

## INTRODUCTION

The following management’s discussion and analysis (“MD&A”) of the financial condition and results of the operations of Blockmate Ventures Inc. (or the Company) constitutes management’s review of the factors that affected the Company’s financial and operating performance for the three months ended September 30, 2023. This MD&A was written to comply with the requirements of National Instrument 51-102—*Continuous Disclosure Obligations*. This discussion should be read in conjunction with the audited consolidated financial statements of the Company for the year ended June 30, 2023 together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company’s consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). Information contained herein is presented as of September 30, 2023, unless otherwise indicated.

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

Further information about the Company and its operations is available at the Company’s offices or on SEDAR at [www.sedar.com](http://www.sedar.com).

## CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as “forward-looking statements”). These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the Company’s ability to protect its proprietary technology; the Company’s ability to meet its working capital needs at the current level for the period ending June 30, 2023; the plans, costs, timing and capital for future development of the Company’s assets, including the costs and potential impact of complying with existing and proposed laws and regulations; management’s outlook regarding future trends; sensitivity analysis on financial instruments, which may vary from amounts disclosed; and general business and economic conditions.

Inherent in forward-looking statements are risks, uncertainties, and other factors beyond the Company’s ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, changes in debt and equity markets,

timing and availability of external financing on acceptable terms, increases in costs, interest rate and exchange rate fluctuations, as well as those risk factors listed in the “Risk Factors” section below. Readers are cautioned that the foregoing list is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, assumptions about the following: the availability of financing for the Company’s development of its assets; operating costs; the Company’s ability to retain and attract skilled staff; timing of the receipt of regulatory and governmental approvals for operations; market competition; and general business and economic conditions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance, or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

## HIGHLIGHTS

For the three months ended September 30, 2023 the Company recorded revenue of \$Nil from continuing operations and \$68,834 from discontinued operations with the following business highlights:

- Gross margin of 13.68% from discontinued operations.
- Basic Loss per share of \$0.005 and Diluted Loss per share of \$0.004.

During the year ended June 30, 2023, the Company decided to divest its Midpoint foreign exchange business (MPNT) to focus all its resources toward the blockchain, battery and clean energy ventures within its portfolio and reduce its net cash outflows by approximately \$500,000 per annum. Midpoint & Transfer Ltd. (MPNT) and Midpoint HK provides a foreign exchange and international payments platform operating in England and Wales United Kingdom and Hongkong. These two entities are expected to be sold within twelve months after the current reporting period.

The following subsidiaries were classified as held for sale – discontinued operations on June 30, 2023, pursuant to the management’s intention to sell the entities within the year. The operating results of the subsidiaries are included in discontinued operations in these consolidated financial statements:

Name of Subsidiary	Country of Incorporation	Ownership	Principle Activities
Midpoint & Transfer (MPT UK)	England and Wales	100%	Currency exchange
Midpoint & Transfer (MPT HK)	Hongkong	100%	Currency exchange

During the year ended June 30, 2023, the company completed two non-brokered private placements which will be used for general working capital purposes. The proceeds consist of non-brokered private placement on June 15, 2023 - \$820,000, January 9, 2023 - \$88,600, and November 17, 2022 - \$814,667.

## BUSINESS OVERVIEW

Blockmate owns 100% of Blockchain World Ltd (“BWL”). BWL owns 100% of Hivello Holdings Ltd (“Hivello”) and the premium domain names Blockchain.eu (Europe) and Blockchain.com.au (Australia). Hivello has beta launched an application that enables internet users to earn up to US\$20 per month in passive income, simply by contributing their idle computing resources. Hivello is an application that users can download to their computer, and with one-click instantly run automated Web3 software in the background that pays passive income in their local currency on a monthly basis.

Blockmate is a reporting issuer under applicable securities legislation in the provinces of Alberta, British Columbia and Ontario and its outstanding shares are listed on the:

- TSX-V under the symbol “MATE”
- OTCQB under the symbol “MATEF” and
- Frankfurt Stock Exchange under the symbol “8MH”.

## ACQUISITION OF SUBSIDIARY

On March 15, 2022, the Company completed its Qualifying Transaction and acquired all of the issued and outstanding Blockchain World Ltd shares. The Company issued a total of 10,000,000 common shares. As a result of the transaction, the Company obtained 100% of the common shares of the entity. Only the assets, liabilities, and the results of operations of Blockchain World Ltd. after March 15, 2022 are included in these consolidated financial statements.

Since the Company issued shares to Blockchain World Ltd. shareholders with a value in excess of the assets received, the difference is assigned to premium on acquisition of subsidiary of \$2,250,000 which is the difference between fair value of the consideration and the net identifiable assets at the time of acquisition.

The acquisition of BWL does not constitute a business combination because the entity does not meet the definition of a business under IFRS 3 – Business Combination. As a result, the transaction has been measured at the fair value of equity consideration issued to acquire this entity.

The purchase price was determined based on IFRS 2 – Share Based Payments. The fair value of the consideration is determined based on the fair value of the shares that the accounting parent would have had to issue. The fair value of these shares, based on the consideration received for the common shares issued is \$2,250,000.

	\$
Fair value of shares issued by Blockmate Ventures Inc. (Formerly Midpoint Holdings Ltd.)	2,250,000
Net assets of Blockchain World Ltd.	-
Premium on acquisition of subsidiary	2,250,000

At the date of issuance of the equity instruments, a synergy was obtained through the acquisition of executive leadership from BWL, which did not qualify for recognition as an asset, therefore was immediately recognized as an expense. The \$2,250,000 attributed to the executive leadership is recorded as consideration paid in excess of net assets acquired from acquisition in the consolidated statements of net loss and comprehensive net loss.

The premium of acquisition of subsidiary of \$2,250,000 are a non-cash expense item that represents the excess fair value associated with the shares issued on Closing of the Qualifying Transaction over the fair value of the net assets acquired by the accounting acquirer. Prior to Closing the net asset value of the Company was \$nil.

The fair value of the net assets of Blockchain World Ltd. prior to closing was as follows:

	\$
Accounts receivable	5,896
Intangible assets (Domains)	71,659
Accounts payable and accrued liabilities	(77,555)
Total	-

In November 2022, BWL has launched the Australian and European website domains, which successfully satisfied two of the previously established performance milestones related to its acquisition of Blockchain World (BWL). As a result of the satisfaction of the milestones, the company has issued 10,000,000 units of common shares at \$0.05 per unit for a total consideration of \$500,000 to the former shareholders of BWL as agreed at the time of purchase. The performance shares are subject to restrictions on resale until March 18, 2023, in accordance with applicable securities laws.

## STRATEGY AND OUTLOOK

By divesting its Midpoint foreign exchange business, Blockmate has reduced its net cash outflows by approximately \$500,000 per annum, and now focuses all of its resources toward the blockchain and clean energy ventures within its portfolio. Accordingly, the Company is now well positioned to achieve the following business objectives:

- Build businesses in the world's fastest growing sectors, by founding and incubating them in-house and once proven the business model, finding partners to help continue their growth. Our focus in the blockchain sector, is our 100% owned, Hivello, and in the clean energy sector, the newly acquired, BESS Power Innovation Corp ("BESS") (subject to exchange approval – see Subsequent Events below).
- On May 8, 2023, Blockmate agreed to partner with Sunified to launch the world's first solar energy oracle token. This service will leverage Sunified's patented UNITY sensor hardware and trust anchoring to digitize electrons directly on solar panels. Our Sunified venture has started working with the BESS team to identify:
  - solar farms which need batteries from BESS
  - solar panels and sensors from Sunified; and
  - solar farms interested in tokenizing their energy.
- Continue to build the Hivello platform, find investment partners and launch the platform within 3 months.

## FINANCIAL PERFORMANCE

During the three months ended September 30, 2023, the Company recognized operating expenses of \$716,316 (2022 - \$556,632) from its continuing operations.

As at September 30, 2023, the Company had working capital deficiency of \$682,421 (June 30, 2023 - \$320,162). As at September 30, 2023, the cash balance consists of \$137,916 (June 30, 2023 - \$499,852) held by entities with continuing operations and \$237,710 (June 30, 2023 - \$325,383) held by the disposal group held for sale (Note 5). As at September 30, 2023, the cash held by disposal group held for sale includes restricted cash held in trust amounting to \$40,000 (June 30, 2023 - \$Nil).

The Company's current strategy is to scale its business towards blockchain, battery, and clean energy ventures.

## HISTORY OF THE COMPANY

The Company was incorporated under the *Business Corporation Act* (British Columbia) on April 15, 2010 and was classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange ("TSX-V") Corporate Finance Manual. The principal business of the Company was to identify and evaluate companies, assets or businesses with a view to completing a Qualifying Transaction (as defined in Policy 2.4). The common shares of the Company were initially listed on the TSX-V with the trading symbol "JRL.P".

On April 11, 2013 the Company completed its Qualifying Transaction (the "Transaction") with BuyFX Ltd. ("BuyFX") and concurrent financing whereby the Company acquired all issued and outstanding securities of BuyFX in exchange for the issuance of securities of the Company. For accounting purposes, this share exchange is treated as a reverse takeover ("RTO") with BuyFX being the accounting acquirer.

Until its acquisition pursuant to the Transaction, BuyFX operated a P2P foreign exchange matching platform through its wholly owned UK subsidiary, Midpoint & Transfer Ltd ("Midpoint"). On May 20, 2014 BuyFX and the Company amalgamated to form one company as Midpoint Holdings Ltd.

On March 15, 2022, the Company completed its Qualifying Transaction and acquired all of the issued and outstanding Blockchain World Ltd shares ("BWL"). The Company issued a total of 10,000,000 common shares. As a result of the transaction, the Company obtained 100% of the common shares of the entity. BWL owns the premium domain names Blockchain.eu (Europe), Blockchain.com.au (Australia) and 100% of Hivello Holdings Ltd ("Hivello").

On May 8, 2023, Blockmate agreed to partner with Sunified to launch the world's first solar energy oracle token. This global service will leverage Sunified's patented UNITY sensor hardware and trust anchoring to digitize electrons directly on solar panels.

Since this date, Blockmate has been fielding proposals in the clean energy sector. Blockmate is developing a strategy to optimize its relationship with Sunified and the opportunities it has in the clean energy sector.

On September 21, 2023, the Company entered into a binding agreement to divest its Midpoint foreign exchange business. Management expects the 100% sale of Midpoint to David Wong for a nominal figure will allow Blockmate to focus all of its resources toward the blockchain, battery and clean energy ventures within its portfolio and reduce its net cash outflows by approximately \$500,000 per annum.

## SELECTED FINANCIAL INFORMATION

The following is selected financial data derived from the unaudited quarterly consolidated financial statements of the Company for the three months ended September 30, 2023 and year ended June 30, 2023, 2022 and 2021. Note that all financial data for 2023, 2022 and 2021 are stated in Canadian dollars.

	Three months September 30, 2023 (\$CAD)	Three months September 30, 2022 (\$CAD)	Three months September 30, 2021 (\$CAD)	Year ending June 30, 2023 (\$CAD)	Year ending June 30, 2022 (\$CAD)	Year ending June 30, 2021 (\$CAD)
Total revenues	\$ 68,834	\$ 80,359	\$ 107,591	\$ 340,323	\$ 435,779	\$ 388,314
Net Income (loss)	(705,912)	(529,355)	(268,243)	(2,809,575)	(4,638,888)	(786,544)
Net income/(loss) income per share – basic	(0.00)	(0.01)	(0.00)	(0.04)	(0.08)	(0.02)
Net income/(loss) income per share – diluted	(0.00)	(0.01)	(0.00)	(0.02)	(0.06)	(0.02)
Total assets	468,703	458,680	2,816,513	961,190	794,219	3,067,206
Total non-current liabilities	nil	nil	nil	nil	nil	nil
Dividends distributed/declared	nil	nil	nil	nil	nil	nil

- Total net loss for the three months ended September 30, 2023, consists of \$1,894,028 (2022 – \$428,108) from continuing operations and net income of \$1,188,117 (2022 – \$101,247) from discontinued operations.
- The net loss for the three months ended September 30, 2023, consisted primarily of professional fees, wages, general and administrative, marketing, software development and website cost, rent, filing fees and transfers, amortization and depreciation, foreign exchange gain/loss, grant income, interest income, expense recovery, and impairment of intangibles.
- The net loss for the three months ended September 30, 2022, consisted primarily of professional fees, wages, general and administrative, marketing, software development and website cost, rent, filing fees and transfers, amortization and depreciation, foreign exchange gain/loss, and interest income.
- The net loss for the three months ended September 30, 2021, consisted primarily of, professional fees, wages, amortization and depreciation, marketing, filing fees, rent, general and administrative, and software development and website costs.
- The net loss for the three months ended June 30, 2023, consisted primarily of professional fees, wages, general and administrative, marketing, software development and website cost, rent, filing fees and transfers, amortization and depreciation, and impairment of intangibles.
- The net loss for the period ended June 30, 2022, consisted primarily of professional fees, wages, general and administrative, marketing, software development and website cost, rent, filing fees and transfers, amortization and depreciation, and impairment of intangibles and equipment.
- The net loss for the period ended June 30, 2021, consisted primarily of professional fees, wages, general and administrative, marketing, software development and website cost, rent, filing fees and transfers, amortization and depreciation.

**BLOCKMATE VENTURES INC. (FORMERLY MIDPOINT HOLDINGS LTD.)**

MANAGEMENT DISCUSSION & ANALYSIS  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023  
DISCUSSION DATED: NOVEMBER 29, 2023



The following table sets forth selected financial information for the Company's eight most recent quarters ending with the last quarter for the three months ending September 30, 2023.

	Three months ended Sep 30, 2023 \$	Three months ended Jun 30, 2023 \$	Three months ended Mar 31, 2023 \$	Three months ended Dec 31, 2022 \$
Total revenues	68,834	64,864	96,813	98,287
Net Income (loss)	(705,912)	(747,462)	(644,630)	(951,953)
Net income/(loss) per share—basic	(0.00)	(0.01)	(0.01)	(0.02)
Net income/(loss) per share—diluted	(0.00)	(0.01)	(0.01)	(0.02)
Total assets	468,703	961,190	442,491	619,990

	Three months ended Sep 30, 2022 \$	Three months ended Jun 30, 2022 \$	Three months ended Mar 31, 2022 \$	Three months ended Dec 31, 2021 \$
Total revenues	80,359	81,522	253,458	100,799
Total Income (loss)	(529,355)	(1,301,916)	(2,948,259)	(396,377)
Net income/(loss) per share—basic	(0.01)	(0.02)	(0.06)	(0.01)
Net income/(loss) per share—diluted	(0.01)	(0.02)	(0.04)	(0.01)
Total assets	458,680	794,219	2,471,733	2,440,402

**SUMMARY OF QUARTERLY RESULTS**

	Total Assets \$	Profit or Loss \$	Basic & Diluted Earnings (Loss) Per Share \$
2023 – September 30	468,703	(705,912) <sup>(1)</sup>	(0.00)
2023 – June 30	961,190	(747,462) <sup>(2)</sup>	(0.01)
2023 - March 31	442,491	(644,630) <sup>(3)</sup>	(0.01)
2022 - December 31	619,990	(951,953) <sup>(4)</sup>	(0.02)

**Notes:**

- (1) The net loss of \$705,912 consisted primarily of professional fees, wages, general and administrative, marketing, software development and website cost, rent, filing fees and transfers, amortization and depreciation, foreign exchange gain/loss, grant income, interest income, expense recovery, and impairment of intangibles.
- (2) The net loss of \$747,462 consisted primarily of premium on acquisition of subsidiary, share-based compensation, professional fees, wages, amortization and depreciation, marketing, filing fees, rent, general and administrative expenses, and software development and website costs.
- (3) The net loss of \$644,630 consisted primarily of premium on acquisition of subsidiary, share-based compensation, professional fees, wages, amortization and depreciation, marketing, filing fees, rent, general and administrative expenses, and software development and website costs.
- (4) The net loss of \$951,953 consisted primarily of professional fees, wages, amortization and depreciation, marketing, filing fees, rent, general and administrative expenses, and software development and website costs.

## DISCUSSION OF OPERATIONS

### Three Months ended September 30, 2023 compared with the Three Months ended September 30, 2022.

The Company's net loss totalled \$705,912 for the three months ended September 30, 2023, with basic and diluted loss per share of \$0.00. This compares with a total net loss of \$529,355 with basic and diluted loss per share of \$0.01 for the three months ended September 30, 2022, an increase of \$176,557 in net loss principally due to an increase in general and administrative, professional and consulting, rent and marketing expenses.

## LIQUIDITY AND FINANCIAL POSITION

The activities of the Company were financed through equity transactions such as equity offerings.

There is no assurance that the Company's business will result in future profitable operations. The business is subject to risk, market conditions, supply and demand, and competition. The Company relies on financing and the cash currently available to meet its administrative overhead and maintain its assets. The recoverability of amounts shown in assets is dependent on several factors. These factors include the ability of the Company to obtain financing to complete the planned growth, reduction of operating expenses, and future cashflow from the Company's business.

However, there can be no assurance that the Company will be able to continue to raise funds in the future in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statement of financial position.

Current liabilities decreased to \$1,151,124 at September 30, 2023, compared to \$1,281,352 at June 30, 2023; the decrease of \$130,228 was due to decreases in accounts payable and accrued liabilities, due to directors, and liabilities of the disposal group held for sale. As at September 30, 2023 the Company had cash from continuing operations of \$137,916 (June 30, 2023 - \$499,852) and cash from discontinued operations of \$237,710 (June 30, 2023 - \$325,383) to satisfy current liabilities of \$1,151,124 (June 30, 2022 - \$1,281,352). There is currently a deficit in the working capital as there is not sufficient cash to be able to meet the current liabilities that the entity holds. To be able to settle liabilities, the management plans to raise funds from further capital raises to help generation of positive cash flow and has divested Midpoint & Transfer (MPT UK and HK) subsidiary to reduce expenses in the future.

As of September 30, 2023, the Company had 110,797,758 (June 30, 2023 - 107,966,997) common shares issued and there were no options granted and outstanding. As at September 30, 2023, the Company had cash of \$375,626 (June 30, 2023 - \$825,235). The Company has issued an aggregate of 13,025,000 warrants exercisable at \$0.20 per Warrant in a Private Placement dated February 5, 2020; these warrants were not exercised and expired on February 5, 2023. The Company has issued 1,250,000 warrants exercisable at \$0.20 per Warrant in a Private Placement dated July 9, 2020; these warrants were not exercised and expired on July 9, 2022. The Company has issued an aggregate of 6,000,000 warrants exercisable at \$0.20 per Warrant in a Private Placement dated March 22, 2021; these warrants were not exercised and expired on March 22, 2023. The Company also issued 16,293,337 warrants exercisable at \$0.075 per warrant in a private placement dated November 17, 2022, 1,772,000 warrants exercisable at \$0.075 per warrant in a private placement dated January 9, 2023, and 16,400,000 warrants exercisable at \$0.075 per warrant in a private placement dated June 20, 2023. These warrants expire three years from the closing of the Private Placement.

Cash used in operating activities from continuing operations and discontinued operations was \$439,071 and \$207,523, for the year three months ended September 30, 2023. Operating activities were affected by a net increase of non-cash working capital of \$58,730 because of an increase in accounts receivable of \$2,548, decrease in prepaid expenses of \$45,001, increase in accounts payable and accrued liabilities of \$29,546, and decrease in due to directors of \$29,547 and non-cash transactions involving depreciation expense of \$3,817, expense recovery on depreciation of \$3,686, and impairment of net assets of \$457.

The Company's use of cash at present occurs, and in the future will occur, principally in two areas, namely, funding of its wages and marketing to drive and manage its growth in revenue.

On September 30, 2023, the Company had working capital deficiency of \$682,421 (June 30, 2023 – working capital deficiency of \$320,162 and had an accumulated deficit of \$23,282,885 (June 30, 2023 - \$22,576,973).

The ability of the Company to obtain necessary financing to fund working capital is uncertain. The ability of the Company to generate sales revenue to offset the expenses and maintain profitability is uncertain. These material uncertainties cast significant doubt on the Company's ability to continue as a going concern. The Company will require additional financing from time to time, which it intends to obtain through the issue of common shares. While the Company has been successful in raising equity financing through the issuances of common shares in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms.

## MANAGEMENT OF CAPITAL

The Company manages its capital with the following objectives:

- To ensure sufficient financial flexibility to achieve the ongoing business objectives; and
- To maximize shareholder return.

The Company monitors its capital structure and adjusts according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets.

The capital structure is reviewed by management and the board of directors on an ongoing basis. The Company considers its capital to be equity, comprising of share capital, warrant and option reserves, contributed surplus, accumulated other comprehensive loss and deficit which as at September 30, 2023 amounts to \$23,282,885 (June 30, 2023 - \$22,576,973).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its operating activities. Selected information is provided to the board of directors. The Company's capital management objectives, policies and processes have remained unchanged during the three months ended September 30, 2023.

The Company is not subject to any capital requirements imposed by a lending institution or any other external capital requirements.

## SAFE NOTES

In August 2022, the Company entered into an advanced subscription agreement (also referred to as convertible note/SAFE) with six investors that allows the investors to convert the principal amount to shares of Hivello (a wholly owned subsidiary). The Company issued an aggregate of 73,729 USD (or 95,835 CAD) SAFE notes, convertible at a discount of 20%, and bearing interest of 6% paid in equity at conversion period.

The conversion terms include: (1) Where conversion takes place pursuant to below, a price per Conversion Share that includes a discount of 6% of the Subscription Price. The discount is applied on initial recognition. IFRS 9 requires a financial liability to be recognized initially using the fair value in addition to the discount, increasing the carrying value of the financial liability. In this case, the 6% below market interest rate will require amortising the discount subsequently, recognizing an interest expense in the income statement. (2) Where conversion takes place pursuant to clause 3.1(b) or 3.1(c) below, a price per Conversion Share equal to a price per share based on a pre-money valuation of 25,000,000 USD, rounded down to the nearest whole share.

The 6% annual interest rate is measured using the Effective Interest Rate (EIR) and the discount initially recognized as financial liability is subsequently amortized. The payment of the Interest by the Company via bank transfer to the Subscriber is nominated bank account (details of which shall be provided separately to the Company by the Subscriber) on or within 7 days after the Conversion Date: or the Company shall allot and issue to the Subscriber ordinary shares equal to a price per share based on a pre-money valuation of 25,000,000 USD, rounded down to the nearest whole share that when aggregated equates to the Interest ("Aggregated Share Equivalent") on the Conversion Date, and the Company shall use its reasonable endeavors to achieve parity between the Interest and the Aggregated Share Equivalent but the Subscriber recognizes and consents to any required downward adjustments of the Aggregated Share Equivalent to ensure that the Subscriber receives a whole number of shares

As at June 30, 2023, no SAFE note was converted and no equity was issued by the Company in relation to this note.

## SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares. As of September 30, 2023 and as of the date of this MDA, the Company had 110,797,758 (June 30, 2023 - 107,966,997) common shares outstanding.

As of September 30, 2023, and the date of this MD&A, company had no stock options outstanding.

As of September 30, 2023 and the date of this MD&A, the Company had 34,465,337 warrants outstanding.

## RISK FACTOR

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Only investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment should undertake such investment. Prospective investors should carefully consider the risk factors described below.

### **Credit Risk, Foreign Exchange Risk, Liquidity Risk**

Financial instruments that could expose the Company to credit risk are primarily cash and cash equivalents and accounts receivable. The Company has deposited its cash in financial institutions with a good reputation, and management considers the risk of losses to be negligible.

The Company is exposed to currency risk as the Company has transactions through its subsidiaries operating in Great British pounds (GBP). The Canadian dollar equivalent value of all cash held in foreign denominated currencies as at September 30, 2023 is \$251,769 (June 30, 2023 - \$329,013). Based upon the net exposure as at September 30, 2023, a 12% depreciation or appreciation of the Great British pounds relative to the Canadian dollar would result in approximately \$30,212 (2022 - \$39,482) change in the Company's consolidated net loss and comprehensive loss. To date, funds have been raised in Canadian currency (CAD) while expenses were largely in British Pounds (GBP). The Company continues to operate primarily in CAD at the holding level. However, the Company is exposed to foreign exchange risk on a portion of its accounts payable, accrued liabilities, and GBP bank account. Management is actively hedging a portion of that exposure to mitigate this.

The Company is exposed to liquidity risk. Liquidity risk is the exposure of the Company to the risk of not being able to meet its financial obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's future liquidity is dependent on factors such as the ability to generate cash from operations and to raise money through debt or equity financing.

As at September 30, 2023 the Company had cash from continuing operations of \$137,916 (June 30, 2023 - \$499,852) and cash from discontinued operations of \$237,710 (June 30, 2023 - \$325,383) to satisfy current liabilities of \$1,151,124 (June 30, 2022 - \$1,281,352).

Financial instruments that could expose the Company to credit risk are primarily cash and cash equivalents and accounts receivable. The Company has deposited its cash in financial institutions with a good reputation, and management considers the risk of losses to be negligible. Cash consists of client deposits and accounts receivable consist of value added tax and management believes that the credit risk concentration with respect these items is remote.

### **Management**

The success of the Company is currently largely dependent on the performance of its management. Shareholders will be relying on the good faith, experience and judgment of the Company's management and advisers in supervising and providing for the effective management of the Company's business. The loss of the services of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its management or other qualified personnel required to operate its business. Failure to do so could have a materially adverse effect on the Company and its prospects.

The Company has not purchased "key-man" insurance, nor has it entered into non-competition and non-disclosure agreements with management and has no current plans to do so.

## OFF-BALANCE SHEET ARRANGEMENTS, COMMITMENTS, AND CONTINGENCIES

As of the date of this MD&A, the Company has not engaged in any off-balance sheet arrangements, such as obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments, or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company or engages in leasing or hedging services with the Company. The Company has no commitments or contingencies.

## PROPOSED TRANSACTIONS

As of the date of this MD&A, there is no firm offer that may result in a material transaction being considered by the Company. The Company continues to evaluate offers and assets that it may acquire in the future.

## RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying financial statements are summarized below:

Key management personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

	<b>For the three months ended September 30, 2023</b>	<b>For the three months ended September 30, 2022</b>
	\$	\$
Salaries and benefits (Included in professional & consulting fees, and wages)	25,000	39,394
Consulting fees (Included in professional & consulting fees)	107,745	72,703
<b>Total</b>	<b>132,745</b>	<b>122,097</b>

The due to directors and related party corporations in the statements of financial position is \$61 as of September 30, 2023 (June 30, 2023 - \$13,330).

As at September 30, 2023, the Company has \$340,843 (June 30, 2023 - \$302,015) outstanding accounts payable due to related parties.

**BLOCKMATE VENTURES INC. (FORMERLY MIDPOINT HOLDINGS LTD.)**

MANAGEMENT DISCUSSION & ANALYSIS  
 FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023  
 DISCUSSION DATED: NOVEMBER 29, 2023


**ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS**

<b>General and Administrative Expenses</b>	<b>Three months ended September 30, 2023</b>	<b>Three months ended September 30, 2022</b>	<b>Year ended June 30, 2023</b>	<b>Year ended June 30, 2022</b>
	\$	\$	\$	\$
Amortization and depreciation	3,817	5,625	23,750	108,909
Filing and transfer fees	13,667	30,952	65,785	24,365
General and administrative expenses	264,488	71,578	455,234	211,818
Marketing	40,319	23,888	187,518	134,729
Professional and consulting fees	239,453	88,175	708,556	771,806
Rent	17,436	16,120	111,572	67,059
Software development and website costs	20,389	28,899	125,888	233,898
Salaries and benefits	116,747	291,395	803,943	740,374
<b>Total</b>	<b>716,316</b>	<b>556,632</b>	<b>2,482,246</b>	<b>2,292,958</b>

<b>Other Items</b>	<b>Three months ended September 30, 2023</b>	<b>Three months ended September 30, 2022</b>	<b>Year ended June 30, 2023</b>	<b>Year ended June 30, 2022</b>
	\$	\$	\$	\$
Foreign exchange loss / (gain)	5,473	1,850	(10,564)	(8,032)
Grant income	(849)	-	(3,229)	(29,949)
Interest income	(1,965)	(281)	(1,851)	(3,819)
Expense recovery	(3,686)	-	-	88,633
Impairment on intangibles	457	-	5,709	253,157
Premium on acquisition of subsidiary			500,000	2,250,000
Other income and loss	(415)	-	(1,282)	
Other income on debt forgiven			(63,825)	

## SUBSEQUENT EVENTS

Subsequent to the three months ended September 30, 2023, the Company had the following events:

On October 25, 2023, the Company has entered into a binding share purchase agreement, subject to exchange approval, to which the company proposes to acquire all of the issued and outstanding share capital of Bess Power Innovation Corp., a company focused on the sales and distribution of residential and industrial lithium iron phosphate and lithium-ion sodium batteries and auxiliary products. In consideration for the transaction, the Company will issue 20,000,000 common shares to the existing shareholders of Bess. The consideration shares are subject to restrictions on resale for four months and one day after completion of the transaction. Pending approval from the TSX Venture Exchange, completion of the transaction is expected to take place on or before Nov. 30, 2023.

BESS owns the exclusive distribution rights to Blivex Energy Technology Co's ("Blivex") lithium battery products for North and South America and intends to address demand for residential and industrial battery products where expected delivery times for certain products exceeds 12 months. BESS anticipates that equivalent Blivex battery products can be delivered within 1-3 months from the time of order.

The global **lithium iron phosphate battery market** size was valued at around USD 8.37 billion in 2020. The market is projected to rise from USD 10.12 billion in 2021 to USD 49.96 billion in 2028 at a 25.6% CAGR<sup>1</sup>.

On October 27, 2023, the Company granted 8,050,000 incentive stock options to certain directors, officers and consultants to the company. With 146,938,374 securities on issue after issue of these options, these incentive options will represent 5.5% of the fully diluted capital. The options vest quarterly over a 24-month period and are exercisable at a price of \$0.50 until Oct. 27, 2028.

## CRITICAL ACCOUNTING ESTIMATES

As of September 30, 2023, there are no relevant changes in accounting standards applicable to future periods other than as disclosed in the most recent audited financial statements as at and for the year ended June 30, 2023.

The determination as to the existence and measurement of any impairment requires management to make significant estimates and assumptions, which includes estimated future cash flows, discount rates and estimated useful life. These significant estimates and judgments could impact the Company's future results if the current estimates of future performance and fair value change. This could affect the amount of amortization expense and any impairment charges on intangible assets in future periods.

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<sup>1</sup> Fortune Business Insights™ research report, titled, "Global Lithium Iron Phosphate Battery Market, 2021-2028"