DMG BLOCKCHAIN SOLUTIONS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2025
(All amounts expressed in Canadian Dollars, unless otherwise stated)

This management's discussion and analysis ("MD&A") of the operating results and financial position of DMG Blockchain Solutions Inc. (the "Company" or "DMG") is for the year ended September 30, 2025. The MD&A provides a detailed account and analysis of the Company's financial and operating performance for the period. The Company's functional and reporting currency is the Canadian dollar. This MD&A should be read in conjunction with the Company's consolidated financial statements dated September 30, 2025, which contains the consolidated financial statements for the Company's year ended September 30, 2025 and 2024, and other corporate filings available at www.sedarplus.ca ("SEDAR+"). Management is responsible for the financial statements referred to in this MD&A and provides officers disclosure certifications filed on SEDAR+. The Audit Committee reviews the financial statements and MD&A and recommends approval to the Company's Board of Directors.

This MD&A is current as at December 17, 2025.

DESCRIPTION OF THE BUSINESS

DMG Blockchain Solutions Inc. is a sustainably focused, vertically integrated digital asset and data center technology company that mines bitcoin as well as develops, operates and manages end–to-end digital solutions to monetize the digital asset and artificial intelligence (AI) compute ecosystems. Focusing on its strategy and vision for digital asset and AI technologies, the Company strives to maximize the value it creates from all of its assets – from its Christina Lake, British Columbia-based data center facility, which includes its own substation, to its Systemic Trust Company subsidiary and Blockseer software platform, along with the continued strategic investments the Company has made and continues to make. The business lines are referred to as Data Center Infrastructure (Core) and Digital Asset Software and Services (Core+).

DMG's DATA CENTER INFRASTRUCTURE BUSINESS (CORE)

Christina Lake, BC Data Center Facility

DMG operates its data center in Christina Lake, BC. The data center is 100% owned by DMG and includes its 85-megawatt substation and 27,000 square foot building on a 33-acre property. Owning this asset gives the Company advantages in power infrastructure, which is the foundation of any data center operation. By owning its infrastructure, DMG is not only independent from leases and landlords but also avoids the need to draw energy from the community where it operates its data centers.

DMG is making a transition from utilizing air-cooled infrastructure to the latest generation of direct liquid cooling (DLC) technologies, which include immersion cooling and hydro. DLC is an operational advance, as it allows for significantly improved heat transfer rates and an associated ability to increase hardware performance. DMG's objective for adopting DLC technology is to increase energy efficiency as well as be able to access the industry's most advanced silicon technology.

In May 2023, DMG purchased the first set of long lead-time dry cooler equipment that can support up to 12 megawatts of DLC capacity. Subsequently, the Company reevaluated its stance on DLC technology types. While it believes single-phase immersion cooling is likely to be one of the DLC approaches that will be utilized for future Bitcoin mining data centers, the Company now expects the hydro DLC approach to most likely lead and become a harmonizing cooling technology used for both Bitcoin mining and AI compute. As such, the Company wrote down $355,989 of capitalized assets in the June 2025 quarter associated with immersion cooling development. Some of these capitalized assets may be repurposed for DMG's focus on Hydro DLC technology.

Hydro DLC uses purified water, which is typically mixed with glycol to prevent freezing, as its primary cooling agent rather than mineral oil (as is the case with single-phase immersion cooling), and the cooling agent interacts only with the mining chip (ASIC) or GPU devices via a "cold plate," where a copper or aluminum slab with a fluid circulating inside is attached to the device package using paste or a pad. The fluid that flows through the channels in the cold plate absorbs the heat from the devices.

In October of 2024, the Company purchased its first six megawatts of hydro mining containers, and in November 2024, it purchased 214 units of the Bitmain S21 Hydro and 1050 units of the Bitmain S21+ Hydro miners to fill the six megawatts of hydro mining containers. Combined, these generate approximately 0.4 EH/s of hashrate. DMG fully deployed these miners in May 2025.

For new DLC mining deployments, the Company intends to utilize commercially available solutions from established third-party vendors, while leveraging its existing power infrastructure. DMG expects to utilize the expertise developed for its first hydro DLC deployment for subsequent Bitcoin mining buildouts at its Christina Lake data center and for other Bitcoin mining sites as well as for potential future AI data centers.

To support longer term expansion, DMG continues to have ongoing discussions with multiple parties about new sites for both Bitcoin mining as well as AI data center applications. In May 2023, DMG announced it entered into a non-binding agreement that would result in development of a new data processing center site with access to low-cost renewable energy located in Canada in a province outside of British Columbia. DMG continues to pursue development and/or acquisition of other data center sites in both Canada and the United States.

In October 2024, DMG announced the signing of a Memorandum of Understanding with Malahat Nation's Economic Development Corporation to develop a total of 30 megawatts of AI data centers, evenly split between the two parties. DMG plans to develop its portion of the AI infrastructure at its Christina Lake facility, while Malahat will focus on expanding its infrastructure on its lands on Vancouver Island. Both parties are committed to using clean energy sources within British Columbia, aligning with the province's sustainability goals. Together, they emphasize the importance of Indigenous-owned and partnered technology projects powered by clean energy, ensuring that Indigenous communities, industry and government collaborate to deliver shared economic benefits to local communities while contributing to British Columbia's low-carbon future. The project will be managed through a general partnership led by DMG, subject to the execution of a definitive agreement between the parties, which is currently in development. It is expected that DMG will take responsibility for developing, managing and operating both data centers. The Company believes this

partnership has the potential to be a blueprint for similar development among Indigenous communities that could be replicated throughout Canada.

In October 2025, the Company announced an additional Memorandum of Understanding with Malahat Nation's Economic Development Corporation, stating the intent to create the Malahat-DMG Utility Limited Partnership - a Malahat majority-owned private and regulated utility that will provide electricity and natural gas to emerging clean technology and digital infrastructure projects on Malahat lands. Both Memorandums of Understanding are expected to result in definitive agreements, which, in tandem, would create the utility that, in turn, powers the AI data center facility and all community infrastructure located on Malahat Nation lands near Mill Bay, BC.

In December 2025, DMG announced an update to its Christina Lake AI development strategy. The Company intends to work with one or more partners to build Christina Lake into a world-class 50-megawatt critical IT load (CITL) liquid-cooled AI data center. DMG affirmed that, while bitcoin mining is expected to migrate from its Christina Lake facility, mining remains a part of the Company's future business strategy. DMG withdrew its previously set end-of-calendar-year hashrate target of 3 EH/s.

Digital Currency and Capital Management

The Company continues to actively focus on cash and crypto asset generation, with consideration of developing a dedicated digital currency treasury. Capital expenditures that enable new revenue and operational efficiencies are carefully reviewed, while Research and Development funds are allocated to furthering the Company's digital currency initiatives, including Systemic Trust, as detailed below. For future capital raising, the Company may utilize cash, raise additional debt or raise new equity capital with a focus on earning a return in excess of its cost of capital.

Geographical Expansion

In November 2025, DMG announced the signature of a letter of agreement and deposit paid to purchase real property located in Boardman, Oregon. The 27,600 square foot building is situated on 8 acres of leased land with an option to lease an additional adjacent lot of 10 acres. The building is currently connected to 3.75 megawatts of power, with DMG pursuing expansion discussions with the local utility. While the Company is focused in the shorter term on building out AI infrastructure and capitalizing on opportunities related to AI sovereignty in Canada, management views this acquisition as a step to position the Company for a larger, long-term opportunity in the US market.

DMG's DIGITAL ASSET SOFTWARE AND SERVICES (CORE+)

DMG's digital asset software and services strategy is based on delivering a platform to monetize Digital Asset Infrastructure and Transactions. Digital Asset Infrastructure Software provides the foundation for DMG's carbon neutral Bitcoin ecosystem by generating blocks for carbon neutral transactions to be placed on the Bitcoin blockchain. Digital Asset Transaction Applications in turn fill those blocks with transactions from financial institutions and content creators.

In early 2018, DMG acquired Datient Inc., a Silicon Valley-based technology company with a combination of data scientists and intellectual property that had created the Blockseer brand with its first product, Explorer, an analytics tool that enables tracking of cryptocurrency transactions on the Bitcoin and Ethereum blockchains. Now, the Company is continuing the development of the Blockseer platform focused on two distinct categories: Digital Asset Transaction Applications and Digital Asset Infrastructure Software. These products and services are anticipated to generate multiple streams of revenue from transaction monetization as well as software licensing. In an effort to consolidate the Company's corporate structure, a certificate of dissolution was filed and accepted for the Datient Inc. and DMG-US, Inc. legal entities during the year, with all remaining items, including Blockseer assets, transferred to DMG Blockchain Services Inc.

Digital Asset Transaction Applications

Systemic Trust: In February 2024, DMG announced it committed $3.5 million to establish a Calgary, Alberta based independent digital asset custody solution for institutional clients. Systemic Trust is a wholly owned subsidiary of DMG that, under Canadian securities legislation, meets the requirements of National Instrument 31-103 and National Instrument 81-102 for providing regulated digital asset custody services to registered entities. Systemic Trust utilizes institutional-grade wallet solutions and intends to serve a broad range of institutional clients, including financial institutions, asset managers, corporations and public sector organizations.

On August 6, 2024, the Company received approval from Alberta's Ministry of Treasury Board and Finance (ATBF) for the incorporation of Systemic Trust. On January 28, 2025, the Company announced Systemic Trust obtained a certificate of registration from ATBF to operate as a special purpose trust company under the Loan and Trust Corporations Act of Alberta to provide secure custody of digital assets for institutional clients such as crypto trading platforms, banks, asset managers, corporations and government agencies that either manage cryptocurrencies, or are seeking to expand their business into cryptocurrency services. Systemic Trust is executing its operational roadmap with an aim on customer growth and strengthening its infrastructure to support institutional scale. The business ended the year meeting the requirements of NI 31-103 to become a Qualified Custodian for certain registered entities. Management remains committed to establishing the regulatory and technical foundation necessary for future expansion and customer adoption.

DMG's capital commitment is another step towards fully realizing the monetization goals of its digital currency strategy and its mission to advance broader adoption by building credibility and trust in digital currency for investors. DMG is bringing together secure institutional wallet solutions leveraging Fireblocks technology, strong insurance policies, rigorous risk management practices, best in class off-exchange liquidity as well as innovative OFAC compliant and carbon neutral blockchain solutions to meet institutional demand. DMG continues to evaluate the need to provide additional capital to support the operational and regulatory requirements of Systemic Trust's business as it expands. Already acting as a regulated custodian for a portion of DMG's digital currency, the Systemic Trust team is focused on gaining customer adoption, ramping revenue and broadening its platform capabilities throughout the fiscal 2026 year.

Reactor.xyz: Purchased from Navier, Inc. in October 2024, Reactor.xyz ("Reactor") is a highly-optimized solution to automate and manage hashrate contracts. A hashrate contract allows Bitcoin miners, which typically sell hashrate directly to a Mining Pool Operator (MPO), to sell their hashrate to buyers willing to pay upfront for a specified term. These buyers are typically incentivized by a discount compared to what the

sellers would be expected to earn in bitcoin payouts over the contract period. For sellers, this arrangement provides faster access to payment, serving as a valuable treasury management tool akin to factoring receivables. Reactor's key enabling technology assures that the hashrate transferred from seller to buyer meets the contract's requirements for the entirety of its term. Unique to the software, for which there are several patent applications, is its balancing algorithm that assures consistent hashrate delivery. Having been developed and operating over the past several years, Reactor is a proven solution. The Company intends to further develop Reactor to optimize its use within its Blockseer platform with expected availability and integration into Terra Pool in the fiscal 2026 year.

Blockseer Explorer: Launched in 2015, Explorer is an analytics tool that enables the tracking of cryptocurrency on the Bitcoin and Ethereum blockchains. The Company has upgraded Blockseer Explorer for Bitcoin and is offering it as a general-purpose bitcoin transaction explorer with the ability to generate downloadable bitcoin transaction history activity for any given wallet as well as set up wallet activity alerts. The Company no longer intends additional development of Blockseer Explorer in the near term.

Digital Asset Infrastructure Software

Terra Pool (formerly Blockseer Mining Pool): Launched in June 2022, Terra Pool, the world's first carbon neutral Bitcoin mining pool, is a North American-based MPO dedicated to decentralizing the Bitcoin network and providing more transparency in the Bitcoin mining industry. As a key element of the Digital Asset Software and Services ecosystem, Terra Pool integrates with DMG's other Blockseer products, including Helm DCIM (data center infrastructure management) and WalletScore (real-time transaction compliance) to provide Bitcoin Computing Service Providers (CSPs) with not only quality operations data but also a new standard in mining compliance and governance. DMG is currently recruiting CSPs with the objective of onboarding them onto the Terra Pool platform.

Terra Pool operates on a Full-Pay-Per-Share (FPPS) payout system by which CSPs are paid for sale of their hashrate to their respective MPOs. With FPPS, Terra Pool pays its CSPs for their hashrate based upon a formula that is a function of their hashrate contribution as a percentage of the total Bitcoin network. The payout formula is based on the current network difficulty and the network transaction fees over a specific prior period to derive a payout for a given amount of purchased hashrate. The CSP's average hashrate during that period is multiplied by the calculated network payout per amount of hashrate. An amount may be deducted for MPO fees. Any block reward for blocks successfully mined by Terra Pool is earned by Terra Pool and added to its designated bitcoin wallets. Terra Pool was non-operational and did not generate revenue during the year. Management anticipates that Terra Pool, which is currently undergoing testing, will be returned to active market operation during the fiscal year ending September 30, 2026.

Helm DCIM: Launched in 2018, Helm DCIM assists Bitcoin Computing Service Providers (CSPs) to maximize overall Bitcoin mining fleet profitability. This real-time platform monitors key facility metrics, including individual and pooled hashrates, miner and facility temperature, power consumption as well as other data center facility network elements, allowing CSP staff to make real-time adjustments and repairs. DMG intends to continue to develop Helm DCIM into a comprehensive best-in-class tool for use with both air-cooled and DLC Bitcoin mining fleets that includes support for demand response programs, intelligent rules-based facility management, site mapping and asset management. These improvements have been internally deployed during the fiscal year, supporting DMG's mining operations within the Christina Lake facility. The

Company intends to offer this comprehensive version of Helm DCIM along with new enhancements to the broader market as part of an integrated solution with Terra Pool during the fiscal year ending September 30, 2026.

Blockseer Petra: The Company launched Petra in February 2023 on the Bitcoin mainnet. Petra enables financial institutions and others to place bitcoin transactions onto the blockchain via Terra Pool in a carbon neutral and regulatory compliant manner. We believe Petra will provide regulated financial institutions new options to become more directly involved with bitcoin. DMG has been working with its ecosystem partners including its Systemic Trust subsidiary and Fireblocks to enable a broader base of bitcoin holders to utilize Petra technology.

The Company's Petra technology has been utilized for Bitcoin-native digital artifacts known as ordinal inscriptions, which are unique digital assets assigned to individual satoshis. These inscriptions, enabled by the November 2021 Taproot Bitcoin soft fork and the Ordinals protocol launched in January 2023, offer a method to embed non-fungible characteristics onto the Bitcoin blockchain. DMG has historically performed several ordinal inscriptions using its Petra technology, generating revenue for services that, at times, exceeded market rates for transaction fees, including offchain payments. Notably, by leveraging Petra and Terra Pool, DMG provided the unique capability to inscribe larger ordinal file sizes (up to 4 megabytes) in a carbon-neutral manner, which appealed to content creators seeking both immutability and environmental considerations. While these activities have demonstrated the technical capabilities of Petra, this area of activity is currently considered inactive and is not anticipated to contribute materially to the Company's future revenue.

Blockseer WalletScore: Launched in 2018, the original version of WalletScore measured the propensity of a crypto wallet to engage in criminal activity, identifying wallets related to unusual activities such as funding crimes or money laundering. Currently, WalletScore's technology is the basis for filtering out in real-time nefarious transactions associated with blacklisted wallet addresses published by the U.S. Department of Treasury's Office of Foreign Assets Control (OFAC).

Blockseer Breeze: This software wallet product has been implemented on Terra Pool for use to distribute earned rewards to its CSPs. DMG has built upon its Breeze wallet implementation to launch Multi-Breeze, enabling the capability for content creators to post collections of digital artwork utilizing the Ordinals protocol to the Bitcoin blockchain, then transfer ownership of individual artwork pieces to new owners, enabling per ordinal rights transfer. Upon payment for inscription services of a collection of ordinals, DMG would transfer the Multi-Breeze wallet private key (i.e. ownership) to the content creator, who in turn would digitally sign each ordinal content sale transaction as they found buyers. Recipients of ordinal content from subsequent sales can still show provenance of their content back to the original block.

Bitcoin Market Trends

For the quarter ended September 30, 2025, compared to the quarter ended June 30, 2025, bitcoin price increased 16% (quarter average vs prior quarter average) to $157,445. Concurrently, the Bitcoin network hashrate and difficulty increased by 9% and 6% respectively (quarter average vs prior quarter average) to 961 EH/s and 129.9 trillion. Bitcoin mining network revenue per EH/s increased 10% from the prior quarter to $7.1 million on higher bitcoin pricing relative to the increases in network difficulty.

For the quarter ended September 30, 2025, compared to the quarter ended September 30, 2024, bitcoin price increased 89% (quarter average vs prior year quarter average). Concurrently, the Bitcoin network hashrate and difficulty respectively increased by 53% and 49% (quarter average vs prior year quarter average) from 629 EH/s and 87.0 trillion respectively. Bitcoin mining network revenue per EH/s increased 25% (quarter average vs prior year quarter average) from $5.7 million.

On a full year basis, for the year ended September 30, 2025, compared to the year ended September 30, 2024, bitcoin price increased 85% (year average vs prior year average) to $136,126. Concurrently, the Bitcoin network hashrate and difficulty respectively increased by 49% and 48% (year average vs prior year average) to 845 EH/s and 115.9 trillion respectively. Bitcoin mining network revenue per EH/s decreased 23% (year average vs prior year average) to $27.4 million.

Fluctuations are common, and entities within the industry need to be well-prepared to weather the volatility of Bitcoin mining economics to thrive.

In January 2024, the U.S. Securities and Exchange Commission (SEC) approved applications from multiple firms to create U.S.-listed spot bitcoin ETFs. These include some of the largest U.S. financial services firms such as Blackrock and Fidelity. These spot bitcoin ETFs have improved accessibility to, and market sentiment on bitcoin, potentially attracting new investors and continuing to have a positive impact on bitcoin price. On July 18, 2025, the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act) was signed into U.S. federal law, creating a comprehensive regulatory framework for stablecoins. Since then, the regulatory environment for cryptocurrency in the U.S. has continued to be favorable, with expected passage of additional legislation in calendar 2026. Secular demand drivers such as more individuals, investment funds, corporations including bitcoin and other digital assets in their retirement accounts, financial portfolios and digital asset treasuries could collectively be supportive of bitcoin pricing in the future.

Future changes in the Bitcoin network mining difficulty or hashrate may materially affect the future performance of DMG's production of bitcoin, and future operational results could also be materially affected by changes in the price of bitcoin as well as mining hashrate and difficulty. The most recent Bitcoin halvening (also referred to as halving) occurred on April 19, 2024 and the next halvening is expected to occur in early 2028. The halvening is a process designed to control the overall supply and reduce the risk of inflation in bitcoin. At a predetermined block, the mining block subsidy is cut in half. A Bitcoin halvening is scheduled to occur once every 210,000 blocks or roughly every four years until the total amount of newly issued bitcoin reaches 21 million, which is expected to occur around the year 2140. DMG believes that despite potential short-term decreases in profitability, the market variables of the Bitcoin network will adjust over time so that mining remains profitable, and thus DMG continues to make investments towards increasing its hashrate along with improving its overall mining fleet efficiency through the purchase of additional new technology miners.

ANNUAL HIGHLIGHTS

- On October 21, 2024, the Company signed a Memorandum of Understanding with Malahat Nation's Economic Development Corporation to develop a total of 30 megawatts of artificial intelligence data centers, evenly split between the two parties.
- On November 19, 2024, the Company closed an overnight marketed offering of 32,556,500 units at a price of $0.53 per unit for gross proceeds of $17,254,945.

- During the year, Systemic Trust Company, a wholly-owned subsidiary, received registration to operate as a special purpose trust company under the Loan and Trust Corporations Act (Alberta) with Alberta's Treasury Board and Finance, and subsequently met the requirements of National Instrument 31-103 and National Instrument 81-102 for providing regulated digital asset custody services to registered entities. Systemic Trust currently manages the custody of a portion of DMG's bitcoin treasury balance.
- On February 24, 2025, the Company announced an update to its AI infrastructure strategy with the purchase of 2-megawatts of Prefabricated Data Center ("PDC") infrastructure as well as the signing of a Memorandum of Understanding (MOU) to purchase an additional 8-megawatts of PDC infrastructure from an undisclosed counterparty. Since the signing of the MOU, the Company has announced making progress with respect to engaging Canadian public sector entities and private enterprises for off-take and colocation agreements, which will be instrumental in aiding the Company in pursuing non-dilutive financing opportunities.
- During the year ended September 30, 2025, the Company received 344.21 bitcoin (2024: 502.51) in its wallets from mining activity and ended the period with a balance of 342.36 bitcoin (2024: 386.72).
- The Company undertook a comprehensive miner inventory review to assess the efficiency and profitability of its legacy fleet and made the determination 1,828 miners were sufficiently worn or damaged beyond reasonable costs to repair, leaving 14,795 operating miners at year end (2024: 15,475).
- DMG experienced three days of curtailment of its non-firm energy supply during the year ending September 30, 2025.

OVERALL PERFORMANCE

Revenue has increased by $13,436,987 from $33,900,083 for the year ended September 30, 2024 to $47,337,070 for the year ended September 30, 2025. The increase in revenue is attributable to increases in digital currency mining revenues of $12,202,250. This increase is the result of a higher average bitcoin price and the Company's expansion of its mining operations with the purchase of Bitmain hydro miners and hydro mining containers, which increased the Company's mining performance relative to the upward difficulty adjustment of the Bitcoin network during the same period in the prior year. Hosting service revenue decreased to $574,343 in the year ended September 30, 2025 from $1,180,573 in the prior period. In the prior year, the Company earned $562,253 in software licensing income related to the termination of a software license agreement; the Company did not earn any revenue related to software licenses in the year ended September 30, 2025.

During the prior period the Company's Terra Pool made bitcoin payouts in excess of collected block rewards, resulting in a Net pool revenue loss of $2,362,742 for the year ending September 30, 2024. Terra Pool was non-operational during the year and did not contribute to Revenue or Net pool revenue for the year ending September 30, 2025.

Net loss increased by $5,038,407 from net loss of $5,229,562 for the year ended September 30, 2024 to a net loss of $10,267,969 for the year ended September 30, 2025. The change is primarily a result of the IFRS revaluation method applied to digital currencies, where unrealized gains that reverse prior period losses are applied to net income and unrealized gains in excess of the carrying value are applied to other comprehensive income. For the year ended September 30, 2025, the entire $21,671,555 unrealized revaluation gain for the year was recognized in other comprehensive income and did not contribute to a reduction in the Company's

net loss. For the year ended September 30, 2024, the total gross unrealized revaluation gain was $19,472,036; of this, $9,178,788 was recognized as a reduction of net loss and remaining revaluation gain of $10,293,248 was recognized in other comprehensive income.

Comprehensive income increased by $6,269,853 from $5,070,008 for the year ended September 30, 2024 to $11,339,861 for the year ended September 30, 2025. In addition to the changes in unrealized gain on digital currency noted above, the improved operating results are primarily driven by strong growth in digital currency mining revenue, which increased by $12,202,250 over the prior year, an amount that substantially exceeded the corresponding increase in mining utility expenses of only $6,299,161 over the prior year.

The Company undertook a comprehensive miner inventory review to assess the efficiency and profitability of its older fleet and made the determination to decommission 1,828 worn or damaged miners, resulting in a loss on disposition of assets of $2,403,968 for the year ending September 30, 2025.

Total assets as at September 30, 2025 was $132,030,085 (September 30, 2024 - $103,868,981), an increase of $28,161,104. The increase is mostly attributable to the Company's purchase of $9,116,500 short-term investments (September 30, 2024 - $Nil) and a net increase in digital currency of $20,112,897, due to the revaluation of digital currency balances resulting from an increase in the price of bitcoin, which was $158,814 as at September 30, 2025 as compared to $88,673 as at September 30, 2024.

RESULTS OF OPERATIONS

Year Ended September 30, 2025

Operating and maintenance expenses for the year ended September 30, 2025 was $27,663,713, compared to $19,733,886 in the previous year ended September 30, 2024. This increase is primarily due to a $6,299,161 rise in utilities expenses driven by additional mining capacity added to the Company's Christina Lake facility during the year. Furthermore, hosting fees paid to third parties, totaling $2,074,467, also contributed to the increase over the prior period.

General and administrative costs for the year ended September 30, 2025 was $6,191,937 in comparison to $5,860,448 for the year ended September 30, 2024. General and administrative costs consist mostly of wages, professional fees, consulting fees and financing costs. The overall increase of $331,489 is attributable mainly to an increase of $508,786 in financing costs related to the Company's credit facility with Sygnum Bank and an increase in insurance costs of $109,783 resulting from additional coverage required for Systemic Trust. These increases were offset by a decrease of $347,116 from professional fees and consulting expenses over the prior year.

Share-based compensation for the year ended September 30, 2025 was $2,878,895 compared to the same period in the prior year of $1,795,391. The increase in share-based compensation is primarily driven by the recent granting of Restricted Share Units (RSUs), designed to create an incentive structure that aligns longer-term performance with the Company's growth. Unlike stock options, the majority of which vest over five years, the one-year vesting schedule of the RSUs resulted in a material acceleration of expense recognition in the current period.

Research costs for the year ended September 30, 2025 increased by $183,225 over the prior period as the company executed on its Digital Asset Software and Services efforts for Systemic Trust, Terra Pool, Helm DCIM, Reactor and Blockseer Explorer.

Depreciation for the years ended September 30, 2025 was $17,398,464 compared to $18,946,204 in the year ended September 30, 2024. The decrease is due to the declining balance depreciation method, which results in lower expense over time. However, the timing of $19 million in asset additions during the period contributed to depreciation expense, partially offsetting the decrease resulting from the Company's depreciation policy and resulting in comparable expenses between periods.

Three Months Ended September 30, 2025

Operating and maintenance expenses for the three months ended September 30, 2025 was $6,839,174, up from $4,640,105 in the three months ended September 30, 2024. This $2,199,069 increase is primarily due to a $1,748,549 rise in utilities expenses, driven by expanded digital currency mining operations with additional operating miners. Furthermore, hosting fees paid to third parties, totaling $471,047, also contributed to this increase.

General and administrative costs for the three months ended September 30, 2025 was $488,483, representing a significant decrease in comparison to $1,651,016 for the three months ended September 30, 2024. This large variance is primarily attributable to a non-routine accounting reclassification recorded during the three months ended September 30, 2025. Specifically, costs previously recognized as general and administrative expenses through the fiscal year ending 2025 were capitalized resulting from management's recognition that Systemic Trust's digital asset custody license met the criteria for recognition as an internally generated intangible asset. This capitalization adjustment resulted in a one-time credit to general and administrative expenses in the amount of $905,374, reflected in a decrease in consulting, regulatory and professional fees in the three months ended September 30, 2025. Excluding the impact of this capitalization, the underlying general and administrative expenses for the three months ended September 30, 2025 was $1,393,857, representing a decrease of $257,159 compared to the three months ending September 30, 2024. This reduction is primarily due to a decrease in professional fees of $168,114 and a reduction in interest and bank charges totalling $111,803.

Share-based compensation for the three months ended September 30, 2025 was $727,713 compared to the same period in the prior period of $547,944, resulting from the acceleration of expense recognition of RSUs relative to options, as discussed above.

Research costs for the three months ended September 30, 2025 were $659,780 which remained relatively stable compared to $597,962 for the three months ended September 30, 2024.

Depreciation for the three months ended September 30, 2025 was $4,251,322 compared to $5,761,194 in the three months ended September 30, 2024. The $1,509,872 decrease closely matches the $1,547,740 decrease recognized over the entire fiscal year, as noted above. The reduction is primarily driven by the declining balance depreciation method, which results in higher depreciation charges immediately following asset

activation. This effect was amplified because additions made in the three months ended September 30, 2025 were classified as construction in progress, a non-depreciable category.

Selected Quarterly Information for the most recent completed Quarters:

	September 30, 2025	**June 30, 2025**	**March 31, 2025**	**December 31, 2024**
	Q4	Q3	Q2	Q1
Revenue	11,444,961	11,614,710	12,644,574	11,632,825
Bitcoin earned from mining[1]	72.09	84.27	90.79	97.06
Net income (loss)	(3,437,463)	(381,154)	(3,346,351)	(3,103,001)
Comprehensive income (loss)	19,054,485	9,721,739	10,177,916	12,185,030
Basic earnings (loss) per share	(0.02)	(0.00)	(0.02)	(0.02)
Diluted earnings (loss) per share	(0.02)	(0.00)	(0.02)	(0.02)
	September 30, 2024	**June 30, 2024**	**March 31, 2024**	**December 31, 2023**
	Q4	Q3	Q2	Q1
Revenue	5,898,794	8,294,866	10,015,659	9,690,764
Bitcoin earned from mining	65.54	86.67	152.81	195.93
Net income (loss)	(8,366,329)	(3,837,937)	2,215	6,792,490
Comprehensive income (loss)	(8,721,788)	(8,650,927)	15,463,152	6,982,572
Basic earnings (loss) per share	(0.05)	(0.02)	0.00	0.04
Diluted earnings (loss) per share	(0.05)	(0.02)	0.00	0.04

Summary of Quarterly Results

- Revenue decreased by $169,749 for the three months ended September 30, 2025 compared to the three months ended June 30, 2025. Bitcoin earned from mining for the three months ended September 30, 2025 of 72.09 resulted in a decrease of 12.18 as compared to 84.27 bitcoin earned in the three months ended June 30, 2025. Although the average price of bitcoin increased from $136,150 to $157,445, contributing to relatively unchanged revenues on a dollar basis, the Company's revenue denominated in bitcoin decreased. This reduction resulted from two primary factors: planned substation maintenance in August, which led to approximately four days of scheduled downtime and an upward difficulty adjustment of the Bitcoin network. Net loss increased from the prior quarter by $3,056,309, mainly due to a one-time derecognition of 1,828 unproductive miners, resulting in a loss on disposition of assets of $2,403,968 and 14,795 miners in the Company's inventory.
- Revenue decreased by $1,029,864 for the three months ended June 30, 2025 compared to the three months ended March 31, 2025. Bitcoin earned from mining for the three months ended June 30, 2025 of 84.27 resulted in a decrease of 6.52 as compared to 90.79 bitcoin earned in the prior period. The average price of bitcoin increased from $134,288 to $136,150; however, this was offset by a decrease in the Company's mining performance relative to the upward difficulty adjustment of the Bitcoin network between periods. Net loss decreased from the prior quarter by $2,965,197, mainly due to reduction in operating and maintenance costs, realized gains on sale of digital currency and foreign

[1] Bitcoin earned from cryptocurrency mining is received by the Company at certain payout thresholds and may not reflect total amounts mined due to the timing of payouts.

exchange gains compared to the prior quarter.

- Revenue increased by $1,011,749 for the three months ended March 31, 2025 compared to the three months ended December 31, 2024. Bitcoin earned from mining for the three months ended March 31, 2025 of 90.79 resulted in a decrease of 6.27 as compared to 97.06 bitcoin earned in the prior period. Offsetting this decrease, the average price of bitcoin increased from $116,580 to $134,288. Net loss increased from the prior quarter by $243,350, mainly due to the increase in interest expense related to the Company's loans payable.
- Revenue increased by $5,734,031 for the three months ended December 31, 2024 compared to the three months ended September 30, 2024. Revenue increases are mainly attributed to the increase in bitcoin earned from mining of 97.06 as compared to 65.54 in the prior period. The average price of bitcoin increased from $49,006 to $116,580. Net loss decreased from the prior quarter by $5,263,328, mainly due to the increase in revenue related to Bitcoin mining.
- Revenue decreased by $2,396,072 for the three months ended September 30, 2024 compared to the three months ended June 30, 2024. Revenue decreases are mainly attributed to the decrease in bitcoin earned from mining of 65.54 as compared to 86.67 due to the April 19, 2024 halvening event, the increase in network difficulty and decrease in the price of bitcoin from an average of $89,990 to $83,290. Net loss increased from the prior quarter by $4,528,392 as a result of decreases in revenue as described above.
- Revenue decreased by $1,720,793 for the three months ended June 30, 2024 compared to the three months ended March 31, 2024. Revenue decreases are mainly attributed to the decrease in bitcoin earned from mining of 86.67 as compared to 152.81 due to the halvening that occurred in April 2024. The decrease in the amount of bitcoin mined was offset by increases in the price of bitcoin from an average of $71,851 to $89,990. Net loss increased from the prior quarter by $3,840,152 as a result of decreases in revenue as described above and increases in depreciation of $1,231,252 due to addition of miners in the quarter.
- Revenue increased by $324,895 for the three months ended March 31, 2024 compared to the three months ended December 31, 2023. Mining revenue increased by $1,108,805 is attributed to the increase in average price of bitcoin of $71,851 as compared to the prior quarter of $49,006, offset by a decrease in bitcoin earned from mining 195.93 as compared to 152.81. The Company recognized software license income of $562,253 in the prior period that was non-recurring. Net income decreased from the prior quarter by $6,790,275 due to an increase in unrealized loss on revaluation of digital currency of $7,143,404.
- Revenue increased by $4,042,941 for the three months ended December 31, 2023 compared to the three months ended September 30, 2023. Mining revenue increased by $4,337,205 due to the installation of additional miners increasing bitcoin earned from mining from 144.87 to 195.93. Net income increased from the prior quarter by $9,733,533 due to an increase in revenue as discussed above and an increase in unrealized gain on revaluation of digital currency of $3,861,388.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2025, the Company had positive working capital of $52,761,001 (September 30, 2024: $22,415,807). The $30,345,194 increase in working capital primarily relates to increases in digital currency of $20,112,897 and increases in short-term investments of $9,116,500.

The Company incurred cash inflows from operations for the year ended September 30, 2025 of approximately $16,189,831, compared to $8,210,531 in cash inflows for the year ended September 30, 2024. The primary driver of this $7,979,300 improvement was the accelerated growth in Bitcoin mining revenue relative to the corresponding increase in operating and maintenance costs. Revenue in excess of operating and maintenance costs for the year ended September 30, 2025 was $19,673,357 while revenue in excess of operating and maintenance costs for the year ended September 30, 2024 was $14,166,197.

Cash outflows from investing activities for the year ended September 30, 2025 are approximately $27,353,184 compared to $21,198,823 for the year ended September 30, 2024. The Company continued to make various investments during the period, including $19,453,739 purchase of property, including deposits on mining equipment, the purchase of $9,116,500 short term investments and the acquisition of intangible assets.

Cash inflows of $11,165,563 from financing activities during the period are mainly attributed to proceeds, net of share issuance costs, of $15,684,071 from the Company's November 2024 overnight marketed short form prospectus financing offset by a $3,485,835 net repayment of the Company's Sygnum Bank credit facility and a $1,000,000 payment to fully repay its mortgage payable. Cash inflows from the period ended September 30, 2024 of $12,877,435 were funded by draws from the Company's Sygnum Bank credit facility.

As at September 30, 2025, the Company had 342.36 bitcoin valued at $54,440,600.

To the extent that the Company has negative operating cash flow in future periods, it will be necessary for the Company to liquidate digital currency into cash or raise additional equity or debt. The Company does have significant price risk exposure related to its digital currency. There is no assurance that additional equity or debt will be available to the Company or on terms acceptable or favourable to the Company.

Reconciliation of Use of Proceeds from Financing Activities

On November 19, 2024, the Company closed its overnight marketed short form prospectus financing pursuant to which the Company issued 32,556,500 units at a price of $0.53 per unit for gross proceeds of $17,254,945.

The following table sets out a comparison of how the Company used the proceeds during the period following the short form prospectus financing closing date in November 2024, an explanation of variances and the impact of variances on the ability of the Company to achieve its business objectives and milestones.

Intended Use of Net Proceeds of November 2024 Prospectus Offering of Units		**Actual Use of Proceeds from Offering**	**(Over)/Under Expenditures**
Purchase and Deployment of Hydro-Miners for Six 1 MW Hydro Mining Containers	$ 10,001,800	8,891,248	1,110,552
Working Capital	7,253,145	7,253,145	-
Total	$ 17,254,945	16,144,393	1,110,552

Significant Events, Milestones or Objectives

The primary business objectives for the Company over the next 12 months are as follows:

- The Company has set an objective to begin transitioning its Christina Lake site development strategy away from digital currency mining to a focused effort with one or more partners to build a world-class 50-megawatt Critical IT Load (CITL) liquid-cooled AI data center to support the latest generation of GPU hardware, capitalizing on its access to renewable, transmission-grade power. This will involve migrating Bitcoin mining operations away from the Christina Lake site.
- Despite withdrawing its previous guidance for a calendar 2025 hashrate target of 3 EH/s, mining is expected to remain a critical part of the Company's future as a foundational element of its digital currency financial services strategy. The Company will focus on improving the operational efficiency of its existing Bitcoin mining fleet, including leveraging its hydro-powered miners. Additionally, it plans to establish a new data processing center outside of British Columbia, which is anticipated to add mining capacity in the second half of calendar 2026.
- The Company will continue to develop its software and related services through engineering, R&D and partnerships to meet the current and anticipated needs of its customers, with the goal of enabling a carbon-neutral Bitcoin ecosystem. Systemic Trust Company (STC) will focus on onboarding custody clients and expanding the platform capability beyond custody. STC has added the capability to send bitcoin in a regulatory-compliant and carbon-neutral manner by integrating its Petra technology with Fireblocks' custody solution and Terra Pool.
- The Company will continue to consider the implementation of a more formal treasury policy to accumulate digital currency for the long-term, implementing institutional-grade treasury management solutions within the regulated custody platform of Systemic Trust for its own balance sheet and for Systemic Trust's clients. The Company may expand its digital currency portfolio beyond its current sole composition of bitcoin.
- The Company will continue to manage cash flows to optimize the timing of expenditures and focus on a lean structure to achieve specific objectives. This involves exploring future funding in fiscal 2026 through debt, equity or a combination thereof, subject to market conditions, to support growth.

There can be no assurances the above objectives will be completed prior to the stated deadline or at all.

SHARE CAPITAL ACTIVITY

Share capital activity for year ended September 30, 2025

On November 19, 2024, the Company closed a prospectus offering for 32,556,500 units for gross proceeds of $17,254,945. Each unit consists of one common share and one warrant. Each warrant is exercisable at $0.65 until November 19, 2029. These warrants have a relative fair value of $7,928,770 determined using the Black-Scholes Option Pricing Model with the following inputs: i) exercise price: $0.65; ii) share price $0.465; iii) term: 5 years; iv) volatility: 133%; v) discount rate: 3.12%.

In connection with the November 19, 2024 financing, the Company issued 1,953,390 warrants to its underwriters and incurred finders' fees of $1,035,297, legal and other fees of $535,578. The underwriters'

warrants are each exercisable into one common share at $0.65 until November 19, 2029. These warrants have a fair value of $772,226 determined using the Black-Scholes Option Pricing Model with the following inputs: i) exercise price: $0.65; ii) share price $0.465; iii) term: 5 years; iv) volatility: 133%; v) discount rate: 3.12%.

During the year ended September 30, 2025, the Company issued 184,585 common shares in connection with the exercise of stock options for proceeds of $60,913. As a result, $196,296 has been reclassified from share-based payment reserve to share capital.

During the year ended September 30, 2025, the Company issued 1,900,931 common shares in connection with the vesting of 2,000,000 previously granted restricted share units, resulting in a reclassification of $920,000 from share-based payment reserve and $883,344 to share capital.

Share capital activity for year ended September 30, 2024

During the year ended September 30, 2024, the Company issued 2,458,118 common shares in connection with the exercise of stock options for proceeds of $816,352. As a result, $1,449,563 has been reclassified from share-based payment reserve to share capital.

OUTSTANDING SHARE DATA

As at the date of this document, the Company had 205,142,949 common shares issued and outstanding, 34,509,890 warrants issued and outstanding, 13,237,810 stock options issued and outstanding and 4,375,000 restricted share units issued and outstanding.

FINANCIAL INSTRUMENTS, DIGITAL CURRENCIES AND RISK MANAGEMENT

a) Fair Values of Financial Instruments and Digital Currencies Measured at Fair Value on a Recurring Basis

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

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

The level within which the financial asset or financial liability is classified is determined based on the lowest level of significant input to the fair value measurement. The Company's cash and marketable securities are categorized as Level 1. The long-term investments and convertible debentures in unlisted private companies are measured using Level 3 inputs based on prices in recent financings. Digital currencies are measured using Level 1 inputs where quoted prices in active markets are available. Digital currencies are measured using Level 2 inputs where the source represents an average of quoted prices on multiple digital currency exchanges. No financial instruments or digital currencies have been transferred between levels during the year.

	Level 1	Level 2	Level 3	Total
September 30, 2025				
Short-term investments	$ 9,116,500	$ -	$ -	$ 9,116,500
Marketable securities	$ 479,426	$ -	$ -	$ 479,426
Digital currency	$ -	$ 54,440,600	$ -	$ 54,440,600
Long-term investments	$ -	$ -	$ 45,000	$ 45,000
September 30, 2024				
Marketable securities	$ 316,803	$ -	$ -	$ 316,803
Digital currency	$ -	$ 34,327,703	$ -	$ 34,327,703
Long-term investments	$ -	$ -	$ 45,000	$ 45,000

The Company has determined the estimated fair value of its financial instruments and digital currencies, if any, based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. The revalued carrying amount of the digital currency at September 30, 2025 is $54,440,600 (September 30, 2024 - $34,327,703). Had the cost model been applied, the carrying amount of the digital currency would have been $22,475,797 at September 30, 2025 (September 30, 2024 - $24,034,455). The digital currency revaluation surplus balance included in accumulated other comprehensive income is $31,964,803 at September 30, 2025 (September 30, 2024 - $10,293,248).

b) Management of Industry and Financial Risk

The Company's financial instruments and digital currencies are exposed to certain financial risks, which include the following:

Digital Currency Risk

The Company relies on transaction validation services using equipment to earn digital currency. A decline in the market prices of digital currencies could negatively impact the profitability of equipment. The digital currency mining industry has seen rapid growth and innovation, and the Company may be unable to compete effectively. Innovation in technologies could render the Company's technology obsolete.

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 currency. The Company may not be able to liquidate its digital currency at its desired price if required. Digital currency has a limited history, their fair values have historically been volatile and the value of digital currency held by the Company could decline rapidly. A 40% variance in price of digital currency would impact the Company's comprehensive net income by $21,776,000 (September 30, 2024 - $13,731,000) respectively (rounded to the nearest thousand). Historical performance of digital currency is not indicative of their future performance.

Credit Risk

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company has exposure to credit risk through its cash and cash equivalents, short-term investments, amounts receivable, amount recoverable and long-term deposits. The Company manages credit risk, in respect of cash and cash equivalents and marketable securities, by maintaining the majority of cash at highly rated financial institutions.

The Company records an allowance against its trade receivables when there is uncertainty over collection of this amount. All balances due are expected to be settled partially or in full when due (typically within 60 days of submission) and because of the nature of the counterparties. The Company is not exposed to significant credit risk with respect to its trade accounts receivable balance.

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 statements of financial position. See Note 9, short term investments, for description of assets held as collateral.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. As at September 30, 2025, the Company has a working capital of $52,761,001 (September 30, 2024 - $22,415,807) and does not require any additional financing to meet short-term operating requirements. The Company's cash is held with large Canadian financial institutions and is available on demand. If there are additional cash requirements, the Company has the option to liquidate digital currency to meet operating needs. Digital currency is subject to fluctuations in the market price of digital currency. The current value of these assets as at September 30, 2025 is $54,440,600 (September 30, 2024 - $34,327,703). In an event where the Company cannot rely upon the liquidation of digital currency to meet operating needs, the Company will have to explore debt financing opportunities of which there is no guarantee of the receipt of funds to cover operations.

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: currency risk, interest rate 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 nominal impact on the Company's operations.

Foreign Currency Risk

Currency risk relates to the risk that the fair values or future cash flows of the Company's financial instruments and digital currencies will fluctuate because of changes in foreign exchange rates. In addition, the Company mines bitcoin, which has a market value stated in US dollars. Exchange rate fluctuations affect the costs that the Company incurs in its operations.

The Company's presentation currency is the Canadian dollar and major purchases are transacted in US dollars. As the Company operates in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than the entity's functional currency. The fluctuation in foreign currencies in relation to the Canadian dollar will consequently impact the profitability of the Company

and may also affect the value of the Company's assets and liabilities and the amount of shareholders' equity. At September 30, 2025, the Company held net financial assets of $458,393 (September 30, 2024 - assets of $954,134) denominated in USD $329,281 (September 30, 2024 - USD $706,818). A 10% change in the foreign exchange rate would result in a change in the net income for the period of approximately $46,000 (September 30, 2024 - $96,000) (rounded to the nearest thousand).

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 exposed to price risk through its holding of digital currency. As at September 30, 2025, the Company held bitcoin, which has a limited history and historically prices have been volatile. A significant change to the price of bitcoin may affect the Company's ability to liquidate digital currency. A 40% variance in price of digital currency would impact the Company's comprehensive net income by $21,776,000 (September 30, 2024 -$13,731,000) (rounded to the nearest thousand). The Company is not exposed to any other significant price risks with respect to its financial instruments other than its marketable securities and long-term investment which are measured at fair value totaling $524,426 (September 30, 2024 - $361, 803). A 20% change in the market price would result in a change in the net loss for the period of approximately $105,000 (September 30,2024 - $73,000) (rounded to the nearest thousand).

RELATED PARTY TRANSACTIONS

(a) Key management compensation and other related party transactions

Key management[2] includes personnel having the authority and responsibility for planning, directing and controlling the Company and includes the directors and current executive officers. The value of transactions and outstanding balances relating to key management and entities over which key management have control or significant influence were as follows:

		For the years ended September 30,		
		2025		**2024**
Salaries, wages and benefits	$	1,439,591	$	1,382,632
Consulting services		638,672		440,526
Share-based compensation		2,662,393		1,651,833
Total	$	4,740,656	$	3,474,991

(b) Related party balances

As at September 30, 2025, $302,878 (September 30, 2024 – $173,851) was owed to key management for outstanding salaries, wages and benefits, and consulting services and included in trade and other payables.

[2] Key management consists of Sheldon Bennett Chief Executive Officer, Adrian Glover Chief Technology Officer, Jenya Bennett related to Chief Executive Officer, Steven Eliscu Chief Operating Officer, Heather Sim Chief Financial Officer, John D. Abouchar Director and John M. Place Director.

		September 30, 2025		September 30, 2024
Sheldon Bennett	$	175,905	$	125,738
Jenya Bennett		62,979		-
Steven Eliscu		-		25,570
Adrian Glover		57,192		15,544
John Place		1,269		1,224
Heather Sim		1,039		1,308
John D. Abouchar		4,494		4,467
Total	$	302,878	$	173,851

Off-Balance Sheet Transactions

The Company has not entered into any significant off-balance sheet arrangements or commitments.

Adoption of new and revised IFRS standards

While there have been no new IFRS Accounting Standards that have come into force as of October 1, 2024, the Company has adopted all the following Amendments issued by the IASB that are relevant to its operations and are effective for accounting periods that begin on or after January 1, 2024:

IAS 1 Classification of Liabilities as Current or Non-Current
The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

IAS 1 Non-current Liabilities with Covenants
The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

IAS 7 and IFRS 7 Supplier Finance Arrangements
The amendments add disclosure requirements and 'signposts' within existing disclosure requirements that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

The adoption of these amendments has not had any material impact on the disclosures or amounts reported in these consolidated financial statements.

Future IFRS pronouncements and amendments
New IFRS pronouncements that have been issued but are not yet effective at the date of these financial statements are listed below. These amendments will be applied in the annual period for which they are first required.

IFRS Sustainability Disclosure Standards

The International Sustainability Standards Board ("ISSB") of the IFRS Foundation has published IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information' and IFRS S2 'Climate-

related Disclosures.' The objective of IFRS S1 and S2 is to require an entity to disclose information about its sustainability and climate related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

Both Standards are effective for fiscal years beginning January 1, 2024, but certain transitional reliefs are available. The ISSB has confirmed that industry-specific disclosures are required and, in the absence of specific IFRS Sustainability Disclosure Standards, companies must consider the Sustainability Accounting Standards Board ("SASB") Standards to identify sustainability-related risks, opportunities and appropriate metrics. The Company is currently evaluating the impact of these reporting requirements.

In March of 2024, the Canadian Sustainability Standards Board ("CSSB") proposed two exposure drafts on Canadian Sustainability Disclosure Standard ("CSDS") 1, General Requirements for Disclosure of Sustainability-related Financial Information and CSDS 2, Climate-related Disclosures. These exposure drafts align with IFRS S1 and S2 global baselines, with modifications to align with Canadian-specific needs which include:

- extending the earliest voluntary adoptions dates for CSDS 1 and CSDS 2 from January 1, 2024, to January 1, 2025;
- extending the proposed transition relief for disclosures beyond climate-related risks and opportunities from one year granted by the ISSB to two years. This means entities that voluntarily adopt the CSSB standards on January 1, 2025, will be required to disclose information on all sustainability-related risks and opportunities from the reporting period beginning on or after January 1, 2027; and
- extending the proposed transition relief for disclosure of Scope 3 Greenhouse gas ("GHG") emissions from one year granted by the ISSB to two years. This means entities that voluntarily adopt the CSSB on January 1, 2025, will be required to disclose Scope 3 GHG emissions from the reporting period beginning on or after January 1, 2027.

IFRS 18 - Presentation and Disclosure in Financial Statements

On April 9, 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. IFRS 18 replaces IAS 1 Presentation of Financial Statements. It carries forward many requirements from IAS 1 unchanged.

The new Accounting Standard introduces significant changes to the structure of a company's income statement, more discipline and transparency in presentation of management's own performance measures (commonly referred to as 'non-GAAP measures') and less aggregation of items into large, single numbers. The main impacts of the new Accounting Standard include:

- introducing a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities (i.e. operating, investing and financing);
- requiring disclosure about management performance measures (MPMs); and
- adding new principles for aggregation and disaggregation of information.

IFRS 18 applies for annual reporting periods beginning on or after January 1, 2027. Earlier application is permitted. The extent of the impact of adoption of this new IFRS pronouncement has not yet been determined and the Company has not determined if it would adopt by anticipation.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB issued amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates in relation to Lack of Exchangeability. The amendments require entities to apply a consistent approach in assessing whether a currency can be exchanged into another currency, and in determining the exchange rate to use and the disclosures to provide when it cannot. These amendments are effective for annual reporting periods beginning on or after January 1, 2025, with early adoption permitted. The Company is assessing the potential impact of these amendments.

There are no other IFRS or International Financial Reporting Interpretations Committee interpretations that are not yet effective that are expected to have a material impact on the Company.

SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period. Actual results could differ from these estimates.

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the applicability of the Company's accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted prospectively in the period in which the estimates are revised.

Judgments

Going concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, including volatility of digital currency price, expected profitability, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

Revenues from cryptocurrency mining and related service contracts

The Company recognizes revenue from the provision of transaction verification services within digital currency networks, commonly described as "cryptocurrency mining." As consideration for these services, the Company receives digital currency from each specific network in which it participates. Management has exercised significant judgment in determining the completion stage for this revenue stream and has examined various factors surrounding the substance of the Company's operations and determined the stage of completion

being the addition of a block to a blockchain. The value of the revenue is a significant judgment and is based on the value of the cryptocurrency earned at the date of addition, at the closing price rates identified on Yahoo.com.

For hosting and other service 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 obligation is satisfied. Accordingly, the Company has determined that revenue should be recognized as the provision of services under the contract is completed.

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

Recoverability of sales tax receivable

The Company has certain refund claims for Goods and Services Tax Credits with the Canada Revenue Agency, the receipt of which are conditional upon review. Management has assessed the collectability and made adjustments of these refunds given the probability of collection and determined that the remaining balance of outstanding claims are likely to be collected given current rulings and the status of the ongoing review.

Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law in the relevant jurisdiction. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision.

Management believes they have adequately provided for the probable outcome of these matters; however, the outcome may result in a materially different outcome than the amount included in the tax liabilities. In addition, the Company recognizes deferred tax assets relating to tax losses carried forward only to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

There is uncertainty regarding the taxation of cryptocurrency and the Canada Revenue Agency may assess the Company differently from the position adopted.

Assessment of indicators of impairment

Non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or when required by IFRS. Management determines the recoverable amount as the higher of value in use or fair value less costs of disposal. For financial assets, judgment is applied to assess expected credit losses and credit risk changes. These determinations rely on the best available information at each reporting period.

Recoverability of digital currencies held with a custodian in receivership

The Company holds digital currencies, bitcoin and ether, with Prime Trust, a custodian in receivership with the State of Nevada. The recoverability of these digital currencies has been determined by management based on information available regarding the legal proceedings and the categorization of the property held as either state property or depositor property.

Intangible assets other than digital currencies

Management has applied significant judgment in determining the accounting treatment for intangible assets other than digital currencies. Judgment was exercised to confirm that all technical feasibility, economic viability, and future probable economic benefits criteria set out in IAS 38 Intangible Assets were met to justify capitalizing both internally generated and acquire assets, and in the determination of indefinite useful life results in the absence of amortization, directly impacting the statement of loss and comprehensive income.

Estimates

Valuation of digital currencies

The Company currently holds bitcoin and ether as its digital currencies. Digital currencies are considered to be identifiable non-monetary assets without physical substance and are treated as intangible assets not subject to amortization under the scope of IAS 38 Intangible Assets.

Digital currencies are measured at fair value using the quoted price on "Yahoo.com." Management considers this fair value to be a Level 2 input under IFRS 13 Fair Value Measurement hierarchy as the price on this source represents an average of quoted prices on multiple digital currency exchanges. Digital currencies are valued based on the closing price obtained from "Yahoo.com" at the reporting period corresponding to the different digital currencies mined by the Company. The Company considers the data available at "Yahoo.com" to be an accurate representation of fair value.

Carrying value of mining equipment and data center

The Company evaluates each asset or cash generating unit every reporting period to determine whether there are any indications of impairment. If any such indication exists, which is often judgmental, a formal estimate of recoverable amount is performed, and an impairment loss is recognized to the extent that the carrying

amount exceeds the recoverable amount. The recoverable amount of an asset or cash generating group of assets is measured at the higher of fair value less costs to sell and value in use. 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 fair value and value in use requires management to make estimates and assumptions about expected revenue from service contracts, 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 statement of comprehensive income.

Key assumptions in the impairment assessment are modelled based on future events. As at September 30, 2025, the most sensitive assumptions in the development of the model are bitcoin price, network difficulty and energy cost.

Useful life of digital currency mining equipment

Management is depreciating mining equipment over its useful life on a declining-balance method basis. The mining equipment is used to generate digital currency (refer to Note 3(c)). The rate at which the Company generates digital currencies and, therefore, consumes the economic benefits of its mining equipment are influenced by a number of factors including the following:

(i) the complexity of the mining process which is driven by the algorithms contained within the digital currency's open source software protocol;
(ii) the general availability of appropriate computer processing capacity on a global basis. Technological obsolescence reflecting rapid development in the mining machines means that more recently developed hardware is more economically efficient to run. This is reflected in terms of digital currency mined as a function of operating costs, primarily energy costs. The speed of mining machines' evolution in the industry is such that the latest generation mining machine models generally have faster processing capacity combined with lower operating costs and a lower cost of purchase per unit of compute.

Based on the Company's and industry's short life cycle to date, there is limited amount of market data available to management to use in its estimates. Furthermore, the data available also includes data derived from the use of economic modelling to forecast future digital currency economics. The assumptions used in such forecasts, including the price of bitcoin and network difficulty, are derived from management's assumptions which are inherently judgmental. Based on current data available, management has determined that the declining-balance method of depreciation at a rate of 55% per year, calculated monthly, until decommissioned best reflects the current expected useful life of mining equipment. Management reviews this estimate at each reporting date and will revise such estimates as and when data becomes available. Any remaining residual value for mining

equipment is written off at the end of its useful life. Management reviews the appropriateness of its assumption of zero residual value at each reporting date.

Fair value measurement of stock options and broker warrants

Estimating fair value for stock options and broker warrants requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the expected life of the stock options and broker warrants, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for stock options and broker warrants are disclosed in Note 18.

PROPOSED TRANSACTIONS

There are no proposed transactions as at the date of this document.

COMMITMENTS

As at September 30, 2025, the Company had no outstanding commitments.

SUBSEQUENT EVENTS

Subsequent to the period-end and up to the date of the issuance of these financial statements, there were no adjusting or material non-adjusting events that would require recognition or disclosure in accordance with IFRS standards.

DIGITAL CURRENCY AND RISK MANAGEMENT

Digital currencies are measured using fair value measurement using the quoted price on "Yahoo.com." Management considers this fair value to be a Level 2 input under IFRS 13 Fair Value Measurement fair value hierarchy as the price on this source represents an average of quoted prices on multiple digital currency exchanges. Digital currencies are valued based on the closing price obtained from "Yahoo.com" at the reporting period corresponding to the different digital currencies mined by the Company. The Company considers the data available at "Yahoo.com" to be an accurate representation of fair value.

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 currency; 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 price for digital currency could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its digital currency sales.

Digital currencies have a limited history, and the fair value historically has been very volatile. Historical performance of digital currencies is not indicative of their future price performance. The Company's digital currencies currently consist primarily of bitcoin.

There is also a risk that the Company could be negatively affected by a Bitcoin halvening (also referred to as halving) event. The halvening is a process designed to control the overall supply and reduce the risk of inflation in bitcoin. At a predetermined block, the mining block subsidy is cut in half. The Bitcoin blockchain has undergone three halvenings since its inception. A Bitcoin halvening is scheduled to occur once every 210,000 blocks or roughly every four years until the total amount of newly issued bitcoin reaches 21 million, which is expected to occur around the year 2140. In May 2020, the Bitcoin block subsidy decreased from 12.5 bitcoin per block to 6.25 bitcoin per block and, consequently, the number of new bitcoin issued to all miners as a subsidy decreased to 900 per day. The most recent Bitcoin halvening occurred on April 19, 2024, decreasing the block subsidy to 3.125 bitcoin per block and the number of new bitcoin issued to all miners as a subsidy decreased to 450 per day. The next halvening event is expected to occur in early calendar 2028. While bitcoin prices have had a history of price fluctuations around halvenings, there is no guarantee that the price change will be favorable or would compensate for the reduction in the mining block subsidy. There is a risk that the Bitcoin halvening will render the Company unprofitable and unable to continue as a going concern.

RISK AND UNCERTAINTIES

Energy Curtailment Risk

For its Christina Lake Facility, electrical energy is provided to the Company by FortisBC, being the regulated electric utility provider for the Christina Lake area. The Company constructed its own 85 MVA substation in October 2018 and contracted FortisBC to build a new transmission power line connecting to the Christina Lake Facility, which was also completed in October 2018. Historically, the energy rates charged by FortisBC billed on Rate Schedule 31 (RS-31) for the Christina Lake Facility have not materially fluctuated year-over-year and are regulated by the British Columbia Utilities Commission. The Christina Lake Facility had 15 megawatts of firm power and up to an additional 45 megawatts of non-firm power supplied by FortisBC, all billed to DMG as per RS-31. Firm power or service is electricity that is provided year-round without interruption (subject to any catastrophic or natural disaster interruption). Non-firm power or service is subject to availability from FortisBC. Under that arrangement, DMG's electrical energy was never curtailed.

Beginning December 2024, DMG's Christina Lake Facility energy agreement was revised whereby FortisBC would supply 15 megawatts of firm power billed on RS-31 and up to an additional 50 megawatts of non-firm power billed on Rate Schedule 38 (RS-38), which is based on the Mid-Columbia River Basin (Mid-C) daily market pricing. The price billed for energy on RS-38 is capped at a level determined by DMG ahead of each month so as to insulate DMG from paying "peak" rates, but it may result in energy curtailment, which would negatively impact the Company's mining operations. To date, DMG has been requested by FortisBC to completely curtail its non-firm load for a single interval of three days. DMG has limited history operating on RS-38, and as such, it expects energy curtailment to affect its Christina Lake operations from time to time that could be material.

Energy Price Risk

The Company's operations are highly dependent on a significant and consistent supply of electrical energy, making us particularly susceptible to the inherent volatility and seasonality of energy markets. Specifically, prices of non-firm energy, which currently comprise the majority of the Company's energy mix, can fluctuate substantially due to a complex interplay of factors, including real-time supply and demand imbalances, as

electricity cannot be stored on a large scale basis. This dynamic often results in considerable price swings, particularly in day-ahead and spot markets. The Company's energy costs can be materially impacted by external factors beyond our control, notably extreme weather conditions and seasonal variations, the frequency and intensity of which may be increasing due to broader climate change. Such conditions can lead to disruptions in energy availability and significant price spikes, exemplified by instances of curtailment that can negatively impact our mining operations. While management acknowledges the potential for such curtailment events and anticipates they may occur from time to time with potentially material effects, these factors collectively pose an ongoing risk to our operational stability and overall results of operations.

Negative Operating Cash Flows

The Company generates consistent revenue through digital currency mining, hosting and software licensing. Despite increases in revenue, the Company is subject to variable returns; the Company has not consistently had positive operating cash flows. Without additional sources of revenue or continued favorable digital currency prices, the Company may continue to have negative operating cash flows until it can realize stable cash flows from operations.

Reliance on Key Personnel and Advisors

The Company relies heavily on its officers. The loss of their services may have a material adverse effect on the business of the Company. There can be no assurance that one or all of the employees (if any) of, and contractors engaged by, the Company will continue in the employ of, or in a consulting capacity to, the Company or that they will not set up competing businesses or accept positions with competitors. There is no guarantee that certain employees (if any) of, and contractors to, the Company who have access to confidential information will not disclose the confidential information.

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. Consequently, you may lose your entire investment.

Uninsured or Uninsurable Risk

The Company may become subject to liability for risks against which the Company cannot insure or against which the Company may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for the Company's usual business activities. Payment of liabilities for which the Company does not carry insurance may have a material adverse effect on the Company's financial position and operations.

The Company is currently and from time to time subject to litigation and cannot predict the outcome of any current or future legal proceedings with respect to its current or past business practices. The Company is, and may in the future be, subject to legal proceedings in the course of its business or otherwise, including, but not limited to, actions relating to contract disputes, business practices, intellectual property, and other commercial, tax and regulatory matters. Legal proceedings may involve claims for substantial amounts of money or for other relief, and the defense of such actions may be expensive. The process of litigating requires substantial time, which may distract our management. Even if we are successful, any litigation may be costly. If any such proceedings were to result in an unfavorable outcome, it could have an adverse effect on the Company's liquidity, operations and financial results.

Conflicts of Interest Risk

Certain directors and officers of the Company are also directors and operators in other companies. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers conflict with or diverge from the Company's interests. In accordance with the BC *Business Corporation Act*, directors who have a material interest in any person who is a party to a material contract, or a proposed material contract are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the Company's best interests. However, in conflict-of-interest situations, the Company's directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to the Company.

Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavorable to the Company. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare and refrain from voting on any matter in which such directors may have a conflict of interest.

Loss of Access Risk

The loss or destruction of a private key required to access the Company's digital wallets may be irreversible. The Company's loss of access to its private keys or its experience of a data loss relating to the Company's digital wallets could adversely affect its investments. Cryptocurrencies are controllable only by the possessor of both the unique public and private keys relating to the local or online digital wallet in which they are held, which wallet's public key or address is reflected in the network's public blockchain. The Company will publish the public key relating to digital wallets in use when it verifies the receipt of cryptocurrency transfers and disseminates such information into the network, but it will need to safeguard the private keys relating to such digital wallets. To the extent such private keys are lost, destroyed or otherwise compromised, the Company will be unable to access its cryptocurrency inventory, and such private keys will not be capable of being restored by the network. Any loss of private keys relating to digital wallets used to store the Company's cryptocurrency inventories could adversely affect its investments and profitability.

Bitcoin is controllable only by the possessor of both the unique public key and private key relating to the local or online digital wallet in which the bitcoin is held. While the Bitcoin network requires a public key relating

to a digital wallet to be published when used in a transaction, private keys must be safeguarded and kept private in order to prevent a third party from accessing the bitcoin held in such a wallet. To the extent a private key is lost, destroyed or otherwise compromised and no backup of the private key is accessible, the Company would be unable to access the bitcoin held in the related digital wallet and the private key would not be capable of being restored.

Loss of Access to and Pricing of Electrical Energy

The Company's mining revenue is dependent on electricity to power its mining equipment in the province of British Columbia. The Company is subject to changes in utility rate schedules as well as government regulations and laws that may prevent or restrict the amount of energy sold to digital currency mining companies and the price at which it is sold. There is a risk that in the event of a change in utility rate schedules and government laws that the Company may not be granted an exemption based on historical contracts and existing operations. The Company is currently evaluating options to mitigate this risk further, including but not limited to site diversification.

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 favourable 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.

Dividend Risk

The Company has not paid dividends in the past and does not anticipate paying dividends in the near future. The Company expects to retain its earnings to finance further growth and, when appropriate, retire debt.

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.

OTHER INFORMATION

Additional information on the Company is available on SEDAR+ at https://www.sedarplus.ca.