

## **MINEHUB TECHNOLOGIES INC.**

### **Management's Discussion and Analysis**

For the financial years ended January 31, 2022 and 2021

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This Management Discussion and Analysis ("MD&A") is an overview of the activities of MineHub Technologies Inc. (the "Company" or "MineHub") and its subsidiaries for the financial years ended January 31, 2022 and 2021. In order to better understand the MD&A, it should be read in conjunction with the Company's audited consolidated financial statements and related notes for the years ended January 31, 2022 and 2021.

All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise. The effective date of this MD&A is May 31, 2022. This MD&A contains statements that constitute "forward-looking statements" and other cautionary notices (refer to "Forward Looking Statements and Estimates" on page 7).

#### **DESCRIPTION OF BUSINESS AND OPERATIONS**

The Company was incorporated on February 19, 2018 under the laws of British Columbia and has its registered office at Suite 1008, 550 Burrard Street, Vancouver, BC, Canada. The Company's head office is located at Suite 717, 1030 West Georgia Street, Vancouver, BC, Canada.

The Company's principal business is the development and operation of a technology platform for digital trade for the global mining and metals supply chain and related enterprise solutions. On September 7, 2021, the Company's common shares began trading on the TSX Venture Exchange ("TSX-V") under the ticker MHUB and in November 2021 on the OTCQB under the ticker MHUBF.

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and conditions of the Company and its operations in future periods.

#### *Technology Platform*

On July 3, 2018, the Company, along with a syndicate of strategic industry partners including Goldcorp Inc., ING Bank NV, Ocean Partners (USA), Inc), Wheaton Precious Metals Corp. and Kutcho Copper Corp. agreed to the terms of a syndicate letter. Under the terms and conditions of the syndicate letter, each syndicate member was issued 1,500,000 common shares in the capital of the Company in consideration for the provision of technical input and assistance to the Company for a two year period on a reasonable as needed basis, with the shares vesting over a three year period.

On December 18, 2018, the Company entered into an agreement with IBM to collaboratively develop the MineHub Platform to track and trace minerals from miners to end buyers. The Company has engaged and has been working with IBM Nederland B.V. and other various vendors to continue in the development process of the MineHub Platform.

On November 8, 2021 the Company announced the launch of its Trade Finance network application, available to all platform users. MineHub Trade Finance is a network application, bringing visibility, security and efficiency to financiers of commodity transactions, whilst digitising administration and communication between lenders and financiers. The MineHub trade Finance application connects borrowers to their financiers via a secure communication channel to request finance, receive and share relevant documents and information authenticated by third parties like service and logistics providers.

On November 16, 2021 the Company announced the launch of its Assay Exchange application for base metal supply chains. MineHub Assay Exchange is an enterprise application designed to digitalise and streamline the assay exchange process between buyer, seller and labs in base metal concentrates transactions. The application is integrated with the core MineHub Platform. The MineHub Platform has been designed to support the post trade operations for concentrate transactions, enabling users to streamline and digitalise one of the most operationally

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sensitive parts in the settlement process.

On November 24, 2021 the Company announced the launch of its Contract Management solution for supply chain transactions. MineHub Contract Management is an enterprise application that digitalises and streamlines administration of key contracts and the associated shipment and transaction terms. The blockchain technology underlying the MineHub platform provides the contract parties with an e audit trail of proposed and agreed amendments, as well as a shared view of progress and performance of the contract between them. The MineHub platform has been designed to support the post trade operations of commodity supply chain transactions.

On December 6, 2021 the Company announce the launch of its ESG solution for mining & metals supply chains. The MineHub ESG Solution enables its users to digitalise key aspects in the administration, certification and reporting of Environmental, Social and Governance (ESG) credentials, including direct and indirect carbon emissions, as related to the products they sell, buy and finance. The solution is integrated with the core MineHub platform and further increases the value of the MineHub platform at a time when ESG disclosure is of critical importance for all market participants and the industry as a whole.

On February 16, 2022, the Company and Kimura Capital LLP announced they have agreed to form a joint venture to develop a solution which will enable investors to syndicate their capital in providing trade finance to commodity supply chains. The Syndication Application is intended to leverage the MineHub blockchain platform and the recently launched MineHub Trade Finance and ESG applications to respectively reduce the credit risk and verify the ESG compliance. Investors with sustainable or impact investment goals will be able to verify the compliance of the transactions with their ESG criteria certified on the underlying blockchain platform.

Following the continued development of platform enterprise solutions, on May 17, 2022, MineHub announced that it now supports the full seaborne market by enabling container-based transactions and shipments on its blockchain-based platform for supply chains. By using the MineHub solution, users get real-time visibility of the location of their container shipments and other data points like shipment status and crucially, estimated time of arrival.

Full details of the launch of its latest enterprise solutions are contained in news releases available on the Company's website and on SEDAR on [www.sedar.com](http://www.sedar.com).

#### *Financings*

On March 1, 2021, the Company issued 200,000 common shares of the Company with a fair value of \$100,000 for prepaid services. On March 15, 2021, the Company issued 156,000 common shares of the Company with a fair value of \$78,000 for prepaid services.

On April 1, 2021, the Company issued 400,000 common shares of the Company at a price of \$0.375 per share for gross proceeds of \$150,000. The fair value of the shares was determined to be \$0.50 per share and accordingly, stock-based compensation expense of \$50,000 for the difference in fair value was recognized. On April 13, 2021, the Company issued 4,780,000 common shares of the Company at a price of \$0.50 for gross proceeds of \$2,390,000. In connection with the issuances, the Company incurred cash share issuance costs of \$14,950.

On June 10, 2021, the Company issued 9,200,000 subscription receipts ("Subscription Receipts") in connection with a brokered private placement of (the "Brokered Subscription Receipt Financing") and issued 919,350 Subscription Receipts in connection with a concurrent non-brokered private placement of (together with the Brokered Subscription Receipt Financing, the "Subscription Receipt Financing"). The Brokered Subscription Receipt Financing was led by Haywood Securities Inc., as lead agent, and included BMO Nesbitt Burns., Eventus Capital Corp., Canaccord Genuity Corp. and Red Cloud Securities Inc. (collectively, the "Agents"). In connection with the Subscription Receipt Financing, the Company issued an aggregate of 10,119,350 Subscription Receipts at a price of \$1.00 per Subscription Receipt and received aggregate gross proceeds of \$10,119,350. The gross proceeds from the sale of the Subscription Receipts, less certain fees and expenses of the Agents as described herein, were deposited into escrow and held by Odyssey Trust Company in a separate interest bearing account (the "Escrowed Funds") pursuant to a subscription receipt agreement dated June 10, 2021 (the "Subscription

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Receipt Agreement”), with such Escrowed Funds not to be released until the satisfaction of the Escrow Release Conditions (as defined in Subscription Receipt Agreement ) at which time the balance of the Escrowed Funds together with the interest earned therein would be accessible by the Company. Pursuant to the Subscription Receipt Agreement, upon satisfaction of the Escrow Release Conditions, each Subscription Receipt would be automatically converted and immediately thereupon cancelled, without any further action by the holder of such Subscription Receipt, and for no additional consideration, into one Common Share. The Company concurrently filed a prospectus with the securities regulatory authorities in each of the provinces of British Columbia, Alberta and Ontario (the “Qualifying Jurisdictions”) for the purpose of allowing MineHub to become a “reporting issuer” in each of the Qualifying Jurisdictions pursuant to applicable securities legislation. The Company applied for approval from the TSX Venture Exchange for the listing of its outstanding Common Shares, including the Common Shares underlying the Subscription Receipts.

In connection with the brokered private placement, the Company paid \$50,000 in cash and issued 50,000 common shares with a fair value of \$50,000 to finders and incurred legal costs totaling \$95,183 in connection with the placement.

On August 26, 2021, the Company satisfied the Escrow Release Conditions relating to the private placements including the acceptance of the Company's final prospectus dated August 18, 2021, and conditional approval from the TSX-V to list the issued and outstanding common shares of the Company. Accordingly, 10,119,350 common shares were issued to the holders of the subscription receipts and \$9,391,647 in cash was released from escrow, which represents the net proceeds after accounting for additional cash agents and other fees of \$727,703.

On August 26, 2021 and September 3, 2021, also in connection with the close of the private placement, the Company granted 527,800 and 72,000 agent warrants, respectively, at an exercise price of \$1.00 per share with an expiry date two and one years from the grant date, respectively.

On September 1, 2021, the Company settled \$125,000 in principal and \$8,305 in interest in exchange for 266,600 common shares with a fair value of \$138,739.

On December 8, 2021, the Company issued 20,000 common shares with a fair value of \$5,000 and 10,000 share purchase warrants pursuant to the conversion of \$5,000 in principal of convertible debt.

During the year ended January 31, 2022, the Company issued 162,523 common shares pursuant to the exercise of 162,523 warrants at an exercise price of \$0.50 per warrant for gross proceeds of \$125,023. Pursuant to the exercise, a fair value reallocation between reserves and share capital in the amount of \$38,301 was made.

During the year ended January 31, 2022, the Company issued 28,750 common shares pursuant to the exercise of 28,750 options exercise prices of \$0.25 and \$0.50 per option for gross proceeds of \$8,125. Pursuant to the exercise, a fair value reallocation between reserves and share capital in the amount of \$5,996 was made.

On April 1, 2022, MineHub closed a private placement for gross proceeds of \$3,150,000. The Company issued 3,500,000 units at a price of \$0.90 per unit. Each unit is comprised of one common share and one half of one share purchase warrant. Each warrant is exercisable into a common share for 2 years at a price of \$1.50 per common share. The Company paid cash fees of \$146,250 to eligible finders and issued 162,500 non-transferable finder warrants having the same exercise terms as the purchaser warrants.

### **OVERALL PERFORMANCE**

MineHub has incorporated with the view to developing a platform for digital trade in the mining and metals supply chain built on blockchain technology. The Company's activities to date have been focused on progressing the development of the program and related enterprise solutions. Since incorporation, the Company has financed its growth through equity and debt financing. To date, the monies raised have been expended on the development of its programs and corporate overhead costs.

The performance of the company to date has been dictated by the extent of development activities in the periods under discussion and do not necessarily indicate future trends in spending or financial requirements.

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**SELECTED ANNUAL INFORMATION**

	Year ended January 31, 2022	Year ended January 31, 2021	Year ended January 31, 2020
Revenue	\$ -	\$ 67,367	\$ -
Net and comprehensive loss	(9,647,561)	(3,245,595)	(4,045,836)
Net loss per share (basic and diluted)	(0.18)	(0.08)	(0.13)
Total assets	3,815,064	845,097	57,325
Total non-current financial liabilities	-	752,547	-

The Company has recorded losses in each of its three most recently completed fiscal periods and expects to continue to record losses until such time as its platform is fully commercialized. The period-to-period variations resulted from the extent of expenditures on the development of the platform.

**RESULTS OF OPERATIONS AND FINANCIAL SUMMARY**

**Results of operations for the year ended January 31, 2022**

The net losses for the year ended January 31, 2022 and 2021 are summarized below:

	Year ended January 31, 2022	Year ended January 31, 2021
Revenue	\$ -	\$ (67,367)
Administration services	64,500	70,000
Consulting	1,495,364	56,419
Finance expense	473,215	78,430
Interest expense	275,777	111,585
Development costs	3,638,697	1,665,896
Licence fee	-	158,905
Management fees	704,912	463,994
Marketing	419,105	10,221
Office and miscellaneous	525,521	95,505
Payroll expenses	484,129	67,080
Professional fees	500,878	213,993
Regulatory fees	121,096	1,124
Stock-based compensation	903,644	351,701
Travel	7,861	8,849
Foreign exchange (gain) loss	18,562	4,476
Loan discount	-	(45,216)
Loss on debt settlement	14,300	-
Loss for the period	\$ 9,647,561	\$ 3,245,595

The overall increase in expenditures in 2022 compared with 2021 resulted from increased development and general corporate activities consequent to the listing of the Company on the TSX-V and the concurrent financing, which allowed the Company to expand its operations.

The increased development costs incurred in 2022 were due to the Company engaging IBM Netherlands and other vendors to continue the development work of the Company's platform. Management fees increased in 2022 as a result of some changes in management. Correspondingly, the Company employed additional staff, hence the higher payroll and consulting costs in 2022 compared to 2021. Finance and interest expenses relate to debt financing raised in prior fiscal periods and other financing costs described above. Office costs and professional fees, comprising legal and accounting costs, increased in 2022 over the comparative fiscal year due to increased

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corporate activity. Stock-based compensation relates to the valuation of stock options granted to directors, officers, employees and consultants.

**Results of operations for the quarter ended January 31, 2022**

The net losses for the three months ended January 31, 2022 and 2021 are summarized below:

	Three months ended January 31, 2022	Three months ended January 31, 2021
Revenue	\$ -	\$ (19,721)
Administration services	15,000	16,000
Consulting	605,461	8,890
Finance expense	113,832	28,630
Interest expense	33,699	44,240
Development costs	1,582,734	740,340
Licence fee	-	158,905
Management fees	160,481	148,104
Marketing	59,065	1,194
Office and miscellaneous	237,314	52,699
Payroll expenses	227,666	34,855
Professional fees	101,481	103,326
Regulatory fees	26,440	224
Stock-based compensation	288,218	251,519
Travel	6,364	-
Foreign exchange (gain) loss	21,341	(21,033)
Loan discount	-	-
Loss on debt settlement	(118,995)	-
Loss for the period	\$ 3,360,101	\$ 1,548,172

The overall increase in expenditures over the comparative resulted from an increase in corporate and technology development activities, in line with the overall activities and related costs for the year as described previously.

**SUMMARY OF QUARTERLY RESULTS**

Quarter ended	Net loss	Net loss per share (Basic and diluted)
January 31, 2022	\$ (3,360,100)	(0.06)
October 31, 2021	(2,853,679)	(0.04)
July 31, 2021	(1,872,987)	(0.03)
April 30, 2021	(1,560,795)	(0.03)
January 31, 2021	(1,502,956)	(0.04)
October 31, 2020	(1,191,483)	(0.03)
July 31, 2020	(277,911)	(0.01)
April 30, 2020	(273,245)	(0.01)

The variances in the quarterly net losses resulted generally from variances in contractual obligations related to development costs incurred in the relative quarter.

**CAPITAL RESOURCES AND LIQUIDITY**

The Company's activities have primarily been funded to date through the issuance of Common Shares pursuant to private placements and various loans as mentioned above. As at January 31, 2022, the Company had cash of

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\$2,940,996 and working capital of \$1,910,750.

The Company used \$8,588,083 of cash towards operating expenses during the year ended January 31, 2022, compared with \$2,871,742 in the comparative fiscal period of 2021. The Company raised an aggregate of \$11,072,900 in net proceeds from non-brokered private placements and other funding during the year ended January 31, 2022 after repaying a short-term debt of \$831,712 (year ended January 31, 2021 – net \$3,293,360) as described above.

The Company will need additional funding for its project, corporate and overhead expenses in the near future. Management is continually assessing the Company's cash needs and potential sources of financing but recognizes there may be some difficulty obtaining such financing due to the current market conditions. There can be no certainty that such additional funds may be raised when required.

### **RISKS AND UNCERTAINTIES**

Due to risks and uncertainties, including the risks and uncertainties identified below and elsewhere in this MD&A, actual events may differ materially from current expectations.

The Company currently depends on raising additional capital to fund ongoing operations. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such financing could result in a material adverse effect, delay or indefinite postponement of further exploration and development of our projects. Further, any additional financing by the Company may subject existing shareholders to substantial dilution.

Technology companies face a variety of risks and, while unable to eliminate all of them, The Company aims at managing and reducing such risks as much as possible. Few Companies with new innovative projects successfully achieve commercial implementation, due to factors that cannot be accurately be predicted or anticipated, and even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed.

The Company is at risk from changes in general economic conditions and financial markets, changes to favorable tax incentives, grants, loan guarantees and investment tax credits, changes in technology, and operational hazards in the Company's development activities, the timing and availability of financing, governmental and other approvals, and other risk factors listed from time to time by the Company. The Company may have difficulty in attracting and retaining suitable employees. These factors may impact upon the Company's ability to finance its programs and to carry out operations.

### **TRANSACTIONS WITH RELATED PARTIES**

The Company's key management personnel have authority and responsibility for overseeing, planning, directing and controlling the activities of the Company and consist of the Company's Board of Directors and the executive leadership team. At January 31, 2022, the executive leadership team consisted of Vince Sorace, Executive Chairman, Arnoud Starr Busmann, CEO, Mathijs Bulten, COO, Gavin Cooper, CFO and Hugh Halford-Thompson, VP Product. Related party transactions are as follows:

	<b>Year Ended January 31,</b>	
	<b>2022</b>	<b>2021</b>
Administrative services	\$ 64,500	\$ 70,000
Management fees	692,252	463,994
Payroll expenses	129,938	41,672
	<b>\$ 886,690</b>	<b>\$ 575,666</b>

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Key management compensation is as follows:

	<b>Year Ended January 31,</b>	
	<b>2022</b>	<b>2021</b>
Aggregate cash compensation	\$ 886,690	\$ 575,666
Stock-based compensation	401,237	181,286
	<b>\$ 1,287,927</b>	<b>\$ 756,952</b>

At January 31, 2022, included in accounts payable and accrued liabilities is \$7,652 (2021 - \$Nil) due to directors and officers or companies controlled by directors and officers. These amounts are unsecured, non-interest bearing and have no fixed payment terms.

### **CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION**

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

### **FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

Financial instruments carried on the statement of financial position include cash, amounts receivable, accounts payable and accrued liabilities, loans and convertible debentures. The fair value of the remaining instruments approximates their carrying value. The Company does not have any hedging activities.

### **OUTSTANDING SHARE DATA**

The authorized capital of the Company consists of an unlimited number of Common Shares.

At the effective date of this MD&A, the Company had 65,013,493 Common Shares, 5,695,000 stock options, expiring between September 1, 2025 and February 1, 2027, and 7,752,721 purchase warrants outstanding. If all stock options and warrants were exercised, a total of 78,461,214 Common Shares would be issued and outstanding.

### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company does not have any off-balance sheet arrangements which may affect the Company's current or future operations or conditions.

### **INVESTOR RELATIONS**

The Company has engaged Native Ads, Inc. and Independent Trading Group to provide promotional and investor relations services.

### **FORWARD LOOKING STATEMENTS AND ESTIMATES**

Except for statements of fact related to the Company, certain statements made herein may constitute "Forward-Looking Statements". These include, but are not limited to, statements respecting anticipated business activities, planned expenditures, corporate strategies, and investigation and acquisition of new projects. Forward-looking statements are frequently characterized by words such as "plan," "expect," "project," "intend," "believe," "anticipate," and other similar words, or statements that certain events or conditions "may" or "will" occur. Although the Company believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements. Forward looking statements are based on the beliefs, opinions and estimates of management at the date the statements are made, current expectations at that date - and these by their inherent nature entail various risks, uncertainties and other unknown factors. Consequently, there can be no assurance that such statements will prove to be accurate, and actual results and future events could differ

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materially from those anticipated in such statements. Some important factors that could cause actual results to differ from these forward-looking statements include those described under the heading "Risks and Uncertainties" contained immediately before this section. Therefore the reader is cautioned not to place undue reliance on forward-looking statements. Further, the Company disclaims any obligation or intention to update or to revise any forward-looking statement, whether as a result of new information, of future events, or otherwise except as may be required under applicable securities legislation.

**APPROVAL**

The Board of Directors of the Company has approved the disclosure contained in this management discussion and analysis.

**DISCLAIMER**

The information contained within this discussion, by its very nature, is not a thorough summary of all matters and developments concerning the Company. This information should be considered with all of the disclosure documents of the Company. The information contained herein is not a substitute for a detailed investigation or an analysis of any issue related to the Company. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented. Further, certain data included in this document may be historical in nature. Consequently, it may not have been verified by the Company's technical staff, and therefore it should not be relied upon.

**ADDITIONAL INFORMATION**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com).