

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 year ended June 30, 2025. 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, 2025 and 2024 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 June 30, 2025, 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.

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, 2025; 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 year ended June 30, 2025, the Company recorded revenue of \$Nil from continuing operations (2024 - \$Nil) and \$Nil from discontinued operations (2024 - \$276,179). The Company had a Basic Loss per share of \$0.06 and Diluted Loss per share of \$0.06.

The consolidated financial statements comprise of the financial statements of the Company and the following entities owned and controlled by the Company and its subsidiaries:

Name of Subsidiary	Country of Incorporation	Ownership		Principle Activities
		June 30, 2025	June 30, 2024	
Blockchain World Ltd (BWL)	London	100%	100%	Blockchain
Hivello Holdings Ltd (HVL)	London	96% BWL	96% BWL	Blockchain
Hivello Operations B.V.	Netherlands	100% HVL	100% HVL	Blockchain
Hivello Software Development Company Ltd.	Vietnam	100% HVL	-	Blockchain
Midpoint Canada	Canada	100%	100%	Dormant company

The operating results of Midpoint Hong Kong and Midpoint & Transfer, which were subsidiaries sold during the year ended June 30, 2024, are presented as discontinued operations in these consolidated financial statements. Prior to their sale, the Corporation owned 100 percent of the shares of each subsidiary.

Divestment of MPNT and MPT HK

The Company completed the sale of MPT HK and MPNT on November 21, 2023, and March 31, 2024, respectively. The segments meet the criteria for discontinued operation under IFRS 5.

As at November 21, 2023, the company completed the divestiture of MPT HK and accordingly has not been consolidated subsequent to November 21, 2023. As at March 31, 2024, the company has completed its previously announced divestiture of MPNT and accordingly has not been consolidated subsequent to March 31, 2024. The operating results of MPT HK and MPNT are included in the consolidated statement of comprehensive loss up until the date of disposal. During the period ended June 30, 2024, the sale of MPT HK and MPNT resulted to a loss in disposition of subsidiary for \$5,116 and a gain in disposition of subsidiary for \$329,002, respectively.

Advanced Subscription Agreement completion

In December 2023, the Company has completed tranche 1 financing and has issued an aggregate of \$1,484,229 USD (\$2,024,934 CAD) SAFE notes in relation to the agreement. Of the issued SAFE notes include 484,229 USD (\$660,634 CAD) advance payments from investors for the second round of capital raise closed in January 2024.

In January 2024, the Company has completed tranche 2 financing and has issued an aggregate of \$1,080,000 USD (\$1,473,444 CAD) Simple Agreement for Future Equity (SAFE) notes.

During the year June 30, 2024, and pursuant to the capital raise, the company received gross proceeds of:

- Cash and cash equivalents amounting to \$800,500 USD (\$1,092,122 CAD)
- Cryptocurrencies amounting to \$1,415,000 USD (\$1,930,485 CAD)
- Service agreements equivalent to \$275,000 USD (\$375,183 CAD)
- Converted SAFE Notes I, amounting to \$73,729 USD (\$100,588 CAD)

As at June 30, 2024, the total SAFE notes issued by the Company amount to \$2,564,229 USD (\$3,498,377 CAD).

In April 2025, the Company has completed tranche 3 financing and has issued an aggregate of \$2,683,937 USD (\$3,661,695 CAD) Simple Agreement for Future Equity (SAFE) notes. As at June 30, 2025, the total SAFE notes issued by the Company amounts to \$5,248,166 USD (\$7,160,072 CAD).

During the year June 30, 2025, and pursuant to the capital raise, the company received gross proceeds of:

- Cash and cash equivalents amounting to \$658,937 USD (\$898,988 CAD)
- Service agreements equivalent to \$440,000 USD (\$600,292 CAD)
- Cryptocurrencies amounting to \$1,585,000 USD (\$2,162,416 CAD)

As at June 30, 2025, SAFE notes has a total carrying value of \$6,397,256 CAD (June 30, 2024 - \$3,235,517 CAD) and is estimated to be converted September 30, 2027.

The investment rounds were funded by leading Web3 funds including Blockchange (USA), Cypher Capital, MH Ventures, Primal Capital, Contango Digital Assets, Candaq, NGC ventures, Blockchain Founders Fund and IDG.

BUSINESS OVERVIEW

Blockmate owns 100% of Blockchain World Ltd (BWL). BWL owns 96% of Hivello Holdings Ltd (Hivello/HVL) and the premium domain names Blockchain.eu (Europe) and Blockchain.com.au (Australia). Hivello Holdings Ltd owns 100% of Hivello Operations B.V. and hivello Software Development Company Ltd. Hivello has built 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".

STRATEGY AND OUTLOOK

In July 2025, the Company announced the launch of a dedicated Bitcoin treasury division, further aligning its corporate strategy with a long-term belief in the value of Bitcoin. This development complements Blockmate's plan on establishing Blockmate Mining, which is pursuing a "mine-and-hold" strategy aimed at accumulating Bitcoin on its balance sheet as operations scale. Blockmate Mining has secured a site with electricity costs of just USD 3.3 cents per kilowatt-hour - among the most competitive rates in North America. Once fully developed, the facility is expected to support up to 200 megawatts (MW) of mining infrastructure. While the Company does not currently own mining hardware to fully utilize this capacity, this figure represents the long-term potential of the site.

Hivello, a subsidiary, completed SAFE note financing in April 1, 2025 totaling US\$2.68 million. Investors in these raisings included: include NGC Ventures, BlockChange, Taisu Ventures, Metamasters, London Real Group, Funfair Holdings, Sytram, IBC, Star Dynasty, and others. Hivello enables individuals to earn passive income in minutes. Leveraging a frictionless, user-friendly platform with existing Web 2.0 interfaces to lower entry barriers so anyone can do it. Users just download the Hivello app for free in minutes and over time earn \$20 to \$50 or more per month, depending on their computer.

Management's primary objective in FY 2025 is to continue to secure sites with low power cost and opportunities to deliver high yields for Blockmate Mining and additional passive income streams for Hivello users.

FINANCIAL PERFORMANCE

During the year ended June 30, 2025, the Company recognized operating expenses of \$6,979,505 (2024 - \$2,924,031) from its continuing operations and \$Nil (2024 - \$616,279) from its discontinued operations.

As at June 30, 2025, the Company had working capital deficit of \$2,435,448 (June 30, 2024 - \$3,250,907). The Company had cash and cash equivalents of \$860,881 (June 30, 2024 - \$57,464) held by entities with continuing operations.

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 November 21, 2023, the company completed the divestiture of MPT HK, and accordingly has not been consolidated subsequent to November 21, 2023. In consideration for the divestiture, Midpoint Hongkong management will assume

responsibility for all liabilities and obligations associated with the business as well as operational expenses associated with maintaining its operations. The sale of MPT HK resulted to the loss in disposition of subsidiary from continuing operations for \$5,116.

On March 31, 2024, the company completed the previously announced divestiture of MPNT, and accordingly has not been consolidated subsequent to March 31, 2024. In consideration for the divestiture, the acquirer assumed the responsibility for all liabilities and obligations associated with the business as well as operational expenses associated with maintaining its operations. The sale of MPNT resulted to the gain in disposition of subsidiary from continuing operations for \$329,002.

SELECTED FINANCIAL INFORMATION

The following is selected financial data derived from the unaudited quarterly consolidated financial statements of the Company for the year ended June 30, 2025, 2024 and 2023. Note that all financial data for 2025, 2024 and 2023 are stated in Canadian dollars.

	Three months June 30, 2025	Three months June 30, 2024	Three months June 30, 2023	Year ending June 30, 2025	Year ending June 30, 2024	Year ending June 30, 2023
Total revenues	\$ Nil	\$ 47,066	\$ 64,864	\$ Nil	\$ 276,179	\$ 340,323
Net Income (loss)	(1,357,088)	(1,160,270)	(747,462)	(7,177,641)	(2,603,324)	(2,809,575)
Net income/(loss) per share – basic	(0.01)	(0.01)	(0.01)	(0.06)	(0.03)	(0.04)
Net income/(loss) per share – diluted	(0.01)	(0.01)	(0.01)	(0.06)	(0.02)	(0.02)
Total assets	1,184,356	1,307,263	961,190	1,184,356	1,307,263	961,190
Total non-current liabilities	3,324,431	Nil	Nil	Nil	Nil	Nil
Dividends distributed/declared	Nil	Nil	Nil	Nil	Nil	Nil

- Total revenue for the year ended June 30, 2025, consists of \$Nil (2024 – \$ Nil) from continuing operations and \$Nil (2024 - \$276,179) from discontinued operations.
- Total net loss for the year ended June 30, 2025, consists of \$7,117,641 (2024 – \$3,604,576) from continuing operations and income of \$Nil (2024 – income of \$1,001,252) from discontinued operations.
- The net loss for the year ended June 30, 2025, consisted primarily of professional and consulting fees, marketing expenses, wages, general and administrative, amortization and depreciation, accretion expense, expected credit loss, and share-based compensation.
- The net loss for the year ended June 30, 2024, consisted primarily of professional and consulting fees, marketing expenses, wages, accretion expense and share-based compensation
- The net loss for the year 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 premium on acquisition of subsidiary - BWL.
- The net loss for the three months ended June 30, 2025, consisted primarily of professional and consulting fees, wages, expected credit loss, and share-based compensation.
- The net loss for the three months ended June 30, 2025, was highly impacted by the recognition of \$1,007,879 expected credit loss due to doubt on collectability of loans receivable.
- The net loss for the three months ended June 30, 2024, consisted primarily of professional and consulting fees, marketing expenses, wages and accretion expense.

- 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 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 June 30, 2025 and 2024.

	Three months ended Jun 30, 2025 \$	Three months ended March 31, 2025 \$	Three months ended Dec 31, 2024 \$	Three months ended Sep 30, 2024 \$
Total revenues	-	-	-	-
Net Income (loss)	(1,357,088)	(2,501,982)	(2,043,614)	(1,274,957)
Net income/(loss) per share—basic	(0.01)	(0.02)	(0.01)	(0.01)
Net income/(loss) per share—diluted	(0.01)	(0.01)	(0.01)	(0.01)
Total assets	1,184,356	3,284,574	1,968,207	789,562

	Three months ended Jun 30, 2024 \$	Three months ended Mar 31, 2024 \$	Three months ended Dec 31, 2023 \$	Three months ended Sep 30, 2023 \$
Total revenues	47,066	95,976	64,303	68,834
Total Income (loss)	(1,160,270)	(524,345)	(404,680)	(514,029)
Net income/(loss) per share—basic	(0.01)	(0.00)	(0.00)	(0.00)
Net income/(loss) per share—diluted	(0.01)	(0.00)	(0.00)	(0.00)
Total assets	1,307,263	2,585,713	2,004,333	502,391

SUMMARY OF QUARTERLY RESULTS

	Total Assets \$	Profit or Loss \$	Basic & Diluted Earnings (Loss) Per Share \$
2025 – June 30	1,184,356	(1,357,088) ⁽¹⁾	(0.01)
2025 – March 31	3,284,574	(2,501,982) ⁽²⁾	(0.02)
2024 – December 31	2,728,670	(2,043,614) ⁽³⁾	(0.01)
2024 – September 30	789,562	(1,274,957) ⁽⁴⁾	(0.01)
2024 – June 30	1,307,263	(1,160,270) ⁽⁵⁾	(0.01)
2024 – March 31	2,585,713	(524,345) ⁽⁶⁾	(0.00)
2023 – December 31	2,004,333	(404,680) ⁽⁷⁾	(0.00)
2022 – September 30	502,391	(514,029) ⁽⁸⁾	(0.00)

Notes:

- ⁽¹⁾ The net loss of \$1,357,088 is mainly due to expected credit loss, share-based compensation, wages, marketing expenses, professional and consulting fees, accretion expense, general and administrative expenses, software development and website cost, and filing fees and transfer fees; slightly offset by discount on SAFE Notes

adjustment. The net loss for the three months ended June 30, 2025, was highly impacted by the recognition of \$1,007,879 expected credit loss due to doubt on collectability of loans receivable.

- (2) The net loss of \$2,501,982 is mainly due to wages, share-based compensation, marketing, professional fees, software development and website cost, and general and administrative expenses; slightly offset by license fees.
- (3) The net loss of \$2,043,614 is mainly due to wages, professional fees, share-based compensation, marketing, software development and website cost, accretion expense, and filing fees and transfer fees.
- (4) The net loss of \$1,274,957 is mainly due to wages, professional fees, marketing, software development and website cost, share-based compensation, accretion expense, and filing fees and transfer fees.
- (5) The net loss of \$1,160,270 consisted primarily of professional and consulting fees, marketing expenses, wages and accretion expenses.
- (6) The net loss of \$524,345 consisted primarily of professional fees, wages, general and administrative, marketing, software development and website cost, rent, filing fees and transfers, amortization and depreciation, share-based compensation, interest income, gain on debt settlement and loss of debt forgiven.
- (7) The net loss of \$404,680 consisted primarily of loss on debt forgiven, share-based compensation, professional fees, wages, amortization and depreciation, marketing, filing fees, rent, general and administrative expenses, and software development and website costs.
- (8) The net loss of \$514,029 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.

DISCUSSION OF OPERATIONS

Three Months ended June 30, 2025 compared with the Three Months ended June 30, 2024.

The Company's net loss totalled \$1,357,088 for the three months ended June 30, 2025, with basic and diluted loss per share of \$0.01. This compares with a total net loss of \$1,160,270 with basic and diluted loss per share of \$0.01 for the three months ended June 30, 2024, an increase of \$196,818 in net loss principally due to increase in expected credit loss, share-based compensation, accretion expense, general and administrative expenses, and amortization; and decrease in interest income. This is slightly offset by the decrease in loss on debt forgiven, professional and consulting fees, wages, marketing expenses, and website cost, filing fees and transfer fees, gain on debt settlement, foreign exchange loss, software development, and rent, and impairment on intangibles; and increase in discount on SAFE Notes, other income, license fees.

Year ended June 30, 2025 compared with the Year ended June 30, 2024.

The Company's net loss totalled \$7,177,641 for the year ended June 30, 2025, with basic and diluted loss per share of \$0.06. This compares with a total net loss of \$2,603,324 with basic and diluted loss per share of \$0.02 for the year ended June 30, 2024, an increase in net loss of \$4,574,317 principally due to an increase in share-based compensation, marketing expenses, expected credit loss, software development and website cost, accretion expense, general and administrative expenses, loss on debt forgiven, filing fees, and impairment on intangibles; and decrease in interest income, grant income, and expense recovery. This is slightly offset by the decrease in professional and consulting fees, rent, loss on debt settlement, foreign exchange loss, and amortization and depreciation; and increase in discount on SAFE notes, license income, and other income.

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 \$3,557,910 as at June 30, 2025, compared to \$3,709,428 at June 30, 2024; the decrease of \$151,518 was primarily due to the change in estimated conversion date of the SAFE notes.

The Company had cash of \$860,881 (June 30, 2024 - \$57,464) to satisfy a portion of its current liabilities of \$3,557,910 (June 30, 2024 - \$3,709,428). As of June 30, 2025, all the cash balance of \$860,881 (June 30, 2024 - \$57,464) is held by entities with continuing operations.

There is currently a working capital deficit of \$2,435,448 (June 30, 2024 - \$3,250,907) which is not considered sufficient to fund operations at their current levels for the next twelve months. The Company does not foresee substantial future revenue from operations and will be required to generate additional funding through external financing, which cannot be assured. The management is expecting to fund future growth and expansion along with meeting cash flow requirements through raising funds by warrant exercises and private placements. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

As of June 30, 2025, the Company had 143,297,258 (June 30, 2024 - 110,797,758) common shares issued, 31,173,337 (June 30, 2024 - 34,465,337) warrants granted and outstanding, 12,987,500 (June 30, 2024 - 7,550,000) options granted and outstanding, and 2,700,000 (June 30, 2024 - 2,520,000) RSU granted and outstanding and 5,000,000 (June 30, 2024 - \$Nil) DSU granted and outstanding.

The Company issued 16,293,337 warrants exercisable at \$0.075 per warrant in a private placement dated November 17, 2022 of which 7,520,000 has been exercised and 8,773,337 is outstanding. On January 9, 2023, the company issued 1,772,000 warrants exercisable at \$0.075 per warrant which has been fully exercised during the year ended June 30, 2025. In a private placement dated June 20, 2023, the company issued 16,400,000 warrants exercisable at \$0.075 per warrant of which 8,000,000 has been exercised and 8,400,000 is outstanding. In a private placement dated December 23, 2024, the company issued 14,000,000 warrants exercisable at \$0.50 per warrant which is still outstanding as at June 30, 2025.

During the year ended June 30, 2025, a total of 17,292,000 warrants were exercised for \$0.075 per share. The total outstanding warrants of 31,173,337 has a weighted average exercise price of \$0.27 and average remaining 1.48 years to exercise before expiry date.

On October 27, 2023, the Company granted 7,550,000 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 \$0.05 until Oct. 27, 2028. On December 23, 2024, the Company granted a total is 5,625,000 share options exercisable at \$0.21 per share to certain directors, officers and consultants to the company. Options for 625,000 shares vest immediately, of which 25,000 is exercisable within 5 years and 600,000 is exercisable within 3 years. The remaining 5,000,000 options vest

quarterly over a 24-month period and are exercisable for a period of 4 years. 2,725,000 of the options granted is pending ratification of omnibus plan from shareholders as at the year ended June 30, 2025 and has been ratified as at July 23, 2025.

As at June 30, 2025, 187,500 options were exercised. The total outstanding warrants of 12,987,500 has a weighted average exercise price of \$0.12 and remaining 3.35 years to exercise before expiry date.

On February 07, 2024, the Company granted 2,520,000 restricted share units to certain directors and officers of the company in lieu of the wages payable amounting to \$93,324. The RSUs were granted in accordance with the omnibus incentive plan adopted by the company and has vested and converted into common shares on February 07, 2025. The share price as at date of grant is \$0.045 and is valued \$113,400, resulting to a loss on debt settlement of \$20,076. On February 07, 2025, the Company issued 1,020,000 shares upon vesting of restricted share units granted to certain directors and officers of the company while certain officers elected to defer conversion of 1,500,000 restricted share units. On December 23, 2024, the Company granted 1,200,000 restricted share units to certain directors and officers of the company. RSUs granted is pending ratification of omnibus plan from shareholders as at the year ended June 30, 2025 and has been ratified as at July 23, 2025. The RSUs vest and will be settled in common shares of the company after 12 months. The RSU has a fair value of \$138,000.

As at June 30, 2025, the total outstanding RSU of 2,700,000 with the fair value of \$205,500 which includes 1,500,000 fully vested RSU deferred for conversion.

On December 23, 2024, the Company granted 5,000,000 deferred share units to certain directors and officers of the company. DSUs were granted but is pending ratification of omnibus plan from shareholders as at the year ended June 30, 2025 and has been ratified as at July 23, 2025. DSUs vest after 12 months but will only be settled in common shares of the company upon the departure of the holder from the company. The DSU has a fair value of \$575,000 of which 2,589,041 has vested resulting to recognition of share-based compensation of \$297,740 during the year ended June 30, 2025.

Cash used in operating activities from continuing operations and from discontinued operations was \$2,818,713 and \$Nil, for the year ended June 30, 2025 (June 30, 2024 - \$2,818,910 and \$516,067). Operating activities were affected by the net loss and non-cash transactions amounting to \$2,897,965 cash outflow from continuing operations and \$Nil from discontinued operations (June 30, 2024 - \$2,638,059 and \$703,123).

For the year ended June 30, 2025, the net decrease of non-cash working capital of \$79,252 from continuing operations is mainly due to a decrease in prepaid expenses of \$105,945 and decrease in accounts payable and accrued liabilities of \$13,832, slightly offset by an increase in accounts receivable of \$12,861. For the year ended June 30, 2024, the net decrease of non-cash working capital of \$180,851 from continuing operations is mainly due to an increase in prepaid expenses of \$168,625 and decrease in due to directors of \$13,267, slightly offset by an increase in accounts payable and accrued liabilities of \$1,041.

Cash received from financing activities from continuing operations and discontinued operations were \$2,624,481 and \$Nil for the year ended June 30, 2025 (June 30, 2024 - \$2,488,029 and \$102,606). For the year ended June 30, 2025, the financing activities were primarily affected by the cash proceeds from issuance of shares \$2,706,275, SAFE notes amounting to \$898,988, loans receivable repayment of \$37,931, and unearned income of \$25,000; slightly offset by cash used in loan receivable of \$1,043,713. For the year ended June 30, 2024, financing activities from continuing operations were primarily affected by cash proceeds from issuance of shares of \$25,000, SAFE notes of \$2,451,000, and loans receivable repayment of \$37,931; slightly offset by cash used in loans receivable of \$1,043,713. For the year ended June 30, 2024, financing activities from discontinued operations were primarily affected by increase in loans payable of \$102,606.

Cash received from investing activities from continuing operations and discontinued operations were \$785,389 and \$Nil for the year ended June 30, 2025 (June 30, 2024 - used \$11,242 and \$6,468). For the year ended June 30, 2025, investing activity was primarily affected by the conversion of crypto assets into cash amounting to \$796,594; slightly offset by acquisition of equipment and intangibles amounting to \$4,999 and \$6,206. For the year ended June 30, 2024, investing

activity was primarily affected by acquisition of equipment and intangibles amounting to \$1,963 and 9,278 for continuing operations and acquisition of equipment amounting to \$6,468 for discontinued operations.

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 June 30, 2025, the Company had a working capital deficit of \$2,435,448 (June 30, 2024, deficit - \$3,250,907) and an accumulated deficit of \$32,077,752 (June 30, 2024 - \$25,117,247).

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 exercise of warrants and the issue of new 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 June 30, 2025, amounting to \$5,697,985 (June 30, 2024 - \$2,402,165).

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 year ended June 30, 2025.

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

SAFE NOTES

In December 2023, the Company entered into an advanced subscription agreement that allows the investors to convert the principal amount to shares of Hivello (a subsidiary). On December 14, 2023, the company successfully completed a \$1,000,000 USD capital raise. This SAFE (Simple Agreement for Future Equity) instrument fundraising round places a pre-money valuation cap on Hivello at \$5,000,000 USD. Additionally, in January 2024, the Company closed another \$1,500,000 USD capital raise at a pre-money valuation cap of \$9,000,000 USD.

In December 2023, the Company completed tranche 1 financing and issued an aggregate of \$1,484,229 USD (\$2,024,934 CAD) SAFE notes in relation to the agreement. Of the issued SAFE notes include 484,229 USD (\$660,634 CAD) advance payments from investors for the second round of capital raise closed in January 2024.

In January 2024, the Company completed tranche 2 financing and issued an aggregate of \$1,080,000 USD (\$1,473,444 CAD) Simple Agreement for Future Equity (SAFE) notes.

During the year June 30, 2024, and pursuant to capital raise, the company received gross proceeds of:

- Cash and cash equivalents amounting to \$800,500 USD (\$1,092,122 CAD)
- Cryptocurrencies amounting to \$1,415,000 USD (\$1,930,485 CAD)
- Service agreements equivalent to \$275,000 USD (\$375,183 CAD)
- Converted previously issued SAFE Notes, amounting to \$73,729 USD (\$100,588 CAD)

In April 2025, the Company has completed tranche 3 financing and has issued an aggregate of \$2,683,937 USD (\$3,661,695 CAD) Simple Agreement for Future Equity (SAFE) notes. As at June 30, 2025, the total SAFE notes issued by the Company amounts to \$5,248,166 USD (\$7,160,072 CAD).

During the year June 30, 2025, and pursuant to the capital raise, the company received gross proceeds of:

- Cash and cash equivalents amounting to \$658,937 USD (\$898,988 CAD)
- Service agreements equivalent to \$440,000 USD (\$600,292 CAD)
- Cryptocurrencies amounting to \$1,585,000 USD (\$2,162,416 CAD)

From the components of the agreement below:

- The convertible notes have no maturity date.
- The Company will issue a variable number of shares upon conversion and ultimate settlement of the debt.
- The holder is entitled to receive cash or other financial assets from the Company (IFRS 9, paragraph 4.2.1).
- The first and second tranche of SAFE Notes has a total principal amount of \$3,498,377 CAD (\$2,564,229 USD) and total carrying value of \$3,072,825 CAD (\$2,252,309 USD) as at June 30, 2025 (June 30, 2024 - \$3,235,517 CAD (1,534,228.63 USD)). The SAFE notes were discounted using the 6.7% and a new estimated maturity date on June 30, 2027.
- The third tranche of SAFE Notes has a total principal amount of \$3,661,695 CAD (\$2,683,937 USD) and total carrying value of \$3,324,431 CAD (\$2,436,730 USD) as at June 30, 2025 (June 30, 2024 - \$Nil). The SAFE notes were discounted using a rate of 4.95% with an estimated maturity date on June 30, 2027.
- If the Company has any Future Token* Offerings, then the Investor shall be entitled to receive, at no cost, a portion of the Tokens being distributed in Future Token Offerings on a pro-rata basis.
- *Coin or Token means any form of sale, grant, distribution, private sale or the public sale of cryptographic coins or tokens via a private placement, initial coin offering, blockchain or otherwise.
- No interest is payable on the Advance Subscription in any circumstance. No amount of the Advance Subscription is repayable by the Company in any circumstance, but such amount may be converted into shares.

The instruments are classified as financial liabilities until conversion takes place in line with IFRS 9, financial instruments.

Conversion terms:

- The Advance Subscription shall automatically convert into Conversion Shares at the Conversion Price, and the Company shall issue and allot to the Subscriber (or as the Subscriber shall direct) the number of fully paid Conversion Shares to which it is entitled in event of financing round, liquidation event, long stop date, and insolvency.

- The Conversion Shares so allotted and issued shall be in full satisfaction and discharge of all obligations of the Company under this agreement to the Subscriber and this agreement shall terminate automatically and immediately on completion of such conversion.

Interest and Discount rate:

- SAFE notes bear no interest and is therefore discounted using a discount rate of 6.7% for tranche 1 and 2 and 4.95% for tranche 3. The carrying value of SAFE notes is \$6,397,256 CAD (June 30, 2024 - \$3,235,517 CAD) and is estimated to be converted September 30, 2027.

As at June 30, 2025, 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 June 30, 2025 and as of the date of this MDA, the Company had 143,297,258 (June 30, 2024 - 110,797,758) common shares outstanding.

As of June 30, 2025, and the date of this MD&A, the company had 12,987,500 (June 30, 2024 - 7,550,000) option granted and outstanding.

As of June 30, 2025, and the date of this MD&A, the Company had 31,173,337 (June 30, 2024 - 34,465,337) warrants granted and outstanding.

As of June 30, 2025, and the date of this MD&A, the Company had 2,700,000 (June 30, 2024 - 2,520,000) RSU granted and outstanding.

As of June 30, 2025, and the date of this MD&A, the Company had 5,000,000 (June 30, 2024 - Nil) DSU granted and outstanding.

NON-CONTROLLING INTEREST

On November 14, 2024, Hivello Holdings, a subsidiary, entered into a stock purchase agreement and issued 465 of its common stock resulting in 4% of the ownership interest held by non-controlling shareholders.

Reconciliation of non-controlling interest as follows:

	June 30, 2025	June 30, 2024
Beginning Balance	\$ (63,050)	\$ -
Non-controlling interest share in net loss	(217,136)	(63,050)
Ending Balance	(280,186)	(63,050)

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 United Kingdom, European, and Vietnam subsidiaries in Great British pounds (GBP), Euro (EUR), and Vietnamese Dong (VND) currencies. The Canadian dollar equivalent value of all cash held in foreign denominated currencies as at June 30, 2025 is \$103,237 (June 30, 2024 - \$25,046). Based upon the net exposure as at June 30, 2025, a 12% depreciation or appreciation of the UK pound sterling, Euro, and Vietnamese Dong relative to the Canadian dollar would result in approximately \$12,388 (2024 - \$3,006) change in the Company's consolidated net loss and comprehensive loss.

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.

The Company had cash of \$860,881 as at June 30, 2025 (June 30, 2024 - \$57,464) to satisfy a portion of its current liabilities of \$3,557,910 (June 30, 2024 - \$3,709,428). As at June 30, 2025 and 2024, there is deficit in the working capital as there is no sufficient cash to be able to meet the current liabilities that the entity holds.

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 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.

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:

	For the year ended June 30, 2025	For the year ended June 30, 2024
	\$	\$
Salaries and benefits (Included in professional & consulting fees, and wages)	120,833	79,167
Consulting fees (Included in professional & consulting fees)	248,848	410,870
Share-based compensation	875,647	168,189
Total	1,245,328	658,226

The due to directors and related parties in the statements of financial position is \$69 as of June 30, 2025 (June 30, 2024 - \$63).

As at June 30, 2025, the Company has \$147,864 (June 30, 2024 - \$112,422) outstanding accounts payable due to related parties. Out of these payables \$6,250 (June 30, 2024 - \$6,250) is due to a former director of the Company and a company the former director controls.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS

General and Administrative Expenses	Continuing operations Year ended June 30, 2025	Continuing operations Year ended June 30, 2024	Continuing operations Year ended June 30, 2023	Discontinued operations Year ended June 30, 2024
	\$	\$	\$	\$
Accretion expense	261,304	102,865	-	-
Amortization and depreciation	1,673	258	-	9,002
Filing fees and transfer fees	98,201	68,625	65,785	-
General and administrative	352,693	104,384	107,556	178,953
Marketing	1,451,417	343,721	116,830	5,528
Professional and consulting fees	1,418,060	1,234,418	486,830	204,275
Rent	33,718	21,545	25,065	43,560
Software development and website	391,729	72,853	70,004	9,806
Wages	1,970,896	807,173	524,987	165,155
Share-based compensation	999,814	168,189	--	-
Total	6,979,505	2,924,031	1,397,057	616,279

Other Items	Continuing operations Year ended June 30, 2025	Continuing operations Year ended June 30, 2024	Discontinued operations Year ended June 30, 2025	Discontinued operations Year ended June 30, 2024
	\$	\$	\$	\$
Foreign exchange (Gain) / Loss	(174)	15,041	-	1,907
License income	(34,111)	-	-	-
Grant income	-	-	-	(855)
Impairment on intangibles and equipment	587	385	-	-
Interest income	(10,464)	(115,850)	-	63
Gain on Debt Settlement	-	20,076	-	-
Other income	(11,292)	(875)	-	-
Expected Credit Loss	1,007,879	-	-	-
Expense Recovery	-	-	-	(1,238)
Discount on SAFE Notes	(762,459)	(373,485)	-	-
Debt forgiven	8,170	1,459,139	-	(1,538,637)
Total	198,136	1,004,431	-	(1,538,760)

SUBSEQUENT EVENTS

Subsequent to the year ended June 30, 2025, the Company had the following events:

On July 23, 2025, the Company held its annual general and special meeting and ratified the grant of an aggregate 2,725,000 incentive stock options, 1,200,000 restricted share units and 5,000,000 deferred shares units, as previously approved by the board of directors of the Company, as more particularly described in the Information Circular.

CRITICAL ACCOUNTING ESTIMATES

As of June 30, 2025, there are no relevant changes in accounting estimates applicable to future periods other than as disclosed in the most recent audited financial statements as at and for the year ended June 30, 2025.

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 expenses and any impairment charges on intangible assets in future periods.
