing in January 2022 and ending in June 2022, continued to be delivered with three deliveries remaining. This would increase the Company's self-mining Hashrate from ASIC miners by a further 8.8 PH/s each delivery month.

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

2022 Highlights (continued)

- The Company anticipated that it would redeploy the remaining self-mining Hashrate of 11.6 PH/s from ASIC miners and 54,826 MH/s from GPU miners that were previously running in Alberta, Canada as expeditiously as possible in Q2, 2022.

Hosting Operations:

- As at April 5, 2022, the Company had Equipment Hosting Agreements for an aggregate mining capacity of 12 MW located at its award-winning data centre facilities in Utah, USA, contributing annual hosting revenues for the Company of USD\$1.7 million.

LOI with Kansas Partner:

- The Company continued to perform diligence on the potential power supply agreement with a Kansas-based energy company as previously announced on February 10, 2022.

Alberta Operations:

- The natural gas power generation site of 611890 Alberta Inc. DBA Avila Energy (the "Alberta Partner") remained shut down. Litigation against the Alberta Partner et al. was ongoing with respect to the non-compliance with terms of the power supply agreement for up to 30 MW and damages arising therefrom.

Future Growth:

- The Company planned to continue to further expand its self-mining inventory of mining hardware. Additional ASIC miners had been ordered for delivery in Q2, 2022 and further orders for mining hardware would be placed using astute capital management strategies based upon prevailing market conditions for delivery in Q2, 2022 and beyond.
- The Company planned to continue to further expand its data centre operations in North America by partnering with large cryptocurrency miners seeking operating locations in North America. The Company continued to consider and perform diligence on several potential transactions and opportunities.

Financial Position:

- The Company was in a strong financial position and was well capitalized.
- As at April 5, 2022, the Company held 538.38 ETH, 86.72 BTC and USD\$2.7 million (CAD\$3.4 million) in cash.
- Additionally, the Company had made payments and deposits for ASIC miners, buildings and infrastructure equipment of USD\$4.9 million (CAD\$6.2 million).
- On June 20, 2022, the Company provided an update on operations and announced stock option grants.

Self-Mining Operations:

- As at June 20, 2022, the Company had an aggregate self-mining Hashrate of 93.0 PH/s from ASIC miners and 136,850 MH/s from GPU miners running at its data centres.

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

2022 Highlights (continued)

- The 93.0 PH/s and 136,850 MH/s of existing self-mining Hashrate was contributing USD\$312,902 per month in self-mining revenue for CryptoStar. (Source: <https://whattomine.com/> Mining metrics are calculated based on a BTC - USD exchange rate of 1 BTC = \$20,874.86 and ETH - USD exchange rate of 1 ETH = \$1,139.14 updated at 2022-06-20 14:54:49 UTC).
- 100 high performance ASIC miners of the previously announced purchase of 600 high performance ASIC miners remained to be deployed and a further 100 high performance ASIC miners were scheduled to be delivered in June 2022. This would increase the Company's self-mining Hashrate from ASIC miners by a further 17.6 PH/s.

Expansion in Quebec:

- The Company secured an additional 0.5 megawatts (MW) of green, hydro-based power in Quebec, Canada effective May 10, 2022. This was in addition to the 1.5 MW of green, hydro-based power secured by the Company in Quebec, Canada, previously announced on April 5, 2022.
- The Company, through a subsidiary, continued to make progress on its expansion of operations in Quebec, Canada, and on its application with Hydro Quebec to secure an additional 5 MW of power at its data centre.

Hosting Operations:

- As at June 20, 2022, the Company had Equipment Hosting Agreements for an aggregate mining capacity of 12 MW located at its award-winning data centre facilities in Utah, USA, contributing annual hosting revenues for the Company of USD\$1.7 million.

LOI with Kansas Partner:

- The Company continued to perform diligence on the potential power supply agreement with a Kansas-based energy company as previously announced on February 10, 2022.

Alberta Operations:

- The natural gas power generation site of 611890 Alberta Inc. DBA Avila Energy (the "Alberta Partner") remained shut down. Litigation against the Alberta Partner et al. was ongoing with respect to the non-compliance with terms of the power supply agreement for up to 30 MW and damages arising therefrom.

Stock Option Grants:

- The Company granted an aggregate of 5,000,000 options (the "Options") to an officer of the Company to purchase 5,000,000 common shares (the "Shares") in the capital of the Company pursuant to the Company's stock option plan. The Options will vest in accordance with the following schedule: 25% of the Options will vest at each of the three-month, ten-month, seventeen-month and twenty-four-month anniversary of the grant date. The Options will expire on June 17, 2032 with 2,500,000 Options being exercisable at an exercise price of \$0.05 per Share and the remaining 2,500,000 Options being exercisable at an exercise price of \$0.10 per Share.

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

2022 Highlights (continued)

Future Growth:

- The Company planned to continue to further expand its self-mining inventory of mining hardware. Further orders for mining hardware would be placed using astute capital management strategies based upon prevailing market conditions for delivery in Q3, 2022 and beyond.
- The Company planned to continue to further expand its data centre operations in North America by partnering with large cryptocurrency miners seeking operating locations in North America. The Company continued to consider and perform diligence on several potential transactions and opportunities.

Financial Position:

- The Company was in a strong financial position and was well capitalized.
- As at June 20, 2022, the Company held 649.12 ETH, 105.56 BTC and USD\$1.9 million (CAD\$2.4 million) in cash.
- Additionally, the Company had made payments and deposits for ASIC miners, buildings and infrastructure equipment of USD\$4.6 million (CAD\$6.1 million).
- On August 29, 2022, the Company provided an update on operations.

Self-Mining Operations:

- As at August 29, 2022, the Company had an aggregate self-mining Hashrate of 94.4 PH/s from ASIC miners and 125,550 MH/s from GPU miners running at its data centres.
- The 94.4 PH/s and 125,550 MH/s of existing self-mining Hashrate was contributing USD\$332,569 per month in self-mining revenue for CryptoStar. (Source: <https://whattomine.com/> Mining metrics are calculated based on a BTC - USD exchange rate of 1 BTC = \$19,813.77 and ETH - USD exchange rate of 1 ETH = \$1,447.91 updated at 2022-08-29 11:33:39 UTC).
- 160 high performance ASIC miners of the previously announced purchase of 600 high performance ASIC miners remained to be deployed. This would increase the Company's self-mining Hashrate from ASIC miners by a further 14.1 PH/s. The Company anticipated deploying these ASIC miners as expeditiously as possible upon expansion of its operations in Quebec, Canada.

Hosting Operations:

- The Company executed a new Equipment Hosting Agreement for one of its award-winning data centre facilities in Utah, USA, effective August 14, 2022, which increased the aggregate monthly hosting revenues earned by the Company by USD\$37,000 to USD\$177,000 for an aggregate mining capacity of approximately 12 MW (annual hosting revenues of USD\$2.1 million).

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

2022 Highlights (continued)

Expansion in Quebec:

- The Company, through a subsidiary, continued to make progress on its expansion of operations in Quebec, Canada, and on its application with Hydro Quebec to secure an additional 5 MW of power at its data centre.

LOI with Kansas Partner:

- The Company continued to perform diligence on the potential power supply agreement with a Kansas-based energy company as previously announced on February 10, 2022.

Alberta Operations:

- The natural gas power generation site of 611890 Alberta Inc. DBA Avila Energy (the "Alberta Partner") remained shut down. Litigation against the Alberta Partner et al. was ongoing with respect to the non-compliance with terms of the power supply agreement for up to 30 MW and damages arising therefrom.

Future Growth:

- The Company planned to continue to further expand its self-mining inventory of mining hardware. Further orders for mining hardware may be placed using astute capital management strategies based upon prevailing market conditions.
- The Company planned to continue to further expand its data centre operations in North America by partnering with large cryptocurrency miners seeking operating locations in North America. The Company continued to consider and perform diligence on several potential transactions and opportunities.

Financial Position:

- The Company was in a strong financial position and was well capitalized.
- As at August 29, 2022, the Company held 555.03 ETH, 80.60 BTC and USD\$2.8 million (CAD\$3.5 million) in cash.
- Additionally, the Company had made payments and deposits for buildings and infrastructure equipment of USD\$4.2 million (CAD\$5.4 million).
- On October 7, 2022, the Company announced that it had terminated the letter of intent (the "LOI") with a Kansas, USA based energy company (the "Kansas Partner") effective October 6, 2022. The Company also provided an update on operations.

Self-Mining Operations:

- As at October 7, 2022, the Company had an aggregate self-mining Hashrate of 92.24 PH/s from ASIC miners running at its data centres.
- The 92.24 PH/s of existing self-mining Hashrate was contributing USD\$227,247 per month in self-mining revenue for CryptoStar. (Source: <https://whattomine.com/> Mining metrics are calculated based on a BTC – USD exchange rate of 1 BTC = \$19,985.68 updated at 2022-10-07 11:42:12 UTC).

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

2022 Highlights (continued)

- 160 high performance ASIC miners of the previously announced purchase of 600 high performance ASIC miners remained to be deployed. This would increase the Company's self-mining Hashrate from ASIC miners by a further 14.1 PH/s. The Company anticipated deploying these ASIC miners as expeditiously as possible upon expansion of its operations in Quebec, Canada.
- Since the completion of Ethereum's merge to proof of stake, the Company was actively exploring opportunities to utilize its GPU computing power.

Hosting Operations:

- As at October 7, 2022, the Company had Equipment Hosting Agreements for an aggregate mining capacity of approximately 12 MW located at its award-winning data centre facilities in Utah, USA, contributing annual hosting revenues for the Company of USD\$2.1 million.

LOI with Kansas Partner:

- On October 6, 2022, the Company terminated the LOI with the Kansas Partner previously announced on February 10, 2022 as a result of its due diligence investigations.

Expansion in Quebec

- The Company, through a subsidiary, continued to make progress on its expansion of operations in Quebec, Canada, and on its application with Hydro Quebec to secure an additional 5 MW of power at its data centre.

Alberta Operations

- The natural gas power generation site of 611890 Alberta Inc. DBA Avila Energy (the "Alberta Partner") remained shut down. Litigation against the Alberta Partner et al. was ongoing with respect to the non-compliance with terms of the power supply agreement for up to 30 MW and damages arising therefrom.

Future Growth

- The Company planned to continue to further expand its self-mining inventory of mining hardware. Further orders for mining hardware may be placed using astute capital management strategies based upon prevailing market conditions.
- The Company planned to continue to further expand its data centre operations in North America by partnering with large cryptocurrency miners seeking operating locations in North America. The Company continued to consider and perform diligence on several potential transactions and opportunities.

Financial Position

- The Company was in a strong financial position and was well capitalized.
- As at October 7, 2022, the Company held 550.64 ETH, 80.05 BTC and USD\$2.1 million (CAD\$2.9 million) in cash.

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

2022 Highlights (continued)

- The Company had made payments and deposits for buildings and infrastructure equipment of USD\$3.9 million (CAD\$5.4 million).
- Additionally, effective October 1, 2022, the Company extended its lease for a further five years at one of its award-winning data centre facilities in Utah, USA and made security deposit payments of USD\$340,000 (CAD\$466,500) in relation to the extension of the lease.
- On December 20, 2022, the Company provided an update on operations and announced that Sean Harris had informed the Company of his decision to resign as Chief Financial Officer of the Company effective February 28, 2023.

Self-Mining Operations:

- In December 2022, the Company implemented an off-peak self-mining program in Utah, USA, whereby the Company was able to mine approximately 80% of the time for approximately 50% of the electricity cost, by utilizing off-peak electricity rates.
- As at December 20, 2022, the Company had an aggregate self-mining Hashrate of 77.08 PH/s from ASIC miners running at its data centres, with 45.5% of the self-mining Hashrate being operated under the off-peak self-mining program in Utah, USA.
- The 77.08 PH/s of existing self-mining Hashrate was contributing USD\$130,294 per month in self-mining revenue for CryptoStar. (Source: <https://whattomine.com/> Mining metrics are calculated based on a BTC – USD exchange rate of 1 BTC = \$16,884.55 updated at 2022-12-20 20:12:47 UTC).
- 160 high performance ASIC miners of the previously announced purchase of 600 high performance ASIC miners remained to be deployed. This would increase the Company's self-mining Hashrate from ASIC miners by a further 14.1 PH/s. The Company anticipated deploying these ASIC miners as expeditiously as possible.
- Since the completion of Ethereum's merge to proof of stake, the Company was actively exploring opportunities to utilize its GPU computing power.

Hosting Operations:

- In December 2022, one of the Company's Equipment Hosting Agreements for an aggregate mining capacity of approximately 4 megawatts (MW) located at its award-winning data centre facilities in Utah, USA expired. The Company planned to execute a new Equipment Hosting Agreement for the available mining capacity as expeditiously as possible.
- As at December 20, 2022, the Company had Equipment Hosting Agreements for an aggregate mining capacity of approximately 8 MW located at its award-winning data centre facilities in Utah, USA, contributing annual hosting revenues for the Company of USD\$1.4 million.

Quebec Operations

- In December 2022, the Company did not renew 0.5 MW of the aggregate 2 MW of green, hydro-based power in Quebec, Canada as it intended to relocate the associated mining equipment to its Utah, USA data centres.

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

2022 Highlights (continued)

Alberta Operations

- The natural gas power generation site of 611890 Alberta Inc. DBA Avila Energy (the "Alberta Partner") remained shut down. Litigation against the Alberta Partner et al. was ongoing with respect to the non-compliance with terms of the power supply agreement for up to 30 MW and damages arising therefrom.

Resignation of Chief Financial Officer

- Mr. Harris informed the Company of his decision to resign as Chief Financial Officer of the Company effective February 28, 2023.

Future Growth

- The Company planned to continue to further expand its self-mining inventory of mining hardware. Further orders for mining hardware may be placed using astute capital management strategies based upon prevailing market conditions.
- The Company planned to continue to further expand its data centre operations in North America by partnering with large cryptocurrency miners seeking operating locations in North America. The Company continued to consider and perform diligence on several potential transactions and opportunities.

Financial Position

- The Company was in a strong financial position and was well capitalized.
- In December 2022, the Company sold its cryptocurrency reserves to increase its cash reserves.
- As at December 20, 2022, the Company held 1.9 BTC and USD\$4.2 million (CAD\$5.7 million) in cash.
- The Company had made payments and deposits for buildings, infrastructure equipment and security deposit payments of USD\$4.4 million (CAD\$6.0 million).

Subsequent Events

- On January 3, 2023, the Company announced that it had renewed its line of credit (the "Line of Credit") with ACN 117 402 838 PTY LTD ("ACN") for a further 54-month term ending in June 2026. The Line of Credit is a revolving credit facility available to fund general corporate purposes with a maximum principal amount of approximately USD\$1.77 million. The Line of Credit bears interest at a rate of 12% per annum, payable monthly in arrears, together with a minimum monthly repayment of principal amount outstanding of USD\$32,776.73. As consideration for renewing the Line of Credit, the Company repaid USD\$196,660.37 of the principal amount outstanding of approximately USD\$1.97 million under the previous Line of Credit on January 3, 2023.

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

Subsequent Events (continued)

The Line of Credit with ACN constitutes a "related party transaction" of CryptoStar, within the meaning of Multilateral Instrument 61-101 – Protections of Minority Security Holders in Special Transactions ("MI 61-101"). The Company determined that the renewal of its Line of Credit is exempt from the formal valuation and minority approval requirements of MI 61-101 in reliance of the exemptions set forth in sections 5.5(b) and 5.7(f). The Company did not file a material change report 21 days prior to renewal of the Line of Credit as the terms and conditions of the Line of Credit were not agreed upon until shortly prior to the renewal. provided an update on operations and announced that Sean Harris had informed the Company of his decision to resign as Chief Financial Officer of the Company effective February 28, 2023.

- On February 21, 2023, the Company announced the appointment of Messrs. Aurelio Useche and Christopher Malone to the Company's Board of Directors.

In connection with the appointments of Messrs. Useche and Malone, the Company also announced the resignation from the Board of Warren Lorenz and Aly Madhavji.

Concurrent with the appointments of Messrs. Useche and Malone, the Company granted each 600,000 incentive stock options. Each stock option will allow the holder thereof to purchase a common share of CryptoStar at a price of \$0.05, with an expiry of ten years.

- On February 28, 2023, the Company announced that Mr. Jing Peng had been appointed Chief Financial Officer of the Company, effective immediately. Mr. Peng replaced Mr. Harris as Chief Financial Officer.
- During the subsequent period from January 1, 2023 to April 27, 2023, no common shares were issued by the Company upon the exercise of warrants and 6,282,780 warrants expired.
- As at April 27, 2023, the Company's self-mining revenue run rate is USD\$182,757/month and its hosting revenue run rate is USD\$118,209/month. Further orders for mining hardware may be placed using astute capital management strategies based upon prevailing market conditions. (Source: <https://whattomine.com/> Mining metrics are calculated based on a BTC - USD exchange rate of 1 BTC = \$28,883.86 updated at 2023-04-27 13:00:18 UTC).
- As at April 27, 2023, the Company is in a strong financial position, is well capitalized and holds 1.78 BTC and USD\$3.2 million (CAD\$4.3 million) in cash. Additionally, the Company has made prepayments and deposits for buildings and infrastructure equipment of USD\$4.6 million (CAD\$6.3 million).

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

Overall Operational Performance and Results

| | For the Years Ended | |
|---|----------------------------|--------------------|
| | December 31, | |
| | 2022 | 2021 |
| | \$ | \$ |
| Income from operations | | |
| Digital assets mined | 3,401,128 | 3,830,267 |
| Hosting income | 2,005,390 | 807,910 |
| Sales of miners | 14,454 | 103,548 |
| Cost of revenue | (2,144,802) | (465,070) |
| Net gain from operations | 3,276,170 | 4,276,655 |
| Realized (loss) gain on digital currencies | (1,503,785) | 1,339 |
| Operating expenses | (2,241,665) | (1,900,591) |
| Net (loss) gain before other items | (469,280) | 2,377,403 |
| Depreciation of property and equipment | (4,909,025) | (3,536,354) |
| Amortization of intangible assets | (300,375) | (588,028) |
| Depreciation of right-of-use assets | (395,097) | (325,481) |
| Foreign exchange gain (loss) | (341,620) | (178,293) |
| Interest expense on lease obligations | (264,589) | (237,503) |
| Share based compensation | (237,566) | (1,105,178) |
| Write down of inventory | (619,141) | — |
| Impairment of property and equipment | (3,466,852) | — |
| Impairment of intangible assets | (618,661) | — |
| Revaluation loss on digital currencies | (2,551,166) | — |
| Interest (expense) income, net | (48,155) | 7,143 |
| Loss on disposal of miners | (8,839) | — |
| Other income | 48,969 | 128,933 |
| Other expense | (2,486,699) | — |
| Net loss before tax | (16,668,096) | (3,457,358) |
| Income tax expense | — | (5,827) |
| Net loss | (16,668,096) | (3,463,185) |
| Revaluation gain (loss) on digital currencies | (176,301) | 176,301 |
| Currency translation loss | (2,484) | 151 |
| Net comprehensive loss | (16,846,881) | (3,286,733) |
| Adjusted EBITDA | 1,034,505 | 2,376,064 |
| Loss per share, basic and diluted | (0.039) | (0.009) |
| Weighted average shares, basic and diluted | 427,977,406 | 375,487,991 |
| Bitcoin mined | 99.61 | 50.47 |
| Ethereum mined | 390.21 | 398.93 |
| Average Bitcoin price when mined during the period | 25,268 | 49,879 |
| Average Ethereum price when mined during the period | 2,266 | 3,291 |

Financial and Operational Results

The Company recorded a net loss before tax of \$16,668,096 in the year ended December 31, 2022 (2021 – \$3,457,358).

The Company's revenue from operations was \$5,420,972 in the year ended December 31, 2022 (2021 – \$4,741,725).

The Company's direct cost of revenue was \$2,144,802 in the year ended December 31, 2022 (2021 – \$465,070). Direct cost of revenue consisted of site operating costs.

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

Financial and Operational Results (continued)

The Company incurred non-cash expenses consisting of depreciation and amortization of \$5,604,497, share based compensation of \$237,566 and impairment and write downs of \$4,704,654 in the year ended December 31, 2022 (2021 – \$4,449,863, \$1,105,178, \$Nil, respectively).

The Company's operating expenses, including non-cash share based compensation, in the year ended December, 2022 totaled \$2,479,231 (2021 – \$3,005,769) and were comprised of:

| | For the Years Ended | |
|-------------------------------------|---------------------|------------------|
| | December 31, | |
| | 2022 | 2021 |
| | \$ | \$ |
| Interest and bank charges | 8,238 | 10,461 |
| Management fees, salaries and wages | 812,570 | 701,765 |
| Share based compensation | 237,566 | 1,105,178 |
| Office and administration | 772,247 | 333,708 |
| Professional fees | 648,610 | 854,657 |
| Total operating expenses | 2,479,231 | 3,005,769 |

The Company's revenue from mining digital currencies is highly dependent upon the market price of digital currencies and the Company's ability to transact with and convert digital currencies. Management monitors the legal and regulatory environment surrounding digital currencies on an ongoing basis.

Summary of Financial Results for the Trailing Four Quarters

| | March 31, 2022 | June 30, 2022 | September 30, 2022 | December 31, 2022 |
|---|-------------------|------------------|-----------------------|----------------------|
| | \$ | \$ | \$ | \$ |
| Revenue | 1,205,241 | 1,764,305 | 1,420,646 | 1,030,780 |
| Net income (loss) for the period | (1,224,475) | (4,776,280) | (1,396,161) | (9,271,180) |
| Income (loss) per share for the period, basic and diluted | (0.003) | (0.011) | (0.003) | (0.022) |

The net loss for the three months ended December 31, 2022 amounted to \$9,109,715 and was primarily related to the reduced prices of digital currencies and accounting write-downs. The reduction in the prices of digital currencies negatively impacted the income recognized from the digital assets mined by the Company.

Reconciliation of Non-IFRS Measures

This MD&A presents certain non-IFRS ("IFRS" refers to International Financial Reporting Standards) financial measures to assist readers in understanding the Company's performance. These non-IFRS measures do not have any standardized meaning and therefore are unlikely to be comparable to similar measures presented by other issuers and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

The Company uses these non-IFRS measures including "Net gain from operations" and "Adjusted EBITDA" to supplement the analysis and evaluation of operating performance and should not be viewed as alternatives to, or replacements of, measures of operating results and liquidity presented in accordance with IFRS.

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

Reconciliation of Non-IFRS Measures (continued)

The following tables and definitions reconcile non-IFRS measures used by the Company to analyze the operational performance of the Company to their nearest IFRS measure and should be read in conjunction with the consolidated financial statements for the years ended December 31, 2022 and 2021.

Net Gain from Operations

“Net gain from operations” represents gross profit or loss excluding depreciation and amortization. Net gain from operations shows the profitability of the Company’s operations without the impact of non-cash depreciation and amortization expense. Net gain from operations provides the investors the ability to assess the profitability of the Company’s operations exclusive of operating expenses.

The following table reconciles gross loss to the non-IFRS measure, net gain from operations:

| | For the Years Ended | |
|--|----------------------------|------------------|
| | December 31, | |
| | 2022 | 2021 |
| | \$ | \$ |
| Gross loss | (2,328,327) | (173,208) |
| Add: | | |
| Amortization of intangible assets | 300,375 | 588,028 |
| Depreciation of right-of-use assets | 395,097 | 325,481 |
| Depreciation of property and equipment | 4,909,025 | 3,536,354 |
| Net gain from operations | 3,276,170 | 4,276,655 |

Adjusted EBITDA

“Adjusted EBITDA” represents EBITDA (net income or loss excluding net finance income or expense, income tax or recovery, depreciation, and amortization) adjusted to exclude non-cash share-based compensation, fair value loss or gain on remeasurement of foreign currency and digital assets, and costs associated with one-time or non-recurring transactions. Adjusted EBITDA is used to assess the profitability without the impact of non-cash accounting policies, capital structure and one-time or non-recurring transactions.

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

Reconciliation of Non-IFRS Measures (continued)

Adjusted EBITDA (continued)

The following table reconciles net loss before taxes to the non-IFRS measure, adjusted EBITDA:

| | For the Years Ended December 31, | |
|--|-------------------------------------|------------------|
| | 2022 | 2021 |
| | \$ | \$ |
| Net loss | (16,668,096) | (3,463,185) |
| Add (deduct): | | |
| Income tax expense | — | 5,827 |
| Interest expense on lease obligations | 264,589 | 237,503 |
| Interest expense (income), net | 48,155 | (7,143) |
| Amortization of intangible assets | 300,375 | 588,028 |
| Depreciation of right-of-use assets | 395,097 | 325,481 |
| Depreciation of property and equipment | 4,909,025 | 3,536,354 |
| EBITDA | (10,750,855) | 1,222,865 |
| Add (deduct): | | |
| Realized (loss) gain on digital currencies | 1,503,785 | (1,339) |
| Foreign exchange gain (loss) | 341,620 | 178,293 |
| Share based compensation | 237,566 | 1,105,178 |
| Write down of inventory | 619,141 | — |
| Impairment of property and equipment | 3,466,852 | — |
| Impairment of intangible assets | 618,661 | — |
| Revaluation loss on digital currencies | 2,551,166 | — |
| Loss on disposal of miners | 8,839 | — |
| Other income | (48,969) | (128,933) |
| Other expense | 2,486,699 | — |
| Adjusted EBITDA | 1,034,505 | 2,376,064 |

Outstanding Share Data

As of the date of this MD&A, the Company has the following securities issued and outstanding:

1. 429,016,069 common shares;
2. 89,166,667 common share purchase warrants; and
3. 17,290,000 options to purchase common shares issued.

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

Segmented Information

The Company has two reportable segments based on geographical locations: Canada and the USA, and three reportable segments based on operations: self-mining, hosting and miner sales, along with a Head Office segment. The disclosures with regards to the Company's aforementioned segments for the years ended December 31, 2022 and 2021 are listed below.

| | For the Year Ended December 31, 2022 | | | | | | |
|--|--------------------------------------|--------------------|------------------|------------------|------------------|--------------------|---------------------|
| | Canada | | USA | | | Head Office | Total |
| | Mining | Hosting | Mining | Hosting | Miner Sales | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Income from operations | | | | | | | |
| Digital assets mined | 2,156,776 | — | 1,244,352 | — | — | — | 3,401,128 |
| Hosting income | — | — | — | 2,005,390 | — | — | 2,005,390 |
| Sales of miners | — | — | — | — | 14,454 | — | 14,454 |
| Cost of miners sold | — | — | — | — | (8,543) | — | (8,543) |
| Site operating costs | (1,304,528) | — | (779,503) | (52,228) | — | — | (2,136,259) |
| Depreciation of right-of-use assets | (36,920) | — | (49,404) | (308,773) | — | — | (395,097) |
| Depreciation of property and equipment | (4,355,819) | — | (76,304) | (476,902) | — | — | (4,909,025) |
| Amortization of intangible assets | (300,375) | — | — | — | — | — | (300,375) |
| Realized loss on digital currencies | (1,503,785) | — | — | — | — | — | (1,503,785) |
| Net (loss) income before operating expenses | (5,344,651) | — | 339,141 | 1,167,487 | 5,911 | — | (3,832,112) |
| Operating and other expenses (income) | | | | | | | |
| Interest and bank charges | 1,740 | — | 360 | 581 | — | 5,557 | 8,238 |
| Interest expense on lease obligations | 27,906 | — | 32,646 | 204,037 | — | — | 264,589 |
| Management fees, salaries and wages | 188,045 | — | 64,926 | 104,634 | — | 454,965 | 812,570 |
| Office and administration | 178,521 | — | 106,555 | 171,723 | — | 315,448 | 772,247 |
| Professional fees | 43,899 | — | 4,533 | — | — | 600,178 | 648,610 |
| Revaluation loss on digital currencies | 2,551,166 | — | — | — | — | — | 2,551,166 |
| Share based compensation | — | — | — | — | — | 237,566 | 237,566 |
| Interest expense | — | — | — | — | — | 48,155 | 48,155 |
| Foreign exchange loss | — | — | — | — | — | 341,620 | 341,620 |
| Loss on disposal of miners | — | — | — | — | — | 8,839 | 8,839 |
| Other income | — | — | — | — | — | (48,969) | (48,969) |
| Other expense | 788,788 | 1,697,911 | — | — | — | — | 2,486,699 |
| Write down of inventory | — | — | — | — | 619,141 | — | 619,141 |
| Impairment of property and equipment | 3,466,852 | — | — | — | — | — | 3,466,852 |
| Impairment of intangible asset | 123,732 | 494,929 | — | — | — | — | 618,661 |
| Total operating and other expenses | 7,370,649 | 2,192,840 | 209,020 | 480,975 | 619,141 | 1,963,359 | 12,835,984 |
| Net (loss) income before tax | (12,715,300) | (2,192,840) | 130,121 | 686,512 | (613,230) | (1,963,359) | (16,668,096) |
| Income tax expense | — | — | — | — | — | — | — |
| Net (loss) income | (12,715,300) | (2,192,840) | 130,121 | 686,512 | (613,230) | (1,963,359) | (16,668,096) |
| Revaluation loss on digital currencies | — | — | — | — | — | (176,301) | (176,301) |
| Currency translation gain | — | — | — | — | — | (2,484) | (2,484) |
| Net comprehensive (loss) income | (12,715,300) | (2,192,840) | 130,121 | 686,512 | (613,230) | (2,142,144) | (16,846,881) |
| Total assets | 2,781,536 | 5,258,982 | 2,846,810 | 4,507,149 | 436,375 | 4,065,461 | 19,896,313 |
| Total non-current assets | 2,665,518 | 5,257,872 | 2,846,810 | 4,363,162 | — | — | 15,133,362 |
| Total liabilities | 233,416 | 799,540 | 465,017 | 2,943,404 | — | 2,366,090 | 6,807,467 |

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

Segmented Information (continued)

| | For the Years Ended December 31, 2021 | | | | | | Total |
|--|---------------------------------------|-----------|-----------|-------------|-------------|-------------|-------------|
| | Canada | | USA | | | Head Office | |
| | Mining | Hosting | Mining | Hosting | Miner Sales | Office | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Income from operations | | | | | | | |
| Digital assets mined | 2,980,830 | — | 849,437 | — | — | — | 3,830,267 |
| Hosting income | — | — | — | 807,910 | — | — | 807,910 |
| Sales of miners | — | — | — | — | 103,548 | — | 103,548 |
| Cost of miners sold | — | — | — | — | (65,662) | — | (65,662) |
| Site operating costs | (209,806) | — | (134,667) | (54,935) | — | — | (399,408) |
| Depreciation of right-of-use assets | (39,446) | — | (39,453) | (246,582) | — | — | (325,481) |
| Depreciation of property and equipment | (1,482,151) | — | (283,338) | (1,770,865) | — | — | (3,536,354) |
| Amortization of intangible assets | (588,028) | — | — | — | — | — | (588,028) |
| Realized gain on digital currencies | 1,339 | — | — | — | — | — | 1,339 |
| Net income (loss) before operating expenses | 662,738 | — | 391,979 | (1,264,472) | 37,886 | — | (171,869) |
| Operating and other expenses (income) | | | | | | | |
| Interest and bank charges | 445 | — | 225 | 214 | 27 | 9,550 | 10,461 |
| Interest expense on lease obligations | 31,208 | — | 28,454 | 177,841 | — | — | 237,503 |
| Management fees, salaries and wages | 92,269 | — | 75,275 | 71,595 | 9,176 | 453,450 | 701,765 |
| Office and administration | 200,217 | — | 46,389 | 44,121 | 5,655 | 37,326 | 333,708 |
| Professional fees | 1,926 | — | 94,957 | — | — | 757,774 | 854,657 |
| Share based compensation | — | — | — | — | — | 1,105,178 | 1,105,178 |
| Interest income | — | — | — | — | — | (7,143) | (7,143) |
| Other income | — | — | (62,196) | (59,155) | (7,582) | — | (128,933) |
| Foreign exchange loss | — | — | — | — | — | 178,293 | 178,293 |
| Total operating and other expenses | 326,065 | — | 183,104 | 234,616 | 7,276 | 2,534,428 | 3,285,489 |
| Net income (loss) before tax | 336,673 | — | 208,875 | (1,499,088) | 30,610 | (2,534,428) | (3,457,358) |
| Income tax expense | 5,827 | — | — | — | — | — | 5,827 |
| Net income (loss) | 330,846 | — | 208,875 | (1,499,088) | 30,610 | (2,534,428) | (3,463,185) |
| Revaluation gain on digital currencies | — | — | — | — | — | 176,301 | 176,301 |
| Currency translation loss | — | — | — | — | — | 151 | 151 |
| Net comprehensive income (loss) | 330,846 | — | 208,875 | (1,499,088) | 30,610 | (2,357,976) | (3,286,733) |
| Total assets | 11,019,701 | 5,416,951 | 3,219,590 | 3,785,376 | 1,064,059 | 12,202,325 | 36,708,002 |
| Total liabilities | 534,733 | 2,429,915 | 41,601 | 1,898,966 | — | 2,339,299 | 7,244,514 |

Liquidity and Capital Resources

| | For the Years Ended | |
|---|---------------------|--------------|
| | December 31, | |
| | 2022 | 2021 |
| | \$ | \$ |
| Cash provided by (used in): | | |
| Operating activities | 226,952 | (3,391,341) |
| Investing activities | (2,775,681) | (14,885,244) |
| Financing activities | (273,287) | 24,924,889 |
| Effect of foreign exchange on cash | (237,730) | (584) |
| Net change in cash during the period | (3,059,746) | 6,647,720 |

As at December 31, 2022, the Company had current assets of \$4,762,951 and current liabilities of \$4,111,035, resulting in a working capital surplus of \$651,916 (2021 – working capital surplus of \$9,989,993).

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as at the date of this MD&A.

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

Related Party Transactions

During the year ended December 31, 2022, certain expenses were paid on the Company's behalf by A.C.N. 117 402 838 PTY LTD ("ACN"), which is a related party by virtue of its shareholdings in the Company.

The balance of \$1,966,604 payable to related party as at December 31, 2022 represents the amount advanced under a line of credit provided by ACN on December 22, 2017 (2021 – \$1,966,604). The available line of credit totals \$4,000,000, is unsecured, bears interest at 12% per annum and was repayable on December 31, 2022. Interest on the line of credit can be waived at any point at the sole discretion of ACN. ACN has waived the interest charge on the line of credit for the year ended December 31, 2022. During the year, the Company did not obtain an additional loan or make repayments (2021 – additional loan of \$76,760 and repayment of \$1,678,779).

Subsequent to year end, the Company renewed its line of credit with ACN for a further 54-month term ending in June 30, 2026. The renewed line of credit is a revolving credit facility available to fund general corporate purposes with a maximum principal amount of \$1,769,943. The line of credit bears interest at a rate of 12% per annum, payable monthly in arrears, together with a minimum monthly repayment of principal amount outstanding of \$32,777. As consideration for renewing the line of credit, the Company repaid \$196,660 of the principal amount outstanding of \$1,966,604 under the previous line of credit on January 3, 2023.

On May 4, 2021, an employee of the Company exercised 10,000,000 stocks options. These options had an exercise price of CAD \$0.05 per stock option. The Company recorded an amount receivable from the employee for half of the exercised stock options with the amount to be repaid in full no later than May 2022. Interest equal to 2% above the prime rate of interest charged by Royal Bank of Canada per annum on Canadian dollar commercial loans was charged by the Company to the employee on the amount receivable. As at December 31, 2022, the employee had repaid the amount receivable and accrued interest. The Company earned interest income related to this loan during the year ended December 31, 2022 of \$4,578 (2021 – \$7,143).

Key Management Remuneration

Management fees, salaries and wages comprise amounts paid to key management personnel, including officers and directors of ACN, for services provided. Key management remuneration paid to key management personnel and directors during the year ended December 31, 2022 was \$486,971 (2021 – \$456,648).

On February 3, 2021, the Company granted an aggregate of 10,000,000 stock options under the Company's stock option plan to directors of the Company. These options have an exercise price of CAD\$0.10 per stock option, and an expiry date of February 3, 2031. All of the options vested immediately. Share based compensation of \$821,091 was recorded related to these options during the year ended December 31, 2021.

On May 3, 2021, the Company granted 2,000,000 stock options under the Company's stock option plan to an officer of the Company. These options have an exercise price of CAD\$0.28 per stock option, and an expiry date of May 3, 2031. The options vest in equal 25% tranches in each of August 2021, March 2022, October 2022 and May 2023. Share based compensation of \$149,161 was recorded related to these options during the year ended December 31, 2022 (2021 – \$284,087).

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

Key Management Remuneration (continued)

On June 17, 2022, the Company granted 5,000,000 stock options under the Company's stock option plan to an officer of the Company. 2,500,000 of these options have an exercise price of CAD\$0.05 per stock option and 2,500,000 of these options have an exercise price of CAD\$0.10. These options have an expiry date of June 17, 2032. The options vest in equal 25% tranches in each of September 2022, April 2023, November 2023 and June 2024. Share based compensation related to these options during the year ended December 31, 2022 was \$88,405.

The Company paid directors fees, which are recorded under management fees, salaries and wages expense, of \$66,564 during the year ended December 31, 2022 (2021 – \$49,288).

Included in trade payable and accrued liabilities was \$2,211 payable to the directors of the Company for the director fees for the year ended December 31, 2022 (2021 - \$16,219).

The remuneration of key management personnel paid by ACN on the Company's behalf during the year ended December 31, 2022 was \$287,251 (2021 – \$307,740).

Business Risks and Uncertainties

There are a number of risk factors that could impact the Company's ability to successfully execute its key strategies and may materially affect future events, performance or results. The risks and uncertainties described herein are not the only ones the Company faces. Additional risks and uncertainties, including those that the Company does not know about now or that it currently deems immaterial, could have a material adverse effect on the Company. If any of the following or other risks occurs, the Company's business, prospects, financial condition, results of operations and cash flows could be materially adversely impacted. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks. Risk factors relating to the Company include, but are not limited to, the factors set out below.

Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash, restricted cash and amounts receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

The Company's maximum exposure to credit risk at the end of any period is equal to the carrying amount of these financial assets as recorded in the consolidated statement of financial position. As at December 31, 2022, no amounts were held as collateral.

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

Business Risks and Uncertainties (continued)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company scaling to become profitable or raising additional equity in excess of anticipated cash needs. The Company's cash is held in corporate bank accounts available on demand.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk. These are discussed further below.

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. The Company is not exposed to significant interest rate risk relating to its loans payable and accounts payable. The interest rate on the loans payable is fixed, and the accounts payable are not subject to any interest. A 10% change in the interest rate would not result in a material impact on the Company's operations.

Foreign Currency Risk

As at December 31, 2022, portions of the Company's financial assets and liabilities are held in USD and CAD. The Company's objective in managing its foreign currency risk is to minimize its net exposure to foreign currency cash flows by transacting, to the greatest extent possible, with third parties in Canadian dollars. The Company does not currently use foreign exchange contracts to hedge its exposure of its foreign currency cash flows as management has determined that this risk is not significant at this point in time. The following amounts are presented in USD to demonstrate the effect of changes in foreign exchange rates:

| | December 31, 2022 |
|---|--------------------------|
| | \$ |
| Canadian dollar-based net assets | 2,907,600 |
| Effect of a +/- 10% change in exchange rate | 378,003 |

Digital Currency and Risk Management

Digital currencies are measured based on their fair values, determined using the daily weighted close price for the digital currency on www.bitcoincharts.com and www.coinmarketcap.com. Digital currency 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 currencies; in addition, the Company may not be able to liquidate its inventory of digital currency at its desired price if required. A decline in the market prices for digital currencies could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its digital currency sales.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to any significant price risks with respect to its financial instruments.

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

Business Risks and Uncertainties (continued)

Market Risk for Securities

The Company is a reporting issuer whose common shares are listed for trading on a stock exchange. There can be no assurance that an active trading market for the Company's common shares will be sustained in the future. The market price for the Company's common shares could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, 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.

Global Economic Risk

Economic slowdown and downturn of global capital markets would make raising of capital through equity or debt financing more difficult. The Company will be dependent upon capital markets to raise additional financing in the future. The Company is subject to liquidity risks in meeting developmental and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Company's ability to raise equity or obtain loans and other credit facilities in the future and on terms favorable to the Company and its management. If uncertain market conditions persist, the Company's ability to raise capital could be jeopardized resulting in an adverse impact on the Company's operations and the price of the Company's common shares.

Share Price Volatility Risk

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly cryptocurrency companies, like the Company, have experienced wide fluctuations that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

Capital Management

The Company's objectives when managing its capital are:

1. To maintain a flexible capital structure that optimizes the cost of capital at acceptable risk while providing an appropriate return to its shareholders;
2. To maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business;
3. To safeguard the Company's ability to obtain financing should the need arise; and
4. To maintain financial flexibility in order to have access to capital in the event of future capital acquisitions.

The Company manages its capital structure and makes adjustments to it in accordance with the objectives stated above, as well as responds to changes in economic conditions and the risk characteristics of the underlying assets. The Company monitors the return on capital, which is defined as total shareholders' equity. The Company is not subject to externally imposed capital requirements.

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

Current Market Conditions

The average price of Bitcoin decreased in Q4 2022, with the average price decreasing from \$19,527 as at September 30, 2022 to \$16,570 as at December 31, 2022.



(Source: <https://bitinfocharts.com/comparison/bitcoin-price.html#1y>).
*The Company holds no liability for any inaccurate data.

Bitcoin difficulty increased in Q4 2022.



(Source: <https://bitinfocharts.com/comparison/bitcoin-difficulty.html#1y>).
*The Company holds no liability for any inaccurate data.

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

Critical Accounting Policies and Estimates

The Company has prepared the accompanying consolidated financial statements in accordance with International Financial Reporting Standards (“IFRS”). Significant accounting policies and estimates are described in Note 3 of the Company’s consolidated financial statements as at and for the year ended December 31, 2021.

The preparation of consolidated financial statements in conformity 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 expenses during the reporting period. Actual outcomes could differ from these estimates.

Significant Accounting Judgments and Estimates

The Company is in the business of digital currencies, many aspects of which are not specifically addressed by current IFRS guidance. The Company is required to make judgments as to its accounting policies under IAS 8. The Company has disclosed its presentation, recognition and derecognition, and measurement of digital currencies, and the recognition of revenue as well as significant assumptions and judgments, however, if specific guidance is enacted by the IASB in the future, the impact may result in changes to the Company’s income and financial position as presented. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Information about estimates made in applying accounting policies that could potentially have an effect on the amounts recognized in the consolidated financial statements, are discussed below:

(a) *Useful Lives and Residual Values of Property and Equipment*

Management determines the estimated useful lives and residual values of property and equipment for calculating depreciation. This estimate is determined after considering expected usage of the assets or physical wear and tear. Management reviews the useful lives and residual value annually and future depreciation charges are adjusted where management believes the useful lives differ from previous estimates.

(b) *Going concern*

The assessment of the Company’s ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and to meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

Significant Accounting Judgments and Estimates (continued)

(c) Share Based Compensation

The Company estimates the cost of equity-settled share based compensation using the Black-Scholes option pricing model. The model takes into account an estimate of the expected life of the option, the current price of the underlying common share, the expected volatility, an estimate of future dividends on the underlying common share, the risk-free rate of return expected for an equity instrument with a term equal to the expected life of the option, and the expected forfeiture rate.

(d) Income Taxes

The Company is subject to income tax assessment in multiple jurisdictions. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken in the ordinary course of business for which the ultimate tax determination is uncertain.

The Company recognizes liabilities based on the Company's current understanding of tax laws as applied to the Company's circumstances.

Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

The Company computes an income tax provision in each of the jurisdictions in which it operates. Actual amounts of income tax expense only become final upon filing and acceptance of the tax return by the relevant authorities, which occur subsequent to the issuance of these consolidated financial statements. Additionally, estimating income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the ability to use the underlying future tax deductions against future taxable income before such deductions expire. The assessment is based upon existing tax laws and estimates of future taxable income. To the extent estimates differ from the final tax return, earnings would be affected in a subsequent period.

(e) Revenue Recognition

The Company recognizes revenue from the provision of transaction verification services withing digital currency networks, commonly described as "mining". As consideration for these services, the Company receives digital currencies from the mining pools in which it participates. Revenue is recognized when the Company receives payouts from the mining pools in which it participates.

For hosting and other services contracts, the Company has determined that the substance of the service contracts is provision of services under IFRS 15 Revenue from Contracts with Customers. Revenue is recognized only when the amount of the contract and separate performance obligations are identified, the transaction can be measured reliably, the transaction price can be allocated to the performance obligations, and the performance obligations is satisfied. Accordingly, the Company has determined that revenue should be recognized as the provision of services under the contract is completed.

The Company recognizes revenue from the sale of mining equipment once the risks and rewards of ownership of equipment are transferred to the customer and it is probable that the economic benefits associated with the sale contract will flow to the Company.

Determination of separate elements under the terms of the contract and completion of performance obligation may be subject to significant judgment exercised by management.

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

Significant Accounting Judgments and Estimates (continued)

(f) Business Combination and Goodwill

Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert or management may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. The evaluations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. Goodwill is assessed for indicators of impairment at each reporting date and is tested annually or whenever events or changes in circumstances indicate that the carrying amount of goodwill exceeds its recoverable amount.

(g) Functional Currency

The functional currency of the Company and its subsidiaries has been assessed by management based on consideration of the currency and economic factors that mainly influence the Company's digital currencies, production and operating costs, financing and related transactions. Specifically, the Company considers the currencies in which digital currencies are most commonly denominated and expenses are settled by each entity as well as the currency in which each entity receives or raises financing. Changes to these factors may have an impact on the judgment applied in the determination of the Company's functional currency. The application of the Company's accounting policies requires management to use estimates and judgments that can have significant effect on the revenues, expenses, comprehensive income, assets and liabilities recognized and disclosures made in the consolidated financial statements.

(h) Impairment of Non – Financial Assets

The Company uses judgment in determining the grouping of assets to identify its CGUs for the purposes of testing for impairment of property and equipment and intangible assets. In testing for impairment of intangibles with indefinite lives, these assets are allocated to the CGUs to which they relate. Furthermore, on a quarterly basis, judgment has been used in determining whether there has been an indication of impairment, which would require the completion of a quarterly impairment test, in addition to the annual requirement.

The evaluation of asset carrying values for indications of impairment includes consideration of both external and internal sources of information, including such factors as the relationship between mining rewards and the required computing power, digital currency prices, the periodic contribution margin of digital currency mining activities, changes in underlying costs, such as electricity, and technological changes.

When required, the determination of FVLCD and VIU requires management to make estimates and assumptions about digital currency prices, required computing power, technological changes and operating costs, such as electricity. The estimates and assumptions are subject to risk and uncertainty; hence, there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances some or all of the carrying value of the assets may be further impaired or the impairment charge reduced with the impact recorded in the consolidated statement of loss and comprehensive loss. Impairment charges recognized during the year ended December 31, 2022 were \$4,704,654 (2021 – Nil).

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

Significant Accounting Judgments and Estimates (continued)

(i) Digital Currencies

Digital currencies generally meet the relatively wide definition of an intangible asset, as they are identifiable, lack physical substance, are controlled by the holder and give rise to future economic benefits for the holder.

Intangible assets should be accounted for under IAS 38, except when they are within the scope of another standard (e.g., crypto-assets that meet the definition of a financial asset under IAS 32 or crypto-assets held for sale in the ordinary course of business under IAS 2).

(j) Digital Currencies Valuation

Management has determined that revenues should be recognized as the fair value of digital currencies received in exchange for mining services on the date that digital currencies are received and subsequently measured as an intangible asset. Digital currencies consist of cryptocurrency denominated assets and are included in current assets. Digital currencies are carried at their fair value determined by the spot rate less costs to sell. The digital currency market is still a new market and is highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices for digital currencies would have a significant impact on the Company's earnings and financial position. Fair value is determined by taking the price of the digital currencies from www.bitcoincharts.com and www.coinmarketcap.com.

(k) Decommission Cost

The Company has recognized a provision for decommissioning obligations associated with the lease assets. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle from the site and the expected timing of those costs.

(l) Contingencies

Contingencies can be either possible assets or liabilities arising from past events which, by their nature, will be resolved only when one or more uncertain future events occur or fail to occur. Such contingencies include, but are not limited to, litigation, regulatory proceedings, tax matters and losses resulting from other events and developments. The assessment of the existence and potential impact of contingencies inherently involves the exercise of significant judgment regarding the outcome of future events.

Changes in Accounting Standards

Standards, Amendments and Interpretations Issued but not yet Adopted

The following new standards, amendments and interpretations have been issued but are not effective for the fiscal year ended December 31, 2022 and, accordingly, have not been applied in preparing these consolidated financial statements.

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

Changes in Accounting Standards (continued)

Standards, Amendments and Interpretations Issued but not yet Adopted (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. The Company is currently assessing the impact of the amendments.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company's consolidated financial statements.

IAS 12: Amendment to IAS 12, Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

In May 2021, the IASB issued targeted amendments to IAS 12 – Income Taxes to specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations. In specified circumstances, companies are exempt from recognizing deferred tax when they recognize assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations transactions for which companies recognize both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognize deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations. The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with early application permitted. The Company is assessing the potential impact of the amendment.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

Changes in Accounting Standards (continued)

Standards, Amendments and Interpretations Issued but not yet Adopted (continued)

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 (continued)

The amendments to IAS 1 are applicable for annual periods beginning on or after January 1, 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

New and Amended Accounting Pronouncements

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2022. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no impact on the consolidated financial statements of the Company as there were no onerous contracts.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or International Financial Reporting Interpretations Committee ("IFRIC") 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

Changes in Accounting Standards (continued)

New and Amended Accounting Pronouncements (continued)

Reference to the Conceptual Framework – Amendments to IFRS 3 (continued)

These amendments had no impact on the consolidated financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (“PP&E”), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the consolidated financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

IFRS 9 Financial Instruments – Fees in the ‘10 per cent’ Test For Derecognition of Financial Liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the consolidated financial statements of the Company as there were no modifications of the Company’s financial instruments during the period.

Forward-Looking Statements

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company’s future performance. All statements, other than statements of historical fact, may be forward-looking statements.

CRYPTOSTAR CORP.
Management Discussion and Analysis
For the Year Ended December 31, 2022
(Expressed in U.S. dollars)

Forward-Looking Statements (continued)

Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “propose”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. The Company’s actual results could differ materially from those anticipated in these forward- looking statements as a result of various risk factors.

Some of the important factors, but certainly not all, that could cause actual results to differ materially from those indicated by such forward-looking statements are:

- i. That the information is of a preliminary nature and may be subject to further adjustment;
- ii. The possible unavailability of financing;
- iii. Start-up risks;
- iv. General operating risks;
- v. Dependence on third parties;
- vi. Changes in government regulation;
- vii. The effects of competition;
- viii. Dependence on senior management;
- ix. Impact of global economic conditions;
- x. Fluctuations in currency exchange rates and interest rates; and
- xi. Fluctuations in cryptocurrency prices.

Additional information relating to the Company is available on SEDAR at www.sedar.com.